

**Development NGOs, Colonialism, Gender and Poverty in Tanzania:
A Critical Case Study of Microcredit as a Neoliberal Poverty Alleviation Initiative**

by

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Abstract

“The industry seems to be following the advice of French humorist Alphonse Allais, who wrote: “Money should be taken where it can be found: among the poor. They don’t have much, but there are so many of them” (Gouverneur, 2012).

The deployment of microfinance as a neoliberal, market-based, development intervention in the name of poverty-alleviation and empowerment has continued to persist in international development programs, policy and discourses, despite growing critiques which illustrate that it has not significantly reduced poverty, nor empowered women in the Global South. Persistent critical scholarship including empirical studies in Latin America, Asia and Africa over the last ten years have pointedly exposed microcredit as a development project and proponents who claimed this was *the* solution to global poverty. Instead, microcredit culminated in producing challenges adversely affecting so-called beneficiaries (e.g. mainly urban/rural poor women), while some dominant development NGOs and their sub-contracted small or local NGOs operated as neoliberal agents, complicit in the implementation of the neoliberal development project.

Relying on a critical-qualitative research methodology, this thesis elaborates on a critical qualitative case study of BRAC TANZANIA’s (formerly known as Bangladesh Rural Advancement Committee) microcredit intervention as a neoliberal development and poverty-alleviation strategy. The main purpose of the research and the case study was to develop a critical exploration of microcredit programs as a neoliberal poverty alleviation intervention in terms of its poverty causing, neo/colonial and gendered implications. Methods of data collection included secondary documents, key informant interviews, focus groups and researcher observations. The case study engaged 52 participants of which 44 were borrowers of microloans

and ten were staff employed at BRAC who administered the microfinance program. The research was conducted in Dar-es-Salaam in May and June of 2015.

Critical-qualitative data generated through this research brings into question how a capital-driven neoliberal penetration strategy has brazenly been promulgated in the name of development and poverty alleviation to further the interests of the agents of capital, including NGOs implementing microcredit, while perpetuating obstinate gendered, colonial and impoverishing continuities.

Preface

This thesis is an original work by Sheineen Nathoo. The research of this project received ethics approval from the University of Alberta Ethics Board,

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Dedication

I dedicate this thesis to Rahim Amlani who always believed in me.

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I convey my deepest gratitude to Dr. Dip Kapoor who recognized my skills, encouraged me to conduct research in Tanzania and supported me throughout the research process. I am genuinely inspired by his tenacity, his relentless commitment to critically engage individuals and affect positive change. I am also grateful to the women and men in Tanzania who shared their personal stories which made my research possible. I thank Dr. Khairunnisa Dhamani at The Aga Khan University, East Africa, for providing a space for me to work, and for her personal support in Dar-es-Salaam. I am also thankful to the students at the university who shared their food, personal stories and knowledge of the local culture.

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CHAPTER ONE

Introduction

In the 1970's neoliberalism provided the impetus for Europe and America to implement the concept of development to allegedly modernize and economically develop 'Third World' countries through the assistance of international aid. Development was justified in the name of increasing economic growth on a global scale to address the issues of poverty, inequality and underdevelopment in Africa, Asia and Latin America.

Education became a means by which the 'First World' promoted human capital theories to kick-start the industrialization process through scientific and technical knowledge, rational thinking, modernization, and social and cultural assimilation via such hegemonic (western) discourses and knowledge impositions (Tikly, 2009). International development organizations such as the United Nations, the World Bank and international aid agencies began undertaking development projects, using formal and non-formal education to develop marketable skills which would contribute to economic growth in the Third World. Non-governmental organizations (NGOs) became the organizational conduits through which community education programs were implemented, focusing on non-formal education which promoted "people-centered" learning approaches, accessibility and inclusiveness, while promoting a particular conception of "civil society", as prescribed by the 'First World' (Heward & Bunwaree, 1999).

Over the last forty years, while transnational corporations and the Global North have prospered, development strategies in the Global South have produced bleak results: development has failed to significantly address poverty and exploitation, oppression and inequality have

increased as a result of such neocolonial interventions in the name of poverty alleviation and aid (Green, 2014). Subsequently, the development project, its institutions (including NGOs) and the associated conceptions and practices of development, justified in the name of poverty alleviation, calls for critical re-examination.

Over the last 18 years, my experience working in community education with NGOs and various levels of government in Canada to administer grants programs to support NGOs, has provided me with an excellent opportunity to appreciate micro-level challenges associated with working through NGOs. It has also provided an opportunity to appreciate the possibilities for social change while understanding the political contexts in which NGO's operate; the structural and systemic challenges faced by NGOs; policy development at varying levels of government as it relates to NGOs; and the complexities of corporate/NGO partnerships enmeshed in capitalist and civil society agendas.

Microcredit Development Interventions

Hailed as the modern day miracle of poverty alleviation in international development discourses, microcredit has gained extensive international appeal. It was popularized by the Grameen Bank, founded by Muhammad Yunus in 1976 in Bangladesh to provide small loans to start income generating businesses (Karim, 2008). Yunus shared his humble beginnings of loaning \$27 to 42 individuals and extolled microcredit's poverty-alleviation benefits to the international development community who convincingly hitched themselves onto the microcredit bandwagon to deliver "capitalism to the poor" (Bateman, 2017, p.2). Subsequently, dominant colonial and neoliberal development discourses have actively promoted the microcredit model as

a mechanism to empower the world's poor through financial inclusion and economic participation, claiming that it will increase financial capacity and subsequently reduce individual and global poverty.

By 1998 microcredit programs had been “replicated in 54 countries and 94 per cent of its borrowers were poor women” (Karim, 2008, p.13). In 2015, the World Bank estimated that microcredit is now a \$60 to \$100 billion global industry with over 200 million clients.

Development NGOs have become the primary development purveyors to impart business-like skills to rural women through informal community-based mechanisms. Women are targeted because they are generally more trusting of NGOs and their development mandate, are more reliable in repayment of microloans, and more tolerant of the tactics deployed to ensure repayment.

By 2007, there was growing international scholarship which provided empirical evidence that microcredit interventions had failed to reduce poverty. The United Nations Human Development Index which measures income levels, education and life expectancy, indicated that even after investing in microcredit programs over the last twenty years, global poverty was still increasing (Davis, 2006). In a discussion paper of the United Nations Conference on Trade and Development, Bateman (2017) further alleged that the microcredit model has resulted in multiple challenges including an exorbitant amount of indebtedness, individual impoverishment, and increasing inequities in the Global South.

Purpose of the Research and Research Questions

The main purpose of the research and the case study was to develop a critical exploration of microcredit as a neoliberal poverty alleviation intervention and its poverty causing, neo/colonial and gendered implications. This critical research exploration was guided by and attempts to address the following questions:

1. What are the poverty causing implications of microcredit interventions structured by the interests and relations of neoliberal development and capital?
2. What are the gendered implications of microcredit?
3. How do such interventions reproduce colonial relations?

Significance of the Research

Since 2007 there has been a growing body of knowledge, especially critical scholarship, with empirical evidence from specific geographic regions in Latin America, Africa and Asia that illustrates the negative impacts of microcredit on borrowers and their communities. This scholarship has been built through multiple knowledge constructions generated in fields such as anthropology, sociology, development studies, and economics.

As the Global North continues to amass an inordinate amount of wealth through this intervention, microloan borrowers in the Global South continue to face increasing inequities and oppression. It is important that participants of the microcredit model and scholars continue to gather critical data to challenge the impacts of the neoliberal economic intervention; to challenge the Eurocentric epistemic assumptions of the Global South upon which the microcredit model was initiated; and the structural causes of poverty that perpetuate oppression and inequalities in

the Global South. These knowledge constructions foreground and advance necessary oppositional, anti-colonial perspectives that expose and implicate global power structures, while strengthening a democracy that reconstructs knowledge based on the experiences of microloan borrowers (the so-called “clients” and “followers”) of the Global South.

This research seeks to contribute to the existing body of critical empirical scholarship on microcredit as an exploratory critical case study conducted in Tanzania and adds to a significant body of critical literature that indicates female borrowers are facing multiple challenges; that the challenges faced by microloan borrowers may or may not be similar to those faced by women in other parts of the world where the model has been implemented; that development NGOs have become agents of dominant structures that perpetuate inequalities reproduced by capitalist, colonial, and gendered relations.

The research will likely contribute towards and draw from literature pertaining to: critical development studies; microcredit education; development NGOs; gender and development; and critical literature(s) pertaining to development and colonialism, capitalism and neoliberalism.

Limitations and Delimitations of the Research

The critical insights and data generated through this study need to be understood in terms of limitations such as the time allowed to do the work in Tanzania, language barriers, access to the organization and microloan participants. The concluding chapter shares more in relation to the question of access and open engagement permitted or not in a critical research exercise carried out under the oversight of the organization concerned, including its’ brokering of access to organizational staff and microcredit clients. The study was conducted over a limited six week

period. Language was a barrier throughout the field study, as I did not speak Swahili. I was able to converse with BRAC staff at their Country Office in Dar-es-Salaam who spoke both English and Swahili, while microloan borrowers at village-based locations spoke Swahili. A staff member from BRAC was assigned to translate for the focus group discussions. The position of the BRAC employee may have affected the responses of the participants. As the translator was from BRAC, translations may have included power laden institutional interpretations of participant's responses.

According to the literature review, I was expecting groups of six to ten women within the group lending model. However, when visiting the women's group, there were 19 to 23 women in each group. Because the focus groups were so large, not all women may have felt comfortable sharing their experiences.

A senior officer from BRAC seemed to have been keeping a watchful eye on me as he was present at a number of interviews. In the majority of cases, BRAC employees were interviewed with at least a second BRAC employee present. Even though there were 52 participants, of whom 42 were focus group participants, it was difficult to engage critical perspectives from both microloan borrowers and BRAC staff because of the constant surveillance by the organization. As it became increasingly evident to BRAC that I was conducting a critical research study, the organization started stalling and postponing my interviews with employees and with women who had received microfinance loans. There was another researcher from a local university in Dar-es-Salaam who was also conducting research on BRAC at this time. The organization informed us that because there were numerous local and international requests to visit the organization, researchers would need to be grouped together

when visiting focus groups. This also posed challenges for conducting critical research in the company of another researcher, as the other researcher's focus was on system maintenance, if not the enhancement of microcredit interventions. Needless to say, this also influenced in/equities in how access to research participants was brokered by BRAC.

A delimitation of the research was that while BRAC operates its microfinance program in seven countries (BRAC Tanzania, 2017), I narrowed the research to a single case study of BRAC Tanzania. I also narrowed the research to the microloan program administered specifically in Dar-es-Salaam, where BRAC's Country Office was located. These determinations were made in the interests of available time, finances, and establishing a more realistic scope (do-ability criteria) for a master's thesis study.

Organization of the Thesis

The introductory chapter sets out to provide a context of microcredit and its growth as a neoliberal intervention to poverty alleviation. The second chapter traverses a historical account of development in the context of imperialism, the legacies of colonialism prior-to and post-Tanzanian independence, and the inception of the neocolonial development project. This initial exploration provides a precursory understanding of development NGOs as purveyors of the development project in the interest of capital, while also providing a related overview of some literature pertaining to microcredit and claims of poverty alleviation and gender empowerment. Literature pertaining to the promise and myths of microcredit interventions is also considered in this chapter. The third chapter addresses the research methodology adopted for this critical exploration, i.e. a critical constructivist approach and critical case study informed by select

critical analytical perspectives on microcredit (e.g. gendered and colonial critiques in particular). The fourth chapter chronicles the narratives of social experiences of female microloan borrowers and BRAC staff. This provides an understanding of the extreme forms of domination and exploitation of both borrowers and BRAC staff through the social relationships and racialized structure of BRAC for capital accumulation of investors. This data-driven chapter expands on the attempts to illustrate the colonial, gendered and impoverishing implications of microcredit as a neoliberal poverty alleviation intervention in this particular context. The fifth chapter brings the emergent thematics in chapter four in to conversation with the critical analytical literature and perspectives on microcredit informing this analysis identified in the research methodology chapter. The concluding chapter revisits the research purpose and questions and shares reflections pertaining to the challenges of conducting critical research on the agents of capital.

CHAPTER TWO

Review of Pertinent Literature

Gilbert Rist (1997) contends that “the essence of ‘development’ is the general transformation and destruction of the natural environment and of social relations in order to increase the production of commodities (goods and services) geared by means of market exchange” (p.488). He explains that this interpretation of development may appear “scandalous” compared to conventional definitions, but should reflect what is actually transpiring, rather than moral and intellectual conceptualizations we envision. In his seminal work, Walter Rodney (1972) attests that at an individual level, development is characterized by “skill and capacity, greater freedom, creativity, self-discipline, responsibility, and material well-being” (p.3). As individuals operate in social groups, development entails the ability to manage internal and external social relationships. “Development in the past has always meant the increase in the ability to guard the independence of the social group, and indeed to infringe upon the freedom of others” (p.4).

Infringement is a placid term for an unrelenting imperialist project which was implemented by European colonial powers. Scholarship on the causes of imperialism are extensive and include Peet & Hartwick (2009); Rist (1997); MacQueen (2007); and Tormey (2006). McEwan (2009) situates imperialism in the Enlightenment period which was exemplified by changes in the economic, political and cultural beliefs and was also a complex ideology which had widespread cultural, intellectual and technical expressions.

Economic explanations of imperialism were initially articulated by John A. Hobson in 1902 who perceived imperialism as a primary mechanism of achieving European economic

expansion. MacQueen (2007) theorizes that industrialization provided the impetus for Europe's capitalist expansion. Improvements in scientific and technical knowledge resulted in enhanced manufacturing techniques; the demand for manufactured goods increased; steam power allowed for the global transportation of goods and individuals.

Smith (2007) articulates that imperialism resulted from the inability to sell excess manufactured goods in Europe. Industrialists sought raw materials and new markets to export manufactured goods. Tormey (2006) asserts that as capitalists lowered their costs to increase profits, they needed cheap labour which resulted in moving the means of production from the Global North to the Global South. By the 1880's, 600,000 square kilometres of the Global South had been colonized by the North. Europe controlled the majority of the earth's surface which "added the huge landmass of the continent below the Sahara to a colonial swag-bag already loaded with the Asian and American possessions taken in earlier centuries" (MacQueen, 2007, p.24).

Development in Tanzania

Colonialism

Previously known as Tanganyika (prior to independence), Tanzania was colonized by the Germans in 1885. After the First World War in 1916, European nations met at the Berlin Conference to politically and geographically divide Africa. At the conference, Tanzania was allocated to the British (without Tanzania's presence/permission) (Khapoya, 2012). The geographic divisions allowed Europe to collaboratively create imperial boundaries and reduce future conflict between nations seeking to colonize Africa (Oliver & Fage, 1998).

Between 1916 and 1960, the British maximized economic profits in Tanzania through the expropriation of land. Based on economic self-interest and to ensure sole access to natural resources in the country, the British imposed an embargo on African countries – they were no longer allowed to trade natural resources amongst themselves and instead became producers of cash crops and minerals exclusively for European markets (Ibhawoh & Dibua, 2003). The colonial government defended its oppressive impositions, claiming that they were acting in the capital interests of local natives who lacked knowledge and initiative and were unable to maximize production and contribute to the capitalist system.

While imperialism secured new markets and investments, colonialism promulgated this expansion through aggressive and often violent measures and as a mechanism to ideologically shift indigenous values to a Eurocentric Western episteme (Tormey, 2006). McEwan (2009) affirms that these social constructs were imperative to impose a new social order. The destruction of local cultural systems was portrayed as an inevitability of the weakness of indigenous Africans rather than the exploitation and oppression of the colonists which made it easier to seize natural resources.

The colonizers operated on a myriad of assumptions – that Africans were not able to govern themselves; they operated on a system of laws which were ineffective; that indigenous knowledge systems were rudimentary and conceptually flawed. Bhabha (1990) explains that Africans were insolently perceived as uncivilized, needy victims, incapable of helping themselves, and as “a population of degenerate types on the basis of racial origin, in order to justify conquest and to establish systems of administration” (p.75).

African heritage and traditions were discredited. African languages were banned in mission schools. Religious practices were discounted, while British Christian missionaries converted Indigenous Africans. The British created formal schools which dispelled Western cultures and values through European content and curriculum which did not reflect indigenous people, further alienating Africans from their own cultures. Africans were made to believe that the challenges they faced was an ennobling form of spiritual cleansing (Khapoya, 2012). Shivji (2003) affirms that missionary education became the mechanism used to spread Christianity and to save pagan souls. Indigenous religions and beliefs were conceived as being rudimentary and pagan. Mushi (2009) posits that both German and British colonial regimes introduced formal education as a way to get Indigenous Africans to develop skills so that they could be used as labourers to realize colonial interests.

In contrast, the colonists portrayed themselves as moral saviours – dynamic and progressive, rooted in ethical Eurocentric constructions of what was modern. British anthropologist Lord Fitzroy Raglan, who later became the president of the Royal Anthropological Institute claimed: “we should bring them our justice, our education, and our science. Few will deny that these are better than anything which savages have got” (Robbins, 2007, p.11). This form of cultural colonization was based on Eurocentric notions which was portrayed as a moral duty to bring Africans out of their primitive state and as a self-sacrificial act uniting the white races rather than colonized divided by capitalist and imperialist rivalry (MacQueen, 2007).

“Eurocentricism sanitizes Western history while patronizing and even demonizing the non-West; it thinks of itself in terms of its noblest achievements – science, progress, human – but

of the non-West in terms of its deficiencies, real or imagined” (p.297-298). It further perceives its own historical exploitation and oppression as though they were unfamiliar truths that do not realistically portray European history and the societies it has dominated, manipulated and inexorably taken advantage of (Stam & Shohat, 2005).

Neocolonialism

As an anti-colonial response to the exploitation and oppressive environments created by the British, Julius Nyerere, educator, scholar and activist, mobilized indigenous groups in Tanzania to collaboratively form a union to build solidarity against the British. In 1929, the union of indigenous tribal groups (Tanganyika African National Union) was successful in removing the British. They established an independent state in 1961, and in 1962 Nyerere became the first president of Tanzania who promoted the philosophy of Ujamaa as a form of decolonization as a way of rebuilding the nation (Khapoya, 2012). In the Arusha Declaration Nyerere (1967) ardently articulated a bitter truth: “We have been oppressed a great deal, we have been exploited a great deal, and we have been disregarded a great deal” (p.4).

As a philosophy, the central objective of Ujamaa was the attainment of a self-reliant socialist state. Nyerere (1967) articulated that Ujamaa is based on the fundamental principles of equality and human dignity, and that Tanzania needed to return to its original values by retraining the mind and detaching itself from the rhetoric of the colonialists. He felt that Africans needed to reinstate the importance of family and communal environments by rejecting capitalism; rejecting a stratified society based on class structures; rejecting the concept of individual wealth and the idea that land is a marketable commodity.

In his essay *Ujamaa – Essays on Socialism*, Nyerere (1968) emphatically asserted that the basic difference between a socialist state and a capitalist state does not lie in how wealth is produced, but the way in which wealth is distributed. The concept of the capitalist and exploiter of the land is foreign to traditional African society. In order to produce wealth, a community requires land, tools, and human labour. Communities produce the food they need in order to support the communal family. Wealth is distributive and shared amongst family and the commune. If a tribe prospered, all individuals in the tribe prospered. This provided a sense of comfort and security that communities would operate as supportive units.

Nyerere rejected the accumulation of material wealth for its own sake. He believed that wealth should not be amassed as an end, especially when it results in unequal economic and social relations. He reiterated that prior to colonialism, African tribal societies were based on self-reliance, were democratic and egalitarian (Nyerere, 1967).

He further articulated that poverty was not the real problem in Africa as mistakenly stated by the colonialists, but the result of unequal power relations that resulted from capitalism. He asserted that the economic stratification of people (those who dominate and exploit versus those who are dominated and exploited) were the primary reasons for disharmony and discord amongst people.

In his writings, Nyerere acknowledged the socialism of Marx, yet clearly rejected any form of European socialism. He strongly believed in the specificity of African culture – its history, traditions and locality, and believed that the values of African socialism were ideologically different from the capitalist interpretations of Marx.

Solodovniko (2010) states that in an interview published in the Times of Zambia, Nyerere explained: “I am not a Marxist. I do accept the economics of Marxism. I do not accept some of the philosophies of Marxism...Marxism is socialism of the rich. It is a socialism which starts with highly developed capitalism and highly developed proletariat. At present, it is the United States, under Marxism which is really ripe for socialism. It has a proletariat, and it is this proletariat which is the product of capitalism itself. In Tanzania, the dominant class is not the proletariat; it’s the peasants. Socialism here will have to be built using the peasants. We have not inherited anything created by capitalism. We have to create wealth here...wealth was never intended to live side by side with poverty, ever. But capitalism succeeded to work out this miracle – that wealth can live side by side with poverty, because is used as power (p.17)”.

Based on his philosophy, Nyerere believed that Ujamaa could be promoted through the country’s political, economic, cultural and education institutions; through the nationalization of the economy; and the development of the agricultural sector. The country then nationalized its banks, industrial initiatives, agricultural processing and the trade sector (Benjamin, 2003). Adult education was promoted through an education policy titled “Education for Self-Reliance” (Nyerere, 1967). According to Abdi (2012), Nyerere believed that colonial education had been rooted on the ideological assumptions of a capitalist society which promoted individualism instead of co-operation. Instead, Nyerere wanted to implement an education system which would deconstruct the mind to overcome colonial occupation.

In the process of decolonization, Nyerere reinstated Swahili as the national language; encouraged educational institutions to promote the African culture; and emphasized the values of adult education. He felt that Tanzania could not wait until its children were educated. The

development process needed adults to build skills to kick-start the industrialization process which would lead to the self-reliance of the country. He felt that programs were needed for adults to modernize, teach better hygiene and modern methods of production which would allow people to build skills and financial capacity in an attempt to reduce poverty (Tanzania Education Network, n.d.).

Based on self-reliance and nationalization, the majority of social service provisions were administered by the state. The government developed education for its citizens which resulted in increased literacy levels and education enrollments which contested ideological impositions of colonialism. During this time, the role of development NGOs in Tanzania was nominal. NGOs that prevailed throughout Tanzania's independence projected themselves as morally responsible to local Africans. This provided a rationale for their persistent economic exploitation through 'development assistance' (Green, 2014). "Like their missionary predecessors, NGOs offered the poor blessings, while enforcing racial divisions of power and minimal wages, similar to the missionaries before them" (Manji & O'Coill, 2002, p.9).

Concurrently, as an anti-colonial act of defiance, Nyerere supported numerous independence movements in Africa in dire attempt to disburden colonized countries from the wrath of colonialism. He refused to be a puppet of European colonizers and refused to recognize British Rhodesia – a provocation which led to the British who froze all interest free loans to Tanzania. Nyerere further supported East Germany in Zanzibar, and West Germany contemptuously cut off aid to Tanzania. This minimized international aid to Tanzania which was essential in providing services for citizens. Manufacturing and construction industries were

immobilized because they relied on raw materials which were imported and which Tanzania could no longer afford to purchase (Aminzade, 2003).

In the 1980's and 1990's, according to the World Bank, the “villain of the declining economic performance of Africa was the state. It was corrupt and dictatorial with no capacity to manage the economy” (Shivji, 2007, p.20). It was at this time that the IMF and the World Bank agreed to provide loans to Tanzania, leveraging debt to restructure the Tanzanian economy through the imposed Structural Adjustment Programme (SAPs). The neoliberal market reforms resulted in the dismantling of state owned enterprises, the collapse of manufacturers, liberalization of price controls, significant decline in wages, and drastic cuts to public services including health, education, social and welfare programmes. The reforms further affected women who had to work harder to account for reductions in social services, and who were expected to carry the burden of Third World debt (Davis, 2006). The primary goal of the SAPs was to ensure the retraction of the state to create lucrative investment opportunities for international corporations. These imposed measures resulted in growing debt, disparities and inequalities which legitimized the role of development NGOs (Kamat, 2004).

The Development Project

While countries such as Tanzania underwent a process of nationalization and decolonization after its independence, Europeans and American colonists realized that “Imperialism did not make good political sense. As a national policy, it was expensive and troublesome” (MacQueen, 2007, p.29). After 1945, imperialism shifted from an emphasis of colonization to discourses of development through modernization and education for a knowledge

economy. Peet and Hartwick (2009) contend that modernization was the West's ideological and neoliberal response to African socialism. It was a time when African nations had achieved independence through socialist movements and the United States and its allies were confronted with communism and socialism. As a response, the West promulgated modernization through neoliberal rhetoric that Third World societies who genuinely desired development should embrace the capital system and "let change in". "Development meant assuming the mental modes of the West (rationalization), the institutions of the West (the market), the goals of the West (high mass consumption), and the culture of the West (the worship of commodities)" (Ibid, pp.149-159).

Modernization is based on the theory of universality which subsumes homogeneity; the ability to exercise agency resulting in efficacy; and that freedom and progress can be applied universally. Universality is what MacPherson (1962) termed as "possessive individualism" (p.121) which assumes that capitalism is just and fair because it allows individuals the freedom to choose and take advantage of their innate abilities; how and where to sell their labour power (concept of self-determination); the ability to work hard; and earn more to increase the quality of one's life.

In conjunction with modernization, education became a primary mandate of the World Bank (2000) that claimed that poor countries and poor people differ from rich ones not only because they have less capital, they have less knowledge. Providing education in the South would address this knowledge gap, build skills and empower individuals, especially women who were prompted to contribute to local economies. The World Bank presented education in a framework of economic development: "Education is central to development. It is one of the most

powerful instruments for reducing poverty and inequality and lays a foundation for sustained economic growth” (Spring, 2009, p.30).

UNESCO further articulated that education was a useful tool which could empower individuals to build knowledge and skills, thus building human capital. Human capital theory assumes that investments in education will secure productive employment (through personal initiative) which will increase production and result in individual benefits such as increased income, status, access to health and education, while assisting poor countries to increase standards of living, technological advances and reduce poverty, while improving collective well-being (Bonal, 2007).

In 1944, the United States summoned an international conference of the Allied states at Bretton Woods in New Hampshire to realign the conditions of post-war trade and the monetary system. Gelinias (1998) claims the conference was actually to confer Washington as the new global economic capital. It was at this time that the International Monetary Fund (IMF), the World Bank, and the General Agreement on Tariffs and Trade (GATT) was formulated.

The role of the IMF was to ensure currency consistency against the pressures of the market by administering short and medium term loans to countries facing financial challenges. Gelinias (1998) attests that the IMF “does not have to bother about development, the environment and social parameters. It pretends to abide by strict monetary rules which are noble, absolute and immutable. This is why the IMF transcends all these terrestrial problems” (p.107). The World Bank’s original role was to provide financing to reconstruct post-war European countries. To legitimize its existence, the World Bank adjusted its role to focus on underdeveloped nations. The media attributed the organization’s role to humanitarian causes, although its primary

function was to lend money and maximize profits; to promote private foreign investment; and promote growth of international trade.

Bateman (2017) affirms that by the 1960's US policy focused on providing direct support to developing countries in the form of food, aid and infrastructure. Governments and business elites in developing nations were expected to abide by US foreign policy initiatives; provide US corporations with inexhaustible access to their national resources and markets; and to stifle dissent from left-wing popular social movements. In return, the US would protect the political and business elites from the country's population. American strategists hoped that minimal reductions in poverty would result in silencing dissenting voices resisting foreign domination, especially of US political and economic systems.

Neoliberal Approaches to Poverty Alleviation

In the 1940's, 1950's and 1960's, as a response to declining profits, neoliberal doctrine emerged from a group of economists such as Friedrich Hayek and Milton Friedman from Europe and the United States indicated by Connell & Dados (2014); Stiglitz (2002); and Harvey (2005). Neoliberalism was defined as a political and economic response to declining profits from mass production industries and the reflection of Keynesian welfarism. It was an attempt of the capitalist class to restore their profitability and power which resulted in economic and social transformations under free markets which has dominated global politics over the last four decades (Dumenil & Levy, 2004).

Tormey (2006) posits that neoliberalism resulted in privatization of the economy. Governments were expected to create and foster environments in which capital could thrive by

limiting their involvement or minimizing their interference with capital. Tikly (2009) described neoliberalism as the ‘New Imperialism’. He used Foucault’s theory of governmentality to prove that new imperialism was a way to get low income countries that were previously subjected to older forms of imperialism, into a new form of governance which secured the interests of the United States, its Western allies and global capitalism. He felt there had been a move away from direct violence of land occupation to more subtle forms of domination.

Critical theorists believe that the current structure of the capitalist society is intrinsically a flawed idea. Liberal critics believe that “certain parts of a democratic society can be altered through democratic reforms, while social critics question how the wealthiest people in society actually acquire their wealth (Peet & Hartwick, 2009). As a neoliberal venture, “development looks at what is produced. If growth merely produces Walmart junk rather than schools or clinics, it is not really development. Development attends to the social consequences of production. Most contentiously, development analyzes who controls production and consumption. If growth means subjecting the world’s poor to an incessant barrage of consumption, inducements that invade every corner of life, it is not development (Peet & Hartwick, 2009, p.4)”.

Critical theorists posit that development was in fact an invention of the North, depicted as a humanitarian intervention to allegedly modernize and develop the destitute South. In a poignant critique Dossa (2007) emphatically articulates that development is really developmental imperialism which was never meant to develop the South, and the poor are poor *because of* development. It was a project constructed by the United States and its Western allies and

explicitly deployed to develop the North, yet cloaked in an egalitarian ethic to legitimize more wealth and power for the marginal elite (Peet & Hartwick, 2009).

Nyerere (1967); Rodney (1972); Dossa (2007) all reiterate that colonialism was never undertaken in the best interest of Africans. In reference to scholarship by Fanon and Nandy, Linda Tuhiwai Smith (2007) concedes that “imperialism and colonialism brought complete disorder to colonized people’s, disconnecting them from their histories, their landscapes, their languages, their social relations and their own ways of thinking, feeling, interacting with the world (p.332)”. Dossa (2007) questions why development became a priority when the imperialists left, as the colonizers most certainly did not exhibit the same level of passion towards the alleviation of poverty when they were *in* Africa.

Rodney (1972) boldly challenged European discourses which claimed that Africans benefitted from colonialism. He blatantly demystifies this by stating that when Africa was being colonized, nothing was done in the service of African people – “colonialism had only one hand – it was a one-armed bandit” (p.205). Raw materials were extracted; roads were built directly to seaports to export goods by ship for European markets; the majority of medical and social services were developed to serve the colonialists. Electricity, water, paved roads and schools were almost as non-existent at the end of the imperialist period as they were in the beginning in rural Africa, even though it was these regions that produced the cash crops and provided labour to keep the economy going. “The vast majority of Africans went into colonialism with a hoe and came out with a hoe” (Ibid, p.233). The mass production of commodities led to the demise of local African industries. Rodney (1972) states that there were no attempts to make African economies self-sustaining and targeted to its own local goals. “The development of Africa by the

colonialists was a cyclical short-hand expression for the intensification for colonial exploitation in Africa to develop capitalist Europe” (p.223).

As capitalism and the use of money infiltrated communal African societies, men left their communities to seek labour resulting in a depleted labour force that led to poverty, famine and the devaluation of women’s work.

Gender Approaches to Poverty Alleviation

While education became a primary mandate of the development project, it was at this time that women were incorporated into development discourse. Up to the 1970’s women were absent from these discourses. Women in Development (WID) then emerged (Escobar, 1995) based on neoclassical economics and liberal feminism with a shifting emphasis from reproductive to productive activities (Wilson, 2012). The feminization of production was based on the profit-driven motives of corporations seeking cheaper sources of labour. Women in the Global South were now perceived as “objects of development” and an adept solution to access cheap labour.

According to Heward and Bunwaree (1999) WID was aimed at income generating projects for women. It was at this time that microfinance models for women emphasized that women were better borrowers, more reliable in loan payments and better providers for families. If women could build the capacities of their own families, they could “simultaneously resolve problems of poverty as well as gender inequality, even as they integrate women more deeply into the circuits of capital (Wilson, 2008).

Although women became the potential “subjects of capital”, WID was cloaked in a language of development of ‘women’s empowerment’ and ‘gender equality’. Wilson (2012) articulated that the World Bank, governments, donor agencies and NGOs represented Southern women as passive victims within the neoliberal discourses of development. The depictions of Third World women were continuations of colonization which concealed the relationships of power between Southern and Northern women. Mohanty (1984) echoes these sentiments and claims that Third World women are defined as “monolith into large economic and ideological praxis of disinterested scientific inquiry and pluralism, are surface manifestations of a latent economic and cultural colonization of the non-Western world” (p.86).

Within these development discourses it is necessary to understand the economic paradox which was occurring – development deprived the very people it claimed to help (Shiva, 2005). In this paradox, the North claimed to alleviate the suffering of the South, but was rooted in presumptions where agency and passivity lie (McEwan, 2009).

Post-modern feminists challenged the conceptual notions of Enlightenment and claimed that reasoning and rationality were based on the discourses of men. Third World feminists deny the impositions of Western feminist episteme and praxis, while claiming to understand Southern struggles. The inception of Women in Development rejected liberal feminism who used imagery of Third World women to illicit international donor funds. It emphasized the alleviation of poverty while excluding male oppression and the root causes of poverty. Although the development project thrust women into the capitalist system as subjects to produce for the economy, Third World women continued to be depicted as pathologies – poor, uneducated, with

limited freedom to act, tradition-bound, domestic and powerless in comparison to Western women who were depicted as educated, independent, modern, with the freedom to act.

NGOs as Agents of Development

As an institution, Karim (2011) alleges that the term NGO was initially used by the United Nations in 1949 and was formulated on humanitarian principles. Choudry (2010) articulates that NGO's today consist of a wide range of agencies from village-based grassroots organizations to large scale agencies based on business models offering education to social services for marginalized and disenfranchised populations.

Colonial administrations were clearly not interested in providing social services for local indigenous Africans. Manji and O'Coill (2002) articulates that social policy and programs primarily ensured the success of colonial institutions, while exploiting natural and human resources to maximize profits. Jennings (2008) affirms that colonized African states did not welcome secular philanthropic institutions.

Christian missionary groups were the cardinal organizational conduits dispensing minimal social supports while ideologically imposing conceptions of colonization "concerned with evangelizing amongst the African population, discouraging what they perceived as ignorance, idleness and moral degeneracy, and promoting their own vision of civilization" (Manji & O'Coill, p.3), while silencing anti-colonial sentiments. This was considered a cheaper model of providing welfare for citizens, while controlling the behaviours of local indigenous populations.

Manji and O’Coill (2002) further articulate that retaliatory anti-colonial movements that emerged in Tanzania exposed and altered local perceptions Africans had of missionary organizations and the oppressive racism to which local populations had been subjected. To promptly avert their own dissolution, missionary organizations transformed themselves. They hired local indigenous populations as administrators and masked their overt missionary racism with the international discourse of development which had globally emerged to replace the wrath of imperialism. Instead of referring to Africans as ‘uncivilized’, they were now ‘underdeveloped’. “The exigencies of black resistance and international politics had forced them to reconstruct themselves as indigenous ‘development NGOs’ “(p.6).

As a response to the SAPs, the retraction of the state in African countries created endless opportunities for development NGOs to provide services to local populations. This led to a barrage of NGOs operating in Africa who considered themselves ‘guardians of development’ promoting civil society agendas and as Kamat (2004) describes - the honest broker operating in the interests of the people.

Development NGOs have become the organizational conduits that receive development assistance and provide frontline programs and services to local communities (Petras & Veltmeyer, 2001). Manji & O’Coill (2002) affirm that NGOs have assumed the “missionary position – service delivery, running of projects that are motivated by charity, pity and doing things for people (implicitly who can’t do it for themselves), albeit with the verbiage of participatory approaches” (p.13).

For Makoba (2002) NGOs are considered cost-effective in reaching the poor and donors prefer them in the provision of service-delivery rather than the state. International donors

perceive NGOs as being more reliable; more proficient at building relationships with local communities through participatory engagement; able to implement programs that will make individuals solve their own problems; and have the ability to produce targeted outcomes, as required by funders and donors. Funders are also aware that local communities are more trusting of NGOs than the state.

For scholars, the institutional space that was created for NGOs has been contentious. Makoba (2002) believes that NGOs have emerged as a critical 'third or middle sector' to the state and the market. For Kamat (2004) although there is a tendency to disassociate the structural realities of NGOs and place them into a 'third sector', NGOs cannot be disengaged from the state or the private sector. They need to be theorized in relation to global capital and the political processes which have realigned the public good.

In the name of the common good, and as mandated by funders, the NGO sector has increasingly become the institutionalized and professionalized. After reviewing scholarship of a number of authors on NGOs, Kamat (2004) reports that NGOs have retreated from programs providing education and fostering empowerment that involve a structural analysis of power to utilizing more technical solutions to local challenges. She believes that there is a shift away from the Freirean model of consciousness-raising and social movement organizing towards more mechanized solutions to create social change.

For Manji & O'Coill (2002) NGOs have a choice between supporting social change that challenges the capitalist system which results in economic and social inequalities, or to remain complicit in the capitalist project which serves its own interests. The challenge is that corporations and governments providing funding are not going to support uprisings that

challenge exploitation and oppression which in turn, serve capital (Manji & O’Coill, 2002) and the multiplicity of development interventions in the name of poverty alleviation and empowerment.

Critical Perspectives: Development NGOs

Shivji (2003) adamantly affirms that development NGO’s are top-down organizations that were never created as a response to the needs of local communities. They were created from the Christian moral ethic and imposed through colonization to subjugate indigenous populations promoting European hegemonic versions of civil society, while simultaneously violating human rights, exploiting and oppressing the colonized.

Kamat (2004) and Petras and Veltmeyer (2001) reveal that current NGO’s are being reinstated in the prevailing neoliberal discourse - “the depoliticization of NGOs works well for neoliberal institutions - it maintains power while working towards change” (p.171). This is echoed by Choudry and Kapoor (2013) who state that NGOs prefer strategies that “preserve the capitalist system and the interests of large corporations while attempting to alleviate specific problems” (p.13).

Leve and Karim (2001) believe that providing capital to NGOs sabotages social movements and class struggles which leads a new form of imperialism by debilitating the power of the state. Demobilization invalidates and suppresses anti-colonial politics and destroys the ability to challenge hegemonic discourse and institutions, and to engage in democratic reform.

Choudry and Kapoor (2013) further attest that NGOs have appropriated responsibilities that the state was previously undertaking. For example, they ‘collaboratively’ create policy as

though they were elected officials and holders of local knowledge representing the interests of the poor and marginalized. Policy-making, however, is the function of the state. It is not the function of international donors with capitalist agendas. Shivji (2003) asserts these relationships are an indication of how much the Tanzanian government and its own citizens have relinquished their right to self-determination; to develop their own policies in the era of neoliberalism.

Shivji (2003) also feels that NGOs do not appear to theorize about their role in society, nor about their role in being complicit to capital, but instead are guided by micro-level challenges. Choudry and Kapoor (2013) contend that NGOs themselves operate within contentious power relationships of race, gender, culture and program priorities. They focus on accessing funding, lobbying governments, corporations and donors in the maintenance of their organizations often at the detriment of solving community challenges for which they were created. They operate in a triad of nebulous ‘partnerships’ consisting of international NGOs, the government and donors. Their collaborations and participatory approaches to program development and outcome measurements have become prescriptions for effective governance insisted upon by funders with development agendas. In these relationships, power still lies with the Global North.

Shivji (2003) attest that in order for true participation to occur, NGOs need to expose and challenge imperial and colonial domination that creates poverty, oppression and marginalization. Citizens need to demonstrate and protest to expose “the ugly faces of power” (p.3) espoused by the government and development actors; participate in governments and democratic reform and attack the capitalist system that seeks to subjugate the masses. “Just as the colonial enterprise assumed the garb of a civilizing mission and used the church as it’s avant-garde, so the

globalization pundits speak the language of secular human rights, using the NGOs as their ideological foot soldiers” (p.41) to implement capital projects such as microcredit while claiming to act in the interests of the poor.

NGO-Led Microcredit Development Program

The Microcredit Promise of Poverty Alleviation and Gender Empowerment

Until recently, microcredit had become one of the most prolific and popular anti-poverty strategies in international development discourses. Microcredit is the provision of small loans to create microenterprises that generate an income. As the model became more pervasive, additional financial services were offered including deposits, loans, payment services, money transfers, and insurance (ADB, 2000) known as microfinance. Microcredit supporters fervently purported that providing access to credit would allow the rural poor, especially women, to invest in microenterprises that would induce the local economy through a capitalist, market-driven intervention. They unequivocally assumed that providing credit to the poor would undoubtedly result in resounding profits, catapulting the poor into improved material conditions, the empowerment of women and access to an education, thereby enhancing their quality of life.

Prior to 1997, academic literature on microfinance was nominal. Post 1997, there has been a plethora of scholarship on microfinance (Prakash & Malhotra, 2017) extolling the prevalent hyperglobalist perspectives describing it as the “credit crusade” (Rogaly, 1996, p.7) which assumes a “hegemonic position in international development discourses” (Kabeer, 2005) positing microcredit as *the* development intervention for global poverty reduction and women’s empowerment.

Karim (2008) defines microcredit as “the extension of small loans to women for income-generating projects” (p.9). Bateman (2017) alleges microcredit is the provision of microloans to the poor so that an individual can establish an income-generating project, thereby escaping poverty. According to the government of Tanzania’s *Microfinance Companies and Microcredit Activities Regulations* (URT, 2014) microcredit is described as “credit accommodation whose security may include non-traditional collateral, granted to a natural person, individually or in a group, whose income depends on his or her own business or economic activity and who may lack formal financial statements and other accounting and operational records” (p.2).

The popularity of microcredit has been ascribed to Mohamed Yunus in Bangladesh claiming that the poorest of individuals possess the entrepreneurial spirit to engage in microenterprises which will generate profits by bringing down capitalism to the poor (Bateman, 2017). Yunus states “There are two kinds of businesses in the world. One is a business which makes money, and the other solves problems of the world (2016)”. Apparently microcredit adheres to the latter – a provocation Marxist would clearly admonish.

Yunus founded the Grameen Bank and promoted microcredit which landed on the policy tables of the World Bank and the International Monetary Fund (IMF). The World Bank then conducted a study of the Grameen Bank which found that microcredit had resulted in poverty reduction of five per cent of Grameen Bank borrowers every year (Pitt & Khandker, 1998).

Convinced of microcredit’s resolute success, UN agencies shifted their aid paradigm. Instead of targeting macrolevel economic strategies, they focused on meeting basic needs of the poor by promoting self-employment through the informal sector (Visvanathan & Yoder, 2011). They were convinced what was most needed was capital (Dichter, 2007). Microcredit emerged

as the new potion in neoliberal development discourses whose market-driven success would, in fact, benefit Western institutions and its political and economic allies. The idea was launched into the hands of international donors, corporations and governments, resulting in considerable financial support, and as is evidenced and documented today, at the dire expense of the world's global poor.

The neoliberal microcredit model was first implemented in Brazil in the 1970's with support of the United States Agency for International Development (USAID). The concept was then formalized and microcredit models emerged throughout Africa and Asia. The model grew inordinately in the 1990's and by the 2000's was erroneously perceived as one of the most successful development interventions implemented in the Global South (Bateman, 2017).

A fervour of academic scholarship celebrating the inconclusive results was delineated by Prakash & Malhotra (2017) stating that the economic impact of microfinance leads to increased income, housing, access to food and building of assets. The social impact leads to education, health, skills development, empowerment and feeling of belonging (p.29)". Other proponents of the model included Roy (2003), Yunus, (1989), IFAD (2011), Robinson (2001) and the ADB (2000).

Equally supported neoliberal claims of the material benefits of microcredit emerged in empirical studies from Africa and Tanzania. Faustine Karrani Bee (2007) provides a comprehensive historical study of rural financial markets in Tanzania with an empirical study conducted in 13 villages in the Babati District, Manyara region which concluded that the rural poor had minimal access to credit and opportunities existed to provide a range of financial services to the rural poor. This was echoed by Pallotti (2016) stating that rural development had

been a “marginal priority” for the government; and by Basu, Blavy & Yulek (2004) whose research on microfinance in Benin, Ghana, Guinea and Tanzania indicated that only 6% of the population in Tanzania had access to the formal banking sector. They recommended that Tanzania create laws, regulations and institutions to regulate microfinance. Rubambey (2005), Director of Microfinance at the Bank of Tanzania (the Central Bank), led a team that then formulated the National Microfinance Policy for Tanzania that defined the legal and regulatory framework for microfinance.

Perpetuating their rational self-interest, development discourses continued to extol microcredit’s benefit to the poor, while concurrently construing women as hard-working, efficient, free-will neoliberal subjects who could substantially benefit from the model. It implored women to solve the challenges of poverty by explicated them as passive victims who could be thrust into capital, and whose participation would result in agency, empowerment and gender equality. Agency was cited a strategy to survive rather than a strategy to transform (Wilson, 2012).

Women indeed became the beneficiaries, especially of the Grameen’s group lending model, implemented globally and by BRAC in Tanzania. In this model, groups of women are formed and individual members receive microloans. However, the larger group remains liable for the repayment of the total borrowed amount. As borrowers do not have material collateral, the lender relies on social pressure for loan recovery (Karim, 2008). In this model, the group participants assume liability for screening and accepting future members, monitoring their behaviours and enforcing payments which reduce administrative costs to the lender. It also

assists in keeping the lending agency solvent, resulting in increased profits (Visvanathan & Yoder, 2011).

Scholarship on microcredit's ability to empower women has been both varied and contested. Sentiments echoed by the development community were evident in the work of Nai (2010) who optimistically stated that "microcredit has achieved measurable success in freeing many Bangladeshi women from the shackles of economic poverty and destitution" (p.42). Chakravarty and Shahriar (2010) pronounced that a detailed understanding of relationship lending is imperative to make microcredit even more successful; while Nabila Kabeer (2005) states microcredit is a process which allows women to attend to their daily needs as well as recognizing strategic gender issues that "go to the very heart of the structures of patriarchal power; the abolition of a coercive gender division of labour; of unequal control over resources; ending male violence, women's control over their own bodies; the establishment of political equality and the ending of sexual exploitation".

Studies in Tanzania professing optimism of microcredit's success was indicated by Dimoso and Masanyiwa (2012) who conducted a study in Dodoma, Tanzania; Gogadi (2011) in Dar-es-Salaam; Kato and Kratzer (2013); Brockington and Banks (2014) concluding that BRAC's microfinance program is providing "a highly valued and important service to tens of thousands of Tanzanian women". Sigalla and Carney (2009) conducted an ethnographic study of women who had received microloans by reflecting on their learning experiences as entrepreneurs who had minimal business knowledge or education. NGO's implementing microcredit programs claimed that it would make women financially literate, echoing the sentiments of the World

Bank's dominant discourse that claimed that education was a return on investment (Spring, 2009).

The idea of promoting women's participation, agency, empowerment through microcredit education as anti-poverty strategy has also been contested. An explicit correlation between reduced poverty and increased agency has been so pervasive in the development community that, until fairly recently, traditional poverty indicators often functioned as proxies for agency. Research over the last fifteen years on how anti-poverty strategies have actually impacted women, needs to be re-examined (Alkire, 2007, p.10-11).

In 2010, the enthusiasm for microfinance began to wane, even among erstwhile advocates because "the debt incurred by microfinance-supported entrepreneurs was simply not leading to poverty reduction as had been promised, and in a growing number of cases, it was leading to deeper poverty, vulnerability, disempowerment and even suicide (Roodman, 2012 in Bateman & Mclean, p.3)." There were a growing number of empirical studies from microcredit programs in Latin America, Africa and Asia which illustrated that poverty was in fact, not subsiding, which called into question the legitimacy of microfinance, and the realization that microfinance had been in fact, ideologically disseminated by the West (Bateman & Maclean, p.3).

Microcredit Myths

According to Rogaly (1998), microcredit fails to illustrate any significant impact on poverty alleviation, standards of living or substantial achievements in social impact. Through its own admission, the United Nations Department of Economic and Social Affairs (2010) stated there are numerous illustrations of the transformative effects of microfinance on individual

borrowers, but there has been surprisingly little rigorous research that identifies how different approaches to microfinance actually changes outcomes.

Bateman and Maclean (2017) articulate that microcredit programs have been implemented with an individualized, entrepreneurial approach in the name of financial inclusion. It ignores the structural underpinnings of poverty, including exploitation, oppression and exclusion created by “colonization, global capitalism, rapid urbanization and dynamics of gender, class, age and rurality which is based on an understanding of local struggles, rather than a quick fix loan (p.300).” These sentiments have been echoed by Hulme (2000); Field, Holland and Pande (2014); and Roy (2010). Faraizi, Rahman and McAllister (2014) specifically critique microcredit programs by the Grameen Bank and BRAC Bangladesh, affirming that microcredit does not empower the rural poor, but induces them into capital.

Challenging the hegemonic episteme, Raza (2010) provides a theoretical critical perspective based on Marxist theory of alienated labour. The author argues that instead of turning microcredit borrowers into petite-bourgeois, it actually uses alienated labour to turn borrowers into indentured wage labourers. Taking microcredit to the poor is actually a response to the needs of capitalism, which, in order to continue, must find new markets to exploit. Marx affirms that in order to maintain its position, the ruling class disseminates ideas which reflect the interests of the ruling class, represented as common interests.

Weber (2010) and Hulme (2000) both articulate that the implementation of this ruling or hegemonic position delegitimizes resistance, disrupting and dismantling collective abilities of the rural poor to mobilize around exploitation or forming trade unions. It allows the state to abdicate its responsibilities to develop macro-level economic policies by creating safety nets for the most

poor and vulnerable, providing effective education and healthcare systems, and effective state governance.

The underlying philosophy created has resulted in a market-driven credit system in which outcomes of success are determined in terms of repayment rates and loan recovery, as expected by donors and international lenders. Hulme (2000) argues that microcredit has undoubtedly failed and should be termed microdebt. He believes that that the movement has created an illusionary assumption that poor borrowers all pay back their debts. However, not all microenterprises are successful, as rural entrepreneurs may not have the skills to operate a business; are not able to take advantage of business opportunities; markets become saturated and competition does not result in increased profits, which makes it difficult to pay back loans.

Hulme (2000) also argues that the ultra poor are also marginalized because they may not have the capacity to run microenterprises and women's lending groups do not want to accept borrowers who cannot make their payments.

Researchers have also critically questioned the purpose of indicting Third World women into microcredit schemes; whether, and to what degree, microcredit benefits women (Goetz & Sen Gupta, 1996). Karim (2008) provides a study of the role and impacts of gender within the context of globalization. She articulates the role of NGOs and tactics utilized to recover loans and how rural women's honour and shame are appropriated for capitalist motives.

According to Rahman (1999) women were credit worthy subjects perceived to better utilize funds for the family; had higher repayment rates; were more compliant and coerced more easily than men. As a result, providing women's lending groups access to credit was perceived to

foster empowerment, meeting the United Nations objectives of gender equality and women's empowerment (Visvanathan & Yoder, 2011).

Mayoux (1998) and Kabeer (2005) both asserted that women's empowerment cannot be assumed simply by providing credit to women. Kabeer argues that microcredit cannot replace macro policies that promote economic growth, social development and democratic participation. She believes that policy development requires participation of women themselves to monitor and to hold policy makers accountable. Unless this is done, women's empowerment is not likely. Although these goals were desired for women, without transforming power relations in the home and in public, especially within structures of class, caste and religion, empowerment is not possible.

CHAPTER THREE

Research Methodology

“Historically, colonialism has been about the material good, be it exploitation of the resources or the engagement of the body colonially endowed for plantation life. Colonialism has been about racist relationships with particular geographic bodies with the aim of material profit. The body read as raced, classed, sexualised and gendered is central to the articulation of anti-colonial theory...It is about the continued struggle to resist the neo-colonial governing procedures that reside within the everyday lived experience. The anti-colonial concerns a particular self-reflexive relationship with the past, it calls for the present to dialogue with the past, that the present cannot be interpreted ahistorically through the present” (Simmons & Dei, 2012, p.95).

Research Purpose and Questions

The main purpose of the research and the case study was to develop a critical exploration of the microcredit program as a neoliberal, poverty alleviation intervention, and its poverty causing, neo/colonial and gendered implications. The study brings into question how the capital-driven program has blatantly been utilized in the name of development and poverty alleviation to further the interests of the agents of capital, including NGOs implementing microcredit, while perpetuating obstinate colonial continuities in Tanzania. This critical research exploration attempts to address the following questions: (a) What are the poverty causing implications of microcredit interventions structured by the interests and relations of neoliberal development and

capital? (b) What are the gendered implications of microcredit? (c) How do such interventions reproduce colonial relations?

Critical Qualitative Research Methodology and Critical Analytical Perspectives in Microcredit

“Critical research can be understood best in the context of the empowerment of individuals. Inquiry that aspires to name ‘critical’ must be connected to an attempt to confront the injustice of a particular sphere within the society. Research becomes a transformative endeavour unembarrassed by the label ‘political’ and unafraid to consummate a relationship with emancipatory consciousness. Whereas traditional researchers cling to the neutrality, critical researchers frequently announce their partisanship in the struggle for a better world” (Watson & Watson, 2011, p.8).

This research was conducted through a critical qualitative perspective. In qualitative research, the researcher brings to the inquiry certain theories, paradigms and perspective that guides a researcher’s actions (Guba, 1990, p.17). These beliefs are based on “ontology (the nature of reality), epistemology (what counts as knowledge and how knowledge claims are justified), axiology (the role of values in research), and methodology (the process of research)” (Crotty, 1998, p.5).

This study was based on the ontology of constructivism that utilized using observations, interviews and document analysis. Constructivism “views a social system as constructed by individuals and attempts to understand and interpret the viewpoints of those in the system rather

than studying the system as observed from an outsiders perspective” (Watson & Watson, 2011, p.65). As related to this research study, the ontological assumption is that society is embedded with inequalities resulting from neocolonial interventions where some groups have more power and privilege over others.

The epistemic assumption of undertaking research methodology within this paradigm is that knowledge is subjective and subjective evidence is put together based on individual perceptions. To gain an understanding of this knowledge, it is critical to undertake research in the “field” where participants live and work.

The role of the researcher in the constructivist paradigm is to attempt to understand the complexity of lived experience from the point of view of those who actually live it (Mertens, 2008). When researchers undertake qualitative research from this perspective, they are accepting the idea that there are multiple realities. Researchers collect and report data on these assumptions. They themselves embody different realities, similar to the individuals who are being studied, as much as the readers of the study.

Qualitative methodology, specifically in case study research, calls for critical interpretive inquiry (Sarantakos, 2005). The analysis of the data collected resulted in evaluating the experiences, the relationships and tensions between the participants. This was an attempt to understand the power dynamic between the constructed realities of participants to gain a broader understanding of the implications of a neoliberal intervention and the perpetuation of colonial continuities. To be critical attempts to address societal structures and institutions which oppress and exclude so that transformative actions can be implemented that reduce and minimize inequitable power conditions.

According to Simmons and Dei (2012), the term 'anti-colonialism' conveys the current reality and presence of the structures and practices of colonialism. Anti-colonial perspectives allow us to identify the relationships of power, difference and contestations to colonialism. He enunciates that terms such as post-colonialism and decolonization allows academics to posit colonialism as essentially completed. However, anti-colonialism avows indigenous colonized populations to interpret the experiences of colonization on their own terms without evoking Eurocentric analysis. Anti-colonialism is derived through the experiences, knowledge and discourses of the colonized which allow them to construct meaning of their everyday experiences of those who continue to be colonized, racialized and oppressed. It politicizes knowledge, theorization and praxis to claim understandings of identity within Diasporic contexts.

According to Simmons and Dei (2012), anti-colonial perspectives acknowledges that knowledge must purposively serve to challenge colonial imposition where colonial should be understood not just as foreign, but as inflictive and oppressive. That which is anti-colonial ascertains the nature of social domination, the multiple spheres of power, and how these social relations of power impose relationships of subordination. Working within the anti-colonial framework also means engaging in concepts of colonialism, oppression, power, and resistance, as well as reclaiming legitimate voices, intellectually and through praxis.

Marxist perspectives offer a guide to understand consciousness which is based on self-reflexive knowledge constructions based on our lived experiences. It is based on the material conditions of our lives which precedes thoughts. The material experiences are the basis of our thoughts and beliefs which are transposed through culture. In essence, consciousness is a social consequence of our thinking. In constructing his analysis, he retained the dialectic ideas of

Hegel that the natural and social environments are processes of development which can continually change. They change when there are fundamental contradictions in the material conditions of our lives. When contradictions continue to disrupt the social relations, environments become highly unstable, but give rise to praxis and communal dissent eventually disrupting forces of domination and oppression.

These critical structural understandings of the nature of social and power relations within the structures of coloniality and class are informed by the critical scholarship of Walter Rodney, anti-colonial scholar; Lamia Karim, critical scholar of microcredit and gendered implications of microcredit; and scholars Firoze Manji and Carl O’Coill who provide critical insights on development NGOs with a focus on Tanzania.

The United Nations Department of Economic and Social Affairs (2010) had admitted that there had not been any conclusive evidence of the transformative impacts of microcredit on poverty-alleviation. Karim (2008) critically illustrates the debacle of microcredit through research undertaken in Bangladesh on Bangladeshi women. She describes how the lack of economic sovereignty allows the global institutions such as the IMF and the World Bank to exploit Third World countries in the name of capital. She expresses the role of development NGOs who have become shadow states in the absence of weak governments. She reveals how development NGOs posit themselves as the voice of the rural poor who have been inducted into capital by becoming consumers. She further reveals the extensive, and often violent tactics, utilized by NGOs to recover loans through shaming and disciplining poor women as a form of social control and what she terms as the “Economy of Shame”. She posits that Third World women are chosen as subjects of capital because they have proven to have higher repayment

rates than men, and are seen as better investments for the capital. She also describes how women get caught into a cycle of debt which inducts women into further poverty and a cycle of debt which should be seen as microdebt.

Manji and O’Coill (2002) affirm that development NGOs have become the organizational conduits through which development projects are implemented. NGOs were not created as a response to local needs of communities. They were essentially created as mechanisms of colonization which imposed Eurocentric versions of civil society while concurrently exploiting indigenous populations. Choudhry and Kapoor (2013) postulate that NGOs operate within the prevailing neoliberal discourse that maintains the capitalist system. They also attest that development NGOs have taken on the responsibilities previously aligned to the state, and further demobilize social movements that have the ability to destabilize hegemonic institutions. Shivji (2003) further attest that NGOs need to expose and challenge imperial and colonial domination which has created poverty, oppression and marginality. Instead NGOs have become institutions that deploy the global development project, perpetuating colonial relationships.

Scholar and activist Walter Rodney (1972) succinctly challenged hegemonic ideology that claimed Europeans benefitted from the development project. He felt that there was no attempt to make African economies self-sustaining. Material conditions that were developed by the British were created to serve the colonial administration. Tools and technology were not provided to Africans to develop skills and expertise to develop their own economies. The colonial project served to extract resources, utilize human labour to produce for capitalist agendas. These literatures were used as contexts to frame and make meaning of the current research project.

Research Strategy: Case Study

With the barrage of global microcredit interventions, case study methodology lent itself to isolating the research to a single case. This strategy allows for the creation of knowledge from a single case to generate “culturally derived and historically situated interpretations of the social life with the goal of social theorizing as “the desire to comprehend and, in some cases, transform (through praxis), the underlying orders of social life – those social and systemic relations that constitute society” (Morrow & Brown, 1994, p.211).

As one of the largest non-governmental organizations in the world (BRAC, 2016), BRAC has deployed its microloan program in multiple countries. Narrowing the research to one country was considered the most practical and effective method in understanding microcredit. The more the object of study is specific, unique, bounded system, the greater the rationale for calling it a case study (Creswell, 2011).

The primary goal of case study research is to carry out an in-depth analysis of an issue within its context to try and understand the issue from the perspective of participants (Merriam, 1988). There are three variations of a case study – the single instrumental case study, the multiple case study, and the intrinsic case study (Stake, 1995). In this instance, BRAC Tanzania was chosen to develop an in-depth understanding of microcredit and the microcredit program was the bounded case to understand the gendered, neocolonial and poverty causing continuities of microcredit.

According to Creswell (2011), there are differing opinions of the definition of a case study which has been defined both as an “object of study or a methodology”. Stake (2005) uses the criteria that case study research is defined by the object of study. He states that case is a

“bounded system, a specific, complex, functioning thing which has a boundary and working parts and purpose (p.2). He also states that “case studies focus on a particular instance (object or case) and reaching and understanding within a complex content.” Mertens (2008) articulate that case study is an approach that involves an extensive exploration of a single case, while Merriam (1998) defines a case study as a singular entity or unit which has boundaries. In this instance, a case can be a specific person or group or program.

Yazan (2015) contends that in data collection methods that it is important that researchers draw their data from multiple sources to capture the case under study in its complexity. In this study, multiple sources of data were utilized to ensure that BRAC’s microfinance program was represented in a comprehensive manner.

The Research Site: Dar-es-Salaam, Tanzania

Creswell (1998) articulates that the context of a case involves situating the case within its setting, which can be a physical setting, or the social, historic and/or economic setting. Tanzania was chosen as a research site as the country has been accosted with a history of imperial conquests, colonial impositions, and development projects including microcredit as a development intervention.

Tanzania consists of Tanganyika and Zanzibar – two states that were united in 1964 to form the United Republic of Tanzania. Tanzania is divided into 26 regions – 21 are on the mainland while five regions are on the Island of Zanzibar. The Republic is composed of 30 regions. Dodoma is the capital city, while Dar-es-Salaam is the largest city with a thriving commercial centre located on the coast of Tanzania.

According to the latest census conducted in Tanzania (2012), the population was 44.9 million (URT, 2015). Females constitute 51 per cent, while males constituted 49 per cent of the population. The country is 30 per cent urban, 70 per cent rural. Similar to other countries in sub-Saharan Africa, Tanzania is urbanizing rapidly. The city's rapid population growth of 5.6% annually makes it the third fastest growing city in Africa, with over 70 per cent of the increase coming from immigration outside of Tanzania (Antos, Lall, & Lozano-Gracia, 2016). It is anticipated that the country will become 50 per cent urban by 2030" (Adam, Collier & Ndulu, 2017, p.86). Of the approximate population of 44 million people, 28.2 per cent of the population lives below the poverty line (URT, 2014).

Gaining and Maintaining Access

The research design determines who should be the informants and whether the researcher has the right ones, while access is about convincing the people that have been decided to be informants, to actually provide the information (Mertens, 2008). I had contacted the organization while in Canada and was directed to a website specifically for researchers. BRAC advertised a "research package" which offered an on-site tour of their programs in Dar-es-Salaam. If needed, BRAC also offered to arrange for hotel accommodations. Although I did not access the research package (as I had my own accommodations), I requested the on-site tour.

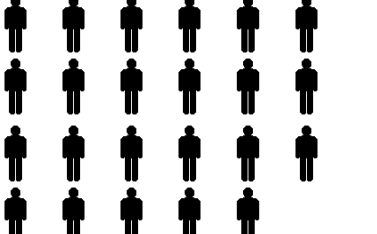

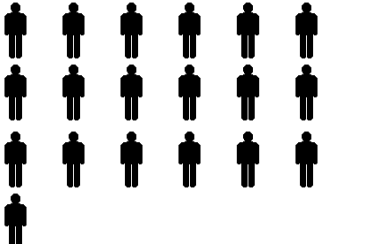











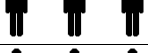

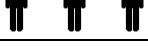

At my first visit to the BRAC Country office in Dar-es-Salaam, I was assigned to a BRAC staff who communicated with me throughout the research process; was helpful in arranging interviews with BRAC staff; and coordinated the visits to the women's groups and two businesses and other smaller satellite offices, also within Dar-es-Salaam city limits.

As I was conducting critical research, I anticipated it may be difficult to access critical perspectives. This became more difficult over the six weeks. The monitoring of the organization made it difficult to access participants on their own so that they could share their perspectives. How the organization responded to the research provided critical insights on the nature of the organization, the social relationships and a more detailed understanding of the implications of microcredit.

Research Participants

The research study engaged 52 participants and utilized purposive sampling to select the participants. This included BRAC staff at all levels of the organization including senior administrators of the microfinance program, program staff, area managers, credit officers and community organizers. The study also engaged two groups of female borrowers from the women's group lending model. The first group consisted of 23 women, while the second consisted of 19 women. I also had the opportunity to visit (through BRAC's tour) two men who owned their own small business and had received individual microcredit loans for their business. BRAC's specifically identified the staff and microcredit borrowers that I was allowed to interview.

Table 1: Research Participants

| Research Participants | Number of Participants | Participants Interviewed | BRAC Staff Present at Interview |
|---------------------------------------|------------------------|---|---|
| Female Microloan Borrowers (Group #1) | Borrowers (23) |  |  |
| Female Microloan Borrowers (Group #2) | Borrowers (19) |  |  |
| Male Borrower | Borrower (1) |  |  |
| Male Borrower | Borrower (1) |  |  |
| BRAC Tanzania Staff | Participant (1) |  |  |
| | Participants (2) |  |  |
| | Participant (1) |  | |
| | Participant (1) |  |  |
| | Participant (1) |  |  |
| | Participants(1) |  | |

(Diary Notes, June 2015)

Data Collection

Primary and secondary sources were used to collect data. Primary data was collected through interviews, and participant observations and notes. Semi-structured interviews were utilized to gather primary data through the focus groups and individual interviews. Due to the constant monitoring and surveillance of the organization, collecting primary sources of data was challenging. It was evident to me that BRAC staff were pressured to articulate the organization's successes and minimize disclosure of inequities that may be occurring in implementing the microcredit program.

The initial research comprised of gathering data from scholarly literature, newspaper articles, websites, and on-line sources of BRAC's programs including annual reports. I had also subscribed to BRAC's on-line newsletter since 2013 which I have been receiving on a monthly basis for the last four years. In Tanzania, data was collected from BRAC's internal reports, observations and interview notes.

Analysis of Data

Data analysis refers to the searching for patterns of relationship that exist among data groups (Mertens, 2008). I utilized a constant comparative analysis which is a "progressive process of classifying, comparing, grouping and refining groupings of text segments to create and then clarify the definition of categories, or themes within data" (Fossey, 2002, p.729). After interviewing the participants in Tanzania, I transcribed all the interviews verbatim when I got back to Edmonton. After the transcription, I began to categorize the data into broader themes and subthemes. Three main themes emerged from the data. I had completed a comprehensive

literature review prior to going to Tanzania. As there was much more data than expected (because the women's lending groups ended up being much larger than expected), I decided to manually copy and paste transcriptions onto large sheets of paper. The themes then became more visually clear and I was better able to divide information into relevant subthemes. I then moved data bits around to make decisions as to where the data would best fit. Once I was comfortable with the categories, I repeatedly revisited the data and moved data around to different headings and subheadings. I then began to analyze the data and the relationships. In the final interpretive phase, the researcher reports the meaning of the case, whether that meaning comes from learning about the issue of the case or learning about an unusual situation. This phase constitutes the "lessons learned" from the case study (Lincoln & Guba, 1981).

Ethical Issues

This research study received ethics approval from the University of Alberta Research Ethics Board in May 2015. At the beginning of each interview, I explained the research to participants and provided an information sheet which summarized the research. With the female borrowers, because of limited literacy levels, I verbally explained the research and the BRAC staff who translated and sought approval from the women.

At the beginning of each interview, I articulated that the research was voluntary and that participants had the right to withdraw from the study before, during and after the interviews.

All research data was treated as confidential information and was only used for the purposes for which the information was collected. The researcher assured the participants of confidentiality and anonymity in the interviews. In the focus groups, participants were assured of

the confidentiality by the researcher, but could guarantee the confidentiality of other focus group participants. To minimize any risks to the participants in the focus group, the researcher requested participants to respect the privacy and confidentiality of others in the group.

All written participant information, field notes and digital and audio data was stored in a locked safe. The researcher was the only individual who transcribed all the interviews. Once the study was complete, all the electronic files and paper data will be retained for five years. After five years, all electronic and written files will be deleted and only the final report and published articles will remain.

Trustworthiness

Lincoln and Guba (1981) posit that there are four criteria that should be addressed in ensuring trustworthiness in qualitative research projects undertaken by qualitative researchers. These constructs include a) credibility; b) transferability; c) dependability; and d) confirmability. According to Yazan (2015), in qualitative research, credibility deals with the question “How congruent are the findings with reality?” Credibility can be achieved by spending time with individuals from an organization to gaining an understanding of the organization, and to build rapport and trust between the two parties. Transferability refers to external validity that “is concerned with the extent to which the findings of one study can be applied to other situations”. Given that the findings of qualitative projects are specific to a small number of particular environments and individuals, it is difficult to demonstrate that the findings and conclusions are applicable to other situations and populations (Yazan, 2015). Stake (1995) disagrees and states that enough of a context needs to be provided in case studies which will allow the researcher to

apply their findings to a broader context. Lincoln and Guba (1981) identify that dependability of research data can be achieved by using “overlapping methods” such as focus groups and individual interviews. Processes of how the research was undertaken should be reported which will allow future researchers to repeat the work. Researchers need to ensure that findings are the results gathered from the experiences and ideas of the informants, rather than the characteristics and preferences of the researcher. This can be assured through the process of triangulation.

In this research study, credibility was ascertained by research conducted prior to visiting the organization through academic scholarship and empirical research which has been undertaken in other parts of the world where BRAC operates its microfinance program. When in Tanzania, I visited the organization prior to going on the organization’s tour or interviewing informants. Prior research which has been done on BRAC as an organization and their microfinance program provided the ability to evaluate the transferability of data. In the majority of cases, the data was transferable as it related to the primary purpose, goals and findings, with variations due to the local context. Dependability and confirmability were achieved by using triangulation and gathering data from multiple sources.

CHAPTER FOUR

BRAC and “Women Followers”

Introduction

This chapter provides descriptions of Stichting BRAC International, commonly referred to as BRAC International’, BRAC’s operations in Tanzania, and the country’s microfinance program. The microfinance description provides a brief context of rural credit, and how, opportunities were created for development NGOs to deploy the microcredit program which claimed to provide financial inclusion for rural poor women while accumulating over \$4.7 million in profit in 2015 (BRAC Tanzania, 2016). The narratives of microloan borrowers and BRAC staff attempt to expose the structural and social implications of microcredit, referring to Karim’s (2008) contention that the NGO is “able to exercise tremendous control over the lives of the poor through a Gramscian notion of hegemony where their relationship is characterized by a ‘combination of force and consent, which balance each other reciprocally, without force predominating excessively over consent’ (p.7). From the interviews, personal observations and three major themes emerged. The first anecdotal narratives disclose microcredit as a development intervention made feasible through neoliberalism to become a poverty-alleviation “business”; highlights Third World women as colonial targets of capital; describes how BRAC’s highly pressured and dominating tactics to ensure repayment through the Grameen Bank’s lending model and suppression of staff.

The second thematic delineates gender empowerment and financial literacy claims that are made by BRAC staff in the name of poverty-alleviation and illustrates how female borrowers and BRAC staff conceptualize empowerment. The third thematic elucidates BRAC as the

development institution implementing the microcredit project as a capitalist venture, yet ordaining itself as the “friend” of the poor, while perpetuating the impetuous paternalism of colonialism prior to Tanzania’s independence. The narratives exemplify the structural racism inherent in BRAC’s institutional structure.

BRAC International

BRAC is an international development NGO whose primary mandate is to alleviate poverty by helping the poor through social welfare activities to “create a world free from all forms of exploitation and discrimination where everyone has the opportunity to realise their potential” (BRAC International, 2016). The organization is registered as a foundation under the name ‘Stichting BRAC International’ which was registered in 2009 under the laws of The Netherlands. BRAC claims that they are the largest NGO in the world in terms of their staff size and the number of people who have globally benefitted from their programs.

BRAC began its operations in 1972, and in 2002, offered its programs in Afghanistan. According to the organization’s consolidated financial statements (2015), the organization then expanded its global strategies for the poor into Pakistan, Sri Lanka, Uganda, Tanzania, Sierra Leone, Liberia, South Sudan, Haiti, Myanmar and Nepal (Stichting BRAC International, 2015). Globally, all BRAC development programmes operate under Stichting BRAC International. In 2010 a subsidiary entity was registered as BRAC International Holdings B.V. and all international microfinance programs, social enterprises and investment companies operate under this umbrella.

Globally, the microfinance program was initiated in 1974 and now operates in six countries including Pakistan, Myanmar, Liberia, Sierra Leone, Tanzania and Uganda. In 2015, BRAC International disbursed USD \$176.9 million in microloans to 442,580 microloan borrowers. The organization is supported by international donors including USAID, UKAid, Australian Aid, and the Government of Canada (BRAC International, 2017).

BRAC Tanzania

BRAC began its operation in Tanzania in 2006 and implements microfinance, a Small Enterprise Programme, education, agriculture, poultry and livestock, and empowerment and livelihood programs for adolescents. The organization implements these programs in 18 regions of the country in 54 districts. The organization is considered one of the largest NGOs operating in Tanzania and is a significant major microfinance provider to both rural and urban populations. The organization states that in 2016 there were a total of “1,855 staff in Tanzania, of whom 76 per cent are female and 97 per cent are nationals of Tanzania. Female staff hold at least 20 per cent of Regional Manager or equivalent and above positions” The organization is supported in Tanzania through funds by UKAID, the Novo Foundation, the LEGO Foundation and NORAD (BRAC, 2016).

BRAC’s Microfinance Intervention in Tanzania

Credit to the Rural Poor

German colonialists first introduced commercial banking in Tanganyika in 1905 in an attempt to modernize the country’s banking system and stimulate the economy. When

Tanganyika was allocated to the British, the British colonial administration impelled farmers to grow crops for export colonial markets and establish specialized financial institutions that would provide credit to rural clients (Bee, 2007). The administration hoped that this would propel the local population into circuits of credit and capital which would result in considerable profits for the administration.

Rural clients accessed financial services from Rural Financial Markets (RFMs) which were either formal or informal. Formal financial services refer to institutions such as banks which are regulated, while informal financial services are transactions, loans and deposits which operate outside the regulated financial system. Although there was an increase in the number of financial institutions in the country, access to credit for rural clients was nominal. Establishing financial institutions in rural regions was eminently challenging because Tanzania relied primarily on agriculture which involved substantial risk; poor infrastructure made it difficult for rural clients to access banks; and prevalent levels of illiteracy amongst rural populations made it difficult for rural clients to undertake business with formal institutions (Bee, 2007).

After Tanzania's independence, Nyerere's government implemented financial reforms to stimulate economic growth in an attempt to reduce poverty and to remove colonial influence over their national economy (Thillarirajah, 1994). The reforms were further implemented to strengthen the banking sector; to expand financial institutions throughout the country; to encourage citizens to accumulate savings; to improve disbursements for clients which would attract increased deposits; and generate profits for the government through dividends and taxes (Ibid, 2007).

While the newly independent socialist government began a process of decolonization, foreign colonial banks continued to monopolize the banking sector. As a response, the government established its own Central Bank - the Bank of Tanzania - in 1966. The government nationalized existing banks and purchased commercial banks which had previously been privately owned. From the Arusha Declaration in 1967 to 1991, the country's financial system was characterized by state owned financial institutions (Ibhawoh & Dibua, 2003).

Between 1970 and 1980, the government's financial reforms led to macroeconomic instability which continued into the 1990's. The government's rural development policy continued to focus on agricultural credit. Economic challenges resulted from the government's inability to reach its financial targets; the lack of citizens to save the amounts which had been anticipated through financial institutions, and the reliance on international donor funds was inconsistent and unreliable (Bee, 2007). Structural weaknesses of formal credit institutions to provide adequate services and minimal agricultural production thwarted the ability of rural clients to repay loans, which further limited access to credit for rural populations.

The banking system continued to focus on urban centres (Bee, 2007) and the formal banking system still relied on collateral and creditworthiness for acquiring loans. Banks continued to play a minimal role in economic growth for rural regions, even with the government's financial nationalization and institutional reforms.

As a response, the government revised its policies through liberalization of the financial sector which relied heavily on private enterprise (Thillairajah, 1994). The role of the Central Bank was revised and the bank focused its efforts on improving its governance to meet the needs of clients. Through neoliberal reforms, providing financial services to urban populations became

significantly more lucrative. Commercial banks then withdrew from providing credit to rural populations and the state-sponsored credit system collapsed, which created a market niche to provide informal credit to rural populations in the country.

The World Bank and its economic allies impetuously capitalized on this opportunity through the implementation of the microfinance program. Hyperglobal proponents of microfinance articulated that access to financial services for rural clients would provide microbusiness opportunities for the poor; allow borrowers to build their economic capacities; and provide job opportunities to local citizens who could implement the program through development NGOs. Microfinance was then contextualized within a rubric of development which could reduce poverty, increase agency and empower the poor. The World Bank and its global networks now had access to 44 million people in Tanzania (URT, 2014), of which 70 per cent (30,800,000 people) were rural clients, who up to now, had been considered primarily “unbankable” because of their limited ability to borrow funds with minimal collateral.

Microfinance Program Description

BRAC Tanzania’s microfinance program began in 2006 and has “grown to become one of the largest providers of financial services to the poor...and is at the heart of BRAC's integrated approach to alleviating poverty. The program provides microloans to women who are not served by other microfinance institutions, providing them the opportunity to operate businesses which sell products or services to their local communities (BRAC Tanzania, 2016). These services are implemented through village organizations based on the Grameen Bank’s group lending model. BRAC posits that the program provides “social education and financial

literacy through weekly group meetings” where participants are given advice on how to manage their businesses so that loans are paid back in an efficient manner (BRAC Tanzania, 2016).

Through interviews and informal conversations, senior staff at BRAC were asked to describe the program. They confirmed that BRAC began its microfinance operations in Tanzania in 2006 and operates under BRAC TANZANIA FINANCE LTD., under which the microfinance program is administered:

“Microcredit is known as microfinance because it also includes insurance, pensions, micro-insurance, all these things together. We are reaching more and more people, and so achieving financial literacy and ultimately getting people out of poverty, that is our main objective” (Interview notes, May 2015).

An internal report provided by BRAC in 2015 at their Dar-es-Salaam office indicates that the microfinance program operates in 54 districts, 18 regions, and has 120 branches throughout Tanzania. In 2016, this increased to 21 regions and 127 branches (BRAC Tanzania, 2016). There is an office at every branch. Each branch administers the microloan program (along with other programs) for that geographic area. Every branch office hires five to six credit officers and community organizers who go through two weeks of training in microloan financing. There were 520 microfinance staff implementing the program throughout the country. The report also indicated that there were 7,790 women’s lending groups in Tanzania with 110,765 female borrowers. In total, 57,153 microloans were disbursed to women, with the average loan of \$302 USD. The total amount disbursed to female microfinance borrowers in 2015 (up to May 2015) was \$17,287,291. A senior staff confirmed that “*we have 110,000 women followers*”. All BRAC staff referred to female borrowers as “*followers*” (BRAC Internal Report and Interview notes,

May and June 2015). At the onset, the term “followers” is a contentious term for a development program seeking to empower women. According to Kabeer (2005), empowerment refers to a person’s ability to make choices in lives within their context, where choices were previously denied to them. Changes in the ability to make choices can positively affect choices related to resources, the ability to increase agency; and affect the outcomes of choices one makes. In the context of microcredit, although female borrowers may have made a choice to participate in the program, the imposition of the term “follower” does not implore women to make their own choices, nor does it foster agency. In fact, it implies the opposite – it urges women to join the microcredit crusade by initiating them into followers of capital. The very term is reminiscent of Christian missionaries established by the British administration during the colonization of Tanzania. Manji and O’Coill (2002) articulated that colonial administrations were not interested in providing social services for local indigenous Africans. Their primary goal was to maximize profits while exploiting human resources. The missionaries ideologically imposed colonization on their religious followers, evangelizing amongst African populations and discouraging what they perceived as ignorance and laziness, while promoting their own conceptions of civilization. These ideological impositions were evident in BRAC’s epistemic assumptions of female borrowers, preaching that microcredit will empower women, while simultaneously ensuring profitability for capital investors.

Microcredit as a Neoliberal “Poverty Alleviation” Business

Activist and critic of development, Walter Rodney (1972) poignantly articulated:

“A second and even more indispensable component of modern underdevelopment is that it expresses a particular relationship of exploitation: namely, the exploitation of one country by another. All of the countries named as “underdeveloped” in the world are exploited by others; and the underdevelopment with which the world is now preoccupied is a product of capitalist, imperialist and colonial exploitation...many underdeveloped countries in Africa and elsewhere are becoming more underdeveloped in comparison with the world’s greatest powers, because their exploitation by the metropolises is being intensified in new ways” (p.14).

Tikly (2009) expounded neoliberalism as the ‘New Imperialism’ and had used Foucault’s theory of governmentality to prove that new imperialism had been a way to get low income countries, that were previously subjected to older forms of imperialism, into a new form of governance which secured the interests of the United States and its Western allies. Global capitalism became the justification to recolonize the Global South. Tikly articulated that there had been a move away from direct violence of land occupation to more subtle forms of domination. A BRAC staff vocalized the opportunities presented by microcredit which the West is ardently exploiting:

“Of course! They (the West) have seen that this is a chance for them and they are always looking for a chance like that. So they will always come. Always. We have that – that’s the spirit of depending on other countries. We regard ourselves poor. We accept it, and we accelerate it also, that’s what I think. Our country is said to be poor, but the government also accepts that we are poor. So I think we,

Tanzanians, ourselves, we have accepted that we are poor” (Interview Notes, 2015).

New forms of governmentality are being implemented through development institutions (such as BRAC) that capitalize on neoclassical economics and liberal feminism as postulated by Escobar (1995) that perceive women in the Global South as adept solutions who can provide cheap labour based on profit-driven motives of corporations (Wilson, 2012). These insights are evident through primary data on the microcredit program in Tanzania.

“Women Followers” as Lucrative Investments

Both primary and secondary data of the microfinance program revealed that microcredit has resulted in lucrative profits for investors. Women are the preferred beneficiaries because they are considered more reliable, are more compliant and easily coerced than men (Wilson, 2008), and have higher repayment rates (Rahman, 1999). The scheme demands substantial interest rates of 25 and 30 per cent, and utilizes multiple forms of excessive pressure through monitoring and repayment tactics resulting in domination, coercion and control of women that guarantees formidable rates of return for zealous business investors. The microcredit package is convincingly marketed through development rhetoric of women’s efficacy to solve the problems of global poverty and gender equality, while women are being entangled into shackles of capital. Eurocentric epistemic conceptions of Third World women as domestic, lazy, and powerless (McEwan, 2009), who had previously been subjugated to imperialism and colonization prior to Tanzania’s independence, were clearly evident in responses articulated by BRAC staff:

“In Tanzania, most of the women are involved in small, small business. I think you saw at the rural site, many, many women’s, they are involved in the small, small business. The housewives, they are either doing small business or doing nothing. So we’re trying to involve them into the small business” (Interview notes, May 2015).

When asked to describe the female borrowers, a senior staff indicated *“the women are poor, but still have access to food and they can sign”*. Mid-level and junior staff further articulated that the women were:

“Between the ages of 25, 22, and 40. In Tanzania, most of them are 22 up to 40. They are young and working here. Most of them are married and have kids”.

“I’m looking for ages 18 and above, and minimum 15. The women who has the ability to use the loan effectively, and has the ability to pay the loan.”

“...Most of them, they have done primary school. There are a few who went to secondary school so there are a few that are educated. So in 20 groups, you might find two (women)” (Interview notes, May 2015).

Two BRAC staff posited BRAC as *“friends”* of the poor who go to their homes in rural regions instead of the poor coming to urban centres, while a another staff confirmed that BRAC, are in fact, looking for women who are married and own their own houses, which can be used as collateral for microloans:

“90 per cent of customers are using their house for loans. So we are wanting people with a familied house.”

“Our system of microfinance operation, compared to the others, is different. They (microfinance lenders) are not coming to remote areas. They are not coming up to their homes. They are staying at the office and sometimes they (the female borrowers) cannot get to the office without shoes. So sometimes, it happens. But for us, we are coming up to their community, up to their home and they take us a friend and build up the relation, so then we have no problem.”

“...this is the difference between BRAC and other organizations. We are following them to their house” (Interview notes, May 2015).

Group Lending Model – “Money, Money, Money Installments”

The group lending model implemented in Tanzania is based on the Grameen Bank’s model. It is used to “maintain tight fiscal control over repayments; police women borrowers’ financial conduct after they received loans; and enforce payment through collective punishment for individual defaults” (Karim, 2008, p.17). These forms of domination ensure the 99.6% loan recovery rate (Journal notes, May 2015) in Tanzania while guaranteeing capital returns.

A week after arriving in Dar-es-Salaam, I was accompanied by five BRAC staff to attend one of their weekly collection meetings at the village-based location. The village was situated on the outskirts of Dar-es-Salaam in a hilly and muddy area with no established road. The hills were difficult to navigate by car as they were fairly steep and had continuous deep potholes. Miniscule mud homes were sparsely populated and situated throughout the hills. Tropical plants and trees were sporadically dispersed throughout the area, and chickens, hens and goats were freely roaming on the hills. At the plateau of one of the hills was an outdoor space where straw mats

were placed on the ground and 23 women sat on the mats in a semi-square formation and had been patiently waiting for us.

A second researcher and myself were requested to sit in chairs in front of the women, while BRAC staff sat on the mats. The second researcher and myself chatted with the women for approximately forty-five minutes, while a BRAC staff translated the conversations. The environment was extremely constrained as there were five staff present with one of the most senior staff of the microfinance program. The women appeared visibly uncomfortable and scared to speak. They did not speak unless they were spoken to. The women were all of Tanzanian descent and a few of them had their children with them. The Area Manager who translated was adept at eliciting responses and making the women feel more comfortable. After forty-five minutes, the senior staff informed us that the women needed to get back to their businesses and that the weekly payment of the loans would now be collected.

At every weekly collection meeting, women were required to first stand, and in unison, recite out loud, lines from the back of a pink passbook which were provided by BRAC when they take out a loan. The Area Manager explained that the women were reciting a list of loan obligations that they are expected to adhere to, when taking out microloans from BRAC. Regardless of the length of the loan, the women were required to recite these obligations every week at the beginning as a weekly reminder. The women recited the obligations and then sat down, and each borrower then passed her payment to BRAC's Community Organizer who collected the money. The environment was extremely uncomfortable because it put an enormous amount of pressure each woman as 25 people watched each of them make her payment. The meeting then ended.

I had an opportunity to visit another group a few weeks later. Although a group of staff were to accompany me, BRAC had an emergency prior to leaving and the full entourage of staff could not accompany me, except for two female staff who were familiar with the women in the women's group. We arrived, again in an outdoor setting in an open field, sparsely populated with brick and mud housing. Behind one of the houses, 19 women were a part of the women's lending group. I was there for a longer period of time; had an opportunity to build rapport with the women who were much more comfortable and openly shared their experiences. The women felt very comfortable with the two BRAC female staff and conversations were lively and relaxed. The Area Manager translated the conversations. When we finished the interviews, the women were very cordial and invited me to go back whenever I wanted. Over the following weeks I also met with BRAC staff to understand the implementation of the group lending model.

BRAC staff described that when a new women's lending group is formed, BRAC itself chooses 15 to 20 women who live in geographic proximity to each other. After a group is established, the group has to make decisions about whether to allow other women to join. These decisions are based on whether they know the woman and her character; whether she lives in the area; and if she will be able to handle the loan payments based on her economic situation. After the women choose a new group member, BRAC checks on her background to ensure that her business is profitable:

“All the people have to agree that you will be admitted to the group, then you can come to the group. Then the woman who says that she wants to take out a loan, we want to know her, we want to know her family, we want to know the business

and we also check her, how her business has been doing and then we give out the loan” (Interview notes, May 2015).

A group leader is chosen for each women’s group who can pressure women and keeps the borrowers motivated to pay; assists with the monitoring of loans; and disciplines the women, when necessary. A staff iterated

“...yes, they (women borrowers) will help (when one person can’t make a payment), but you have to pay them back. So the community organizer uses some techniques – you put leaders in the women’s group who can lead, who can put pressure on members” (Interview notes, June 2015).

BRAC staff confirmed that all groups meet on a weekly basis in outdoor spaces close to their homes where a Community Organizer from BRAC collects the weekly payments. When one woman cannot make her payment, other women will pay on her behalf. The group model becomes a form of guarantee and a tool of enforcement which ensures local and international investor funds are secure.

When taking out loans, *“every woman takes out her loan individually because each woman has different needs. Each woman needs to identify how much she needs.”* (Interview notes, May 2015). Female borrowers have four loans to choose from a range of loan options:

“The first loan is from 175,000 up to 300,000 shillings; the second loan is from 175,000 up to 600,000; the third loan is from 175,000 up to 900,000; and the fourth loan is from 175,000 up to 900,000; and the fourth loan is from 175,000 up to one million, one thousand shillings” (Interview notes, May, 2015).

The loan recovery rate in Tanzania in 2015 was 99.6% (Journal notes, May 2015). There are different interest rates for different loans - *“...here in Tanzania, there are some people who take a short term loan which is 20 weeks or 40 weeks. For 20 weeks, the interest rate is 30 per cent. For 40 weeks, it’s 25 per cent. The interest is big.”* (Interview notes, June 2015). The borrowers were required to pay the interest rate on the entire amount borrowed throughout the repayment of the loan.

When taking out a loan, BRAC keeps 10% of the loan as *“security money”*. When the loan is paid off, BRAC returns the funds to the borrower, without interest.

“You know that in the procedure of taking out the loan, there is money which is cut from the original loan which will stay in the office as security money. We cut 10,000 shillings which is 10 per cent of the loan and BRAC clients always complain about that. The last branch I worked at had 78 groups or 80 groups and not less than 1300 members. So take that example, 1000 people leave their security in the office for 40 weeks! That’s 1000 times 10,000 shillings each, which is 10 million shillings for 40 weeks. That money, I mean others take that money. So there are others that don’t know, they see it as a normal thing. But for others who are thinking, they see the problem. That money is rotating. There are those paying third loan, fourth loan. It means that that money, the organization is using it” (Interview notes, June 2015).

The female borrowers were asked what kind of businesses they ran. Some of them expressed that they acquired loans to sell *“charcoal, groceries, salon, fish, flower bedding,*

flowers, mandazi, fruits, salon, chicken, clothes, soap and vegetables” (Interview notes, June 2015).

New Businesses and Ultra Poor – “Risky for the Organization”

To further ensure profitability, women who ran existing businesses that generated a profit were targeted to take out loans. BRAC does not fund new businesses because the financial risk is too high. For the women who successfully repaid their loans, they were continuously pressured into taking out additional loans for a higher amount which would increase the interest that BRAC would be paid and ensure further profits. Women were also not allowed to acquire loans to purchase items to improve the material conditions of their lives. Although microfinance claims to be for the poor, it is only for the poor who can help BRAC achieve a profit. The ultra-poor are not considered “lucrative investments” and require ulterior interventions.

“What they (BRAC) emphasize is that the person you are giving money to has something to do. They don’t prefer to give loan to those who are going to start a business, but for those who at least have something, those who have an income because once they give, they don’t consider those who are the most poor because then it is hard to pay back, then it’s a problem. It is risky for the organization”

“In BRAC, when a member takes 100,000 (shillings) each time for the first loan, they are expecting to extend the loan to take maybe 300,000 up to 500,000, up to 1,000,000. So when a member takes up her first loan to the fifth loan, but her amount is 200,000, it is always, always, always, that is a problem. That is not encouraged”.

“BRAC expects borrowers to take more and more, for those who are capable. That’s why we can say BRAC is aiming to help those poor, but not really poor.”

“They (the female borrowers) are saying that they take loan, but sometimes before paying off the loan, they need some money because they have problems like school fees need to be paid with children, or anything, so they are asking BRAC to give another loan so that they can fix the problem.”

“If a woman takes out a loan, she has children in the house, and she wants a tv, so she take the loan, buy a tv, and then the problem is coming...” (Interview Notes, May and June, 2015).

BRAC staff confirmed that there were no lending groups for men. Men acquire individual loans. While BRAC pressures women to repay loans on a weekly basis, men make their payments on a monthly basis. Providing loans only to women was justified in the name of empowering women:

“We only have groups for women because women have less privilege, and we give them so that we can empower them.”

“The women also are trustful. They have some fear. They don’t want to be pressured. They don’t want someone to be hurting them. For the men, that is not working” (Interview notes, May and June, 2015).

BRAC “Saved” by Staff

In addition to using Third World women who can be incited into capital, the Grameen women’s lending model, BRAC has a series of additional mechanism to ensure the almost 100% rate of return on the loans. BRAC hires full time credit officers whose primary job is to survey

and acquire microloan clients. A mid-level staff disclosed that when looking for clients, BRAC assigns them to a territory from which they operate:

“We have been given a territory over seven branches. So that way, it is easier to control clients in this area. It’s too difficult if you are given a big area, then it’s difficult to control...otherwise you have to control someone here and someone there, it’s just not possible.”

“ My main duties are first to practice surveying so that I can get clients, those people who are capable of taking loans, but not only of capable of taking loans, but those who are capable to return the money. So basically, in our activities, how do we get clients? So we meet business people. We introduce our company. We tell them what products we offer. And that will make someone to get the loan. After that I am using the neighbour. Do you know her? Is this lady staying here? I’m trained to get information about you by using you, yourself and the neighbour. Basically when we get into contact with a new client before giving out the loan. We just try to tell them how to do business in such a way where you cannot be let down, otherwise I will be the one who is suffering” (Interview notes, May 2015).

Once women are recruited and join a women’s group, they have to contend with an average of 20 other women who will put pressure on them to make their payments. The group leader also acts as an enforcer. The Community Organizer then comes each week to collect the funds and also puts pressure on the women. If a borrower cannot pay, and the group does not pay, the

Community Organizer elicits the assistance of the Area Manager who is also expected to visit groups and puts pressure on them.

“So the main thing I do is that I visit the branches. When I go to the branch office, I have to visit at least one group every day. After finishing with the group discussion, I check how they are doing. I check their businesses. Is it going up? I check their business and also check their house” (Interview notes, June, 2015).

If there is still a problem the Area Manager will consult with the senior staff. When the women cannot repetitively pay, it puts pressure on them, and they run away because they can no longer face the same women repetitively at the weekly meetings. However, she is in close proximity to all the other women in the group and cannot go too far without being found. Research participants indicated:

“If a member run away...because in the office, they (BRAC) don't want to see such a thing, otherwise other members will start running away. So in order to escape that, they want the community organizer to come up with the money, no matter how...BRAC insists on group leaders, even Community Organizers, even Branch Managers, to ensure no one runs away.”

“So when the woman is incapable of paying a high installment continuously, other people will pay for her, but other people may leave the group also because it's a disturbance for them.”

“When it comes for the day of the meeting, some people close their house and go somewhere. When the group meets, they send people to find her, but that person is not far. Maybe she has gone to the neighbour. They go there because they want

money. BRAC insists that Community Organizers and Branch Managers organize the people to see that they don't face such problems, or to pay for other people"

(Interview notes, June 2015).

In instances where the women cannot repetitively pay and do not attend the weekly meetings, in desperation, the rest of the women in the group will go to her house, seize her belongings, and sell them so that the money can be used to repay the loan.

"Yes...this same thing is happening at BRAC, the same thing. Yes, the selling of property is also existing in BRAC. In their own areas, the women sell her things, but don't report it to BRAC. But maybe she (borrower whose items are stolen), they can talk with police, talk with the church leaders. When the women they sell those things, the money is paid back to BRAC and they give that money back to the group. But those who are in top positions (at BRAC) do not encourage staff to say these things to people. What they encourage is to motivate members to pay for that one that can't pay" (Interview notes, June 2015).

When the borrower is in this position, BRAC will end the relationship with the female borrower.

A research participant cited:

"They (BRAC) know that people are not equal...there are people who have business, but due to family problems...the money may be used by another family member, so she gets money, but she can't pay continuously. Then BRAC terminates those who can't make their payments and pay on time. BRAC will terminate them" (Interview notes, June 2015).

A research participant indicated that once it gets to that point and payments from the loans are outstanding and women cannot pay, BRAC will start putting pressure on staff and deduct the amount owing from a women's group, from the salaries of their own staff! When the situation becomes tense and staff have too much pressure put on them, they leave their jobs. However, when all payments are made on time by the female borrowers, staff working with the women's groups are considered good employees and are sometimes promoted.

"I don't know in other countries, but in our country, they know there is a problem of unemployment, so for the staff, especially the staff, they give pressure to the staffs. They know they need job, so they will put more effort in collecting the money."

"Sometimes when it comes to the end of the month, you prepare salary. BRAC don't want anyone with late installments. So they pressurize them. If you're your groups have some amount overdue, they keep the money. So the day I am getting a salary, if members (borrowers) have not paid, when I receive salary, then that amount is deducted to cover that amount. So BRAC is saved" (Interview notes, June 2015).

Empowerment – “It is Good for Us, For Repayment Purposes”

“The Loan is a Burden to Her”

Three BRAC staff explained how women were empowered by taking out microloans:

“Microfinance is giving them a platform to sit together. If you are sitting together, then the women can be empowered. We have some agencies to support in the areas of social, economic, political issues, so obviously they will be empowered”

“Yes, somehow, the woman she gets the ability to support her family. So it helps to increase the equality. The loans give women the confidence to do things in their house, like her ability to pay education fees, the ability to buy clothes, a house, and to deal with circumstances in their house. So it’s a help to be confident and a mother in her own house. It gives them power in their own house, so the loans help the women.”

“In Tanzania, if you have money, you have a voice. Even your husband will not do anything bad for you because you can stand up and you can speak. But if you don’t have money, you can do anything to you, because if you don’t have money, you have nowhere to go, you have to stay there. So we empower them so that they can have a voice” (Interview notes, May 2015).

What BRAC staff did not articulate in these responses was that women may have a voice when they have money, but they need their husband’s approval to act as guarantors to take out a loan. In the interviews, the female borrowers articulated that even after ten years of successfully running a business and paying back loans to BRAC, they were still required to have their husbands act as guarantors. They were not able to take a loan on their own, even with an exceptional credit history. A staff confirmed: *“Before taking out a loan, a member must have a*

guarantor. So if anything happens to the loan, than their guarantor will be held responsible, they will be left to repay” (Interview notes, May, 2015).

The women were also asked if they used the loans themselves or gave the loans to their husbands. The majority of women immediately reacted and spoke all at once. One by one, they articulated that although this may be true in other countries, it is not true for Tanzania. They stated that the loans belonged to themselves. BRAC staff stated that in the majority of cases the women themselves ran their own businesses, but there were instances, where the wives took out loans for their husbands. Staff stated that although this may occur, it is an agreement between the wife and husband and these are issues that BRAC does not get involved in. Regardless of who uses the loan, it is not allowed to affect the repayment. A BRAC staff confirmed: *“Society is like that (that men take away the money), and that will take more time, but it is happening”* (Interview notes, June 2015). Another staff stated:

“Mostly you can say it belongs to the women, but in reality it’s the two of them.

Other men just use their wives because it’s a chance for the wives. For most of the per cent, the women use the money, and in the other per cent, the men use the money through their wives” (Interview notes, June 2015).

In addition to gender empowerment, senior staff were asked how BRAC determines whether or how microcredit has actually reduced poverty. BRAC staff did not know whether poverty was being reduced or not. One senior staff articulated that if I wanted to know that, I should visit the government of Tanzania’s website, but that BRAC does not track whether poverty is actually being reduced.

“No, we do not have any studies. We don’t have the capacity to do that in Tanzania, but we see our followers, we can see that they have developed their businesses, so we can say that people are doing well and we are increasing our number of branches, so that means we are doing something” (Interview notes, May 2015).

Although the material conditions of some women have changed, research participants cited that this is not true for all women. Some women have husbands who can help them if they require assistance; others do not have the same support. The microcredit program further marginalizes women who do not operate a business, in addition to women who are ultra poor who are not accepted into the women’s lending group because the financial risk to BRAC is too high.

“For those I mean, I think you can refer to this individually. Individually, those who are business women, they make it somehow, they are capable. Also, I mean they have businesses which sustain them. So for those, it’s better for them. For the poor woman who is taking out 300,000, they start cooking chapattis, selling tea or making a small, you can say, small canteen. For that woman, I don’t think the loan for 20 weeks, she can’t pay. She’s incapable of paying the loan. She can pay well for the first few weeks, up to maybe, ten installments. Then after that, it’s hard. That loan is a burden to her” (Interview notes, June 2015).

When women cannot repay their loans, this leads to a cycle of debt and then BRAC “terminates” her. A senior staff states that she will not be able to further loans for another two years. Women end up being in a worse position if they cannot pay financially; or if their property is stolen, they are materially worse off than when they started. It also affects the nature of their social relations

because women all live in the same village or in close proximity to each other. If women runs way, she becomes further isolated.

One participant expressed that women who have difficulty paying a loan request multiple loans to ensure that BRAC's payment can be made on time. Some women can afford it, while others cannot, as they limited resources to borrow from elsewhere.

“The other thing is that men do not spend much time at home. But the woman would have to be at least around, they take care of the children, so those pressures, movements of money, money, money installments, they don't like that”

(Interview notes, June 2015).

The women were also asked whether they really wanted to run a business. Half of the women revealed that they, did not, in fact, even want to run a business. They would much prefer to be employed.

A BRAC staff articulated that overall, in the most rural areas, the poor remain poor because in those regions there is minimal infrastructure and investments, both a policy and program level.

“Most of the women, they remain in the village in the rural areas. For the people in rural areas, there is no transportation; there is no business; there is no microcredit. So people living there, there is no help for them. That's why everyday they continue to be poor. I think that even the government, they forget about the people. So there is no hospital, no anything for them” (Interview notes, June 2015).

Financial Literacy – “There is No Program”

All research participants were asked about the role of learning in microcredit, if financial literacy (as claimed on BRAC’s website) was provided, and how. Staff articulated that due to a lack in funding, there was no financial literacy program. Any learning which occurs is done in an informal way (Interview notes, May 2015). A senior staff expressed that Community Organizers and other BRAC staff provide information about how borrowers can improve their business which helps them to pay their loans back. He also articulated that BRAC is attempting to alleviate poverty through a holistic approach that will improve the overall well-being of the women. If they remain well, they can repay the loan. If they get sick, the women will not be able to repay the loans. This is why a holistic approach to poverty alleviation is necessary:

“We never alone say that microfinance can do that (alleviate poverty). You need education, health, microfinance development, housing, so all together, people can develop a holistic way...so microfinance alone cannot eradicate poverty.”

“(We have an) informal kind of learning...and also, they (the women), after discussing microcredit, they learn that they should cover their food, or put food in the fridge or talk about hygiene, so they have an opportunity to discuss those issues. But we believe that if you don’t talk about these areas, because for example, if they get sick, they cannot do business, they cannot repay our loans, so those are the issues” (Interview notes, June 2015).

A female borrower expressed:

“What the Community Organizers in BRAC do, they don’t teach about how to use the loan. So you are giving us loans, yes, fine. You are collecting money with

interest, but you don't give us any education about how to use the loan, only give money, and collect it back." (Interview notes, June 2015).

Another staff articulated:

"There is no program, I mean to prepare the women on how to use the money (to run a business)...but they are prepared in how to pay back the money. As I said that is their (BRAC's) weakness. I observed it" (Interview notes, June 2015).

Given that there is no financial literacy program, the women were asked what knowledge or support BRAC does provide them when are facing challenges. They said if they face challenges, they share those at the weekly meetings and learn from each other. The Community Organizer will help them as best as she can. Other than that, the women reiterated that they do not receive any other training on how to run a business, or to develop business skills which would help them to run a successful business. BRAC staff translated:

"They (female borrowers) say when the community worker comes, she is helping them about how to do the business and how to deal with the loss of profits, so they learn something from her. They say it would be good if they get seminar on business. At least it in three months, they get once, it will help them with their business" (Interview notes, May 2015).

BRAC staff revealed that that when a business was not profitable, they provided suggestions of what could be done make the business profitable:

"For those people who are taking out loans, the staffs have some procedures. Before giving loan, they survey. After survey, you have to teach those people

about the regulations of the loan. The Community Organizer has to teach them the loan procedures, how interest is, everything on the application form.”

“That is a challenge. For me, I think this is what they lack. They lack knowledge and they don’t know where to get that knowledge. Some people will give knowledge, but for workshops, training, seminars, you have to pay, so that is our challenge. So I think they need that education. This is our challenge. They don’t know how to go about their business. The community workers share information, but it’s not enough because the community worker is not formally trained for that, for giving education.” (Interview notes, June 2015).

If a woman did own a business which was thriving and profitable, I asked if BRAC would provide her with training or support to grow the business further, but there was no training even for women who were running profitable businesses and could benefit from access to tools or technology. When I questioned another BRAC senior staff about this, he confirmed that BRAC does not have the facilities to train women or increase their business skills, just gives them suggestions of simple things they can to improve:

“We say okay, use this book or register for keeping count and you can manage your inventory in such a way, so you record your income every day. We do that because if the client is doing business, it is good for us, for the repayment purposes” (Interview notes, May 2015).

It was becoming clear that the microcredit program which has approximately 110,000 women microloan borrowers and has been operating in Tanzania for ten years, did not provide practical

business skills or empower women to think critically to solve challenges they may be facing in running their businesses.

Colonial Continuities: BRAC as a Development Institution

BRAC: “Friends of the Poor”

According to the senior management at BRAC, Tanzania faces a plethora of challenges which has inevitably resulted in development NGOs having to deploy their skills, expertise and innovation to assume responsibility for the states failure to provide infrastructure and services for its own citizens. BRAC lauded and legitimized itself as a credible alternative aligned to citizen’s interest, especially the rural poor. A senior staff implored: *“Obviously if the government doesn’t have the capacity, it has to rely on other people. There are areas which are unexplored, so that’s why they rely on other people”* (Interview notes, 2015). *“The NGO rhetoric of working for the poor does not occur in a vacuum. It occurs in those instances where the state has failed or withdrawn from the welfare of its citizens, shifting that responsibility increasingly to private charities, corporations, and development NGOs. Consequently, NGOs that step in to take many of these traditionally reserved for the state (education, healthcare, credit, employment), begin to act like the state”* (Karim, 2008). The staff defended BRAC’s position of being the competent alternative to the state:

“BRAC came in 2006, started and opened branches. I remember for the first time BRAC started with two, three branches in Tanzania. It opened in Dar-es-Salaam, in Arusha, and Mwanza, but now it’s almost all over the nation, all over the

country. So from there, 2006 up to now, it's going to be 2016, almost 10 years.

What the country has learnt from BRAC is nothing” (Interview notes, May 2015).

BRAC staff contend that Tanzania is a weak and ineffective government, and a meagre and tenuous opposition party which has resulted in the country's poor performance.

“You see, the parliament is another issue, but it is also related to development. It is a political issue. In the parliament there are 300 parliament members in Tanzania, and the parliament members, there are not more than 30 of the opposition. From 1962, it is from Julius Nyerere's parties, they, the opposition party, is very, very weak in their performance. They are performless” (Interview Notes, 2015).

Another staff identified:

“We started from 1972 from Bangladesh, from Grameen Bank. So from that time to this time, there is no deep change in these tropics, in this area, because actually there is no good ideas in this sector” (Interview notes, 2015).

Staff also articulated that corruption within the government is rampant, there is a mismanagement of government funds, poor infrastructure, communications and education systems. Both female microloan borrowers and staff identified that government officials in Tanzania are more interested in personal gain than the welfare of its citizens. One senior staff revealed:

“So one of the causes (of an ineffective government) is corruption. The government is directly corrupt, just like in Bangladesh. In Bangladesh, there is a corruption organization, Transparency International. So Transparency

International, they publish every year, the list of the top corrupted countries. So, if you see in the last ten years, Bangladesh is the top 1, 2, 3, and 4. Tanzania is 7, 8, 9, 10. So you see, 1962, from that time to this time, is a long time – already in the past. Development is, that means that there is not that much development.”

A second senior staff expounded:

“I think the way government responsibilities are, the person who is applying for a job in government doesn’t think his responsibilities are to make sure that a poor person gets supported. So you are applying as an incumbent, but you don’t think I am an incumbent, but my main vision is to make sure that someone in rural places is getting out of poverty, but this is the responsibility of the government. But the way the operation is, it is not like that. They think it is their incumbent for generating a profit, it is not” (Interview notes, 2015).

In conversations with BRAC staff, they expressed the challenges of ongoing capitalist relations in Tanzania through colonization of natural, economic and human resources, particularly by China, India and Mexico (Interview notes, May 2015). One staff articulated that there has been continued foreign ownership of industries such as textiles. The country had previously been producing cotton, and now cotton is imported and local people cannot afford to purchase cotton anymore. Prior to the British, Tanzania had been producing numerous crops. When the British colonized Tanzania, farmers were forced to produce cash crops, but now, Tanzania needs to go back to producing more crops. There is an abundance of natural resources, but the country lacks the tools and technology to extract the resources. A senior staff claimed:

“What the government should do is not just sit idly, but obviously in the area of natural resources in the field, I saw there is a gold mine, it is there, but the US companies are coming and extracting oil and giving them (Tanzania) only 10%, so those are the issues. Because of the lack of capacity, they don’t have the tools or capacity to extract the gold.”

Another junior stated:

“Tanzania does have a lot of resources, we have a lot of land, enough land, but there is a mismanagement of resources with low technology with lower levels of education. You find that people are unproductive. We are learning in schools, but when you finish, if somebody give him a job to survive, then they forget. We don’t struggle overcome the problem” (Interview notes, May 2015).

BRAC staff spoke their efforts in Tanzania in a paternal voice, articulating that the government should be grateful that BRAC has deployed its programs and services for the benefit of local citizens, yet the government does not recognize their efforts. A mid-level staff said:

“Even in partnership with NGOs, the government is not that much involved. BRAC is here. We have a lot of programs in a larger scale comparing to others, microfinance and other NGOs. But we have no support – we didn’t even get any funding from the government. But donors from outside is giving funding. Still the government doesn’t recognize the role of NGOs, what microfinance institutions are playing in this country” (Interview notes, June 2015).

“I Will be the One That is Suffering”

Over the six week research I had an opportunity to visit BRAC’s Country office and two satellite offices where I had undertaken interviews with BRAC staff. I met with staff at all levels of the organization. The senior management I met were all Bangladeshi men. There were no women in the most senior positions heading programs. The mid-level staff and junior staff were all local Tanzanians who were both male and female. The Community Organizers and Area managers who meet the female borrowers were both female and African women. As locals they spoke the language and knew the cultural customs of the female borrowers. They were also black Africans who were the ones the BRAC put pressure on to ensure that the female borrowers made their payments on time. Two staff articulated:

“The secret is through my experience, BRAC is BRAC. Those who are on top positions will not bother the clients. They pressurize staffs. So Branch Managers and Community Organizers, they are responsible to make sure that all the money are paid back. The junior level staff, they suffer. They are suffering. They are suffering because people want loan, but the problem comes when paying. Basically when we get into contact with a new client before giving out loan, we just try to tell them how to do business in such a way where you cannot be let down, we try, because if you don’t tell us something about these issues, then I will be the one that is suffering” (Interview notes, May 2015).

The racialized structure predominate in the organization was reflective of the Christian missionary groups as purported by Manji & O’Coill (2002) who dispensed minimal support while ideologically encroaching conceptions of colonization positing African’s as ignorant,

incapable of governing themselves while silencing voices of descent through surveillance, domination and coercion.

Summary

This chapter provided descriptions of BRAC as an international development organization, its operations in Tanzania, along with a historical overview of credit to the rural poor. This provided a context to the microfinance intervention in the country. The chapter also included emergent themes from observations, interviews and focus groups with BRAC staff and female borrowers which took place at BRAC offices and village-based locations. This was supplemented with data collected from documents related to BRAC's programs and operations. The following chapter discusses the emergent themes in relation to coloniality, gendered and impoverishing implications of microcredit.

CHAPTER FIVE

Microcredit and Its Colonial, Gendered and Impoverishing Implications

“The colonist and the colonized are old acquaintances. And consequently, the colonist is right when he says he “knows” them. It is the colonist who fabricated and continues to fabricate the colonized subject. The colonist derives his validity, i.e. his wealth, from the colonial system” (Fanon, 1963, p.2).

Despite proliferating international critiques, BRAC’s microcredit program in Tanzania continues to prevail. A resounding number of critical empirical studies from regions throughout the world continue to uphold that microcredit is unequivocally *not* the antidote to solving global poverty, as was previously speculated. Primary and secondary learnings from this research reveal that the program in Tanzania is profusely afflicted with multiple challenges. BRAC and its global economic networks have fervently capitalized on this development project since 2006. As enunciated from BRAC’s documents, the number of female beneficiaries acquiring microloans is rising, as are the number of branches implementing the program, along with BRAC’s deep pocketbooks, at the expense of the country’s female poor.

Given that the primary purpose of the microcredit program was to alleviate poverty, BRAC was asked if poverty in Tanzania had actually reduced over ten years. No one seemed to know. BRAC senior staff identified: *“No, we do not have any studies. We don’t have the capacity to do that in Tanzania, but we see our followers, we can see that they have developed their business, so we can say that people are doing well and we are increasing our number of branches, so we are doing something”* (Interview notes, June 2015). It is common for large scale

development NGOs to determine qualitative or quantitative data to determine program success. Yet the measurements in BRAC's glossy reports indicate the number of microloans granted, but not whether poverty has been reduced or how. Staff identified that the repayment of the microloans was 99.6% which was considered remarkably successful, and according to the 2016 financial statements, BRAC was earning profits of over four million dollars. This was the a measurement of success. To elucidate if and how much poverty had been reduced, or its long term impacts on poor women, I was asked to visit the government's website because it was not BRAC's responsibility to track poverty.

BRAC also claimed to be providing an "integrated approach" when providing microcredit (BRAC Tanzania, 2016). In conversing with a senior staff, he declared that BRAC provides knowledge on hygiene and how to manage food in the house, and that women need to be taught these basic things, otherwise they would get sick and not be able to repay their loans. Providing "integrated" knowledge did not lend itself to providing knowledge specifically to empower women, but to empower BRAC's market driven objectives. Walter Rodney attests to this quandary in his anti-colonial sentiments when he articulated that during imperialism and deployment of colonialism, nothing was executed in the service of African people. "*The development of Africa by the colonists was a cyclical short-hand expression for the intensification for colonial exploitation in Africa to develop capitalist Europe*" (Rodney, 1972, p.223). As a development NGO, BRAC's attitude towards borrowers was more aligned to shareholder interests than reducing poverty.

It is notable that even institutionally BRAC's development programs operate under a registered organization "Stichting BRAC International". However the microcredit program is

registered under the social enterprise and investments wing, but marketed to the public as a poverty-alleviation strategy. This converses Gramsci's notion of hegemony to understand how BRAC represents its own capital interests as common interests of the people:

“The class which is the ruling material force of society, is at the same time its ruling intellectual force...For each new class which puts itself in the place of one ruling before it, is compelled, merely in order to carry through its aim, to represent its interest as the common interest of all the members of society, that is, expressed in ideal form; it has to give its ideas the form of universality; and represent them as the only rational, universally valid ones” (ISR, 2004, p.64).

Building on Gramsci's notion (1971), BRAC positioned itself as the credible alternative to the state, assuming their own presence was paramount for the country's citizens. As a development institution, BRAC staff posited themselves as a necessary instrument in providing microcredit, along with other programs and services: *“Obviously if the government doesn't have the capacity, it has to rely on other people”* (Interview notes, June 2015). Another staff admitted: *“We started from 1972 from Bangladesh, from Grameen Bank. So from that time to this time, there is no deep change in these tropics, in this area, because actually there is no good ideas in this sector”* (Interview Notes, June 2015). As Karim (2008) articulates *“It is precisely the lack of economic sovereignty of third world countries that allows the International Monetary Fund (IMF), the World Bank, and the West to exploit the South and their populations for corporate and political goals”* (p.8).

BRAC senior staff exhibited the similar paternalism of Christian missionaries expounded during colonialism as described by Shivji (2007) and Manji and O'Coill (2002) pronouncing that

Africans should be grateful for all the work BRAC has accomplished in the country, and that it was unfortunate that the government did not recognize their efforts. The majority of BRAC staff did not appear to have an understanding or recognition of Nyerere's efforts in decolonization of Tanzania, or historical understandings of how development had replicated the efforts of colonialism in a modern capitalist context.

There were no connections made between the colonialism of Tanzania and the deployment of BRAC's programs. Yet neocolonialism is clearly evident, even in the funding structure of the organization. The major funders are still European nations including the British and Australians; deploying South Asians as interlocutors to implement microcredit for capital accumulation, poor African women are inducted into the scheme, monitored and pressured to maximize profits.

The plethora of critical scholarship denouncing microcredit's claims of women's empowerment are plentiful. When asked how women were being empowered, BRAC asserted that they were assisting women who were "*doing nothing*" and getting them involved in microcredit. BRAC provided examples of women who borrowed \$1000, but were then borrowing \$1500, or that women were able to purchase items to increase their material conditions. "Doing nothing" is an erroneous conjecture, implicating all African women as lazy. Wilson (2012) construes that in theory and in practice, development has been both racialized and gendered: "the neoliberal discourse of agency, combines with, rather than displaces, those civilizational discourses which continue to construct 'Third World' women as victims to be saved" (p.51).

As female borrowers of the microcredit program in Tanzania are poor, urban/rural women who have minimal literacy rates, BRAC's assumption is that they can be coerced, frightened, and excessive pressure can be exerted on them in the repayment of loans. Consequently, according to BRAC, they become perfect beneficiaries for the Grameen group lending model. However, the continuous monitoring, domination, instilling fear, and imposing multiple mechanisms of pressure - none of these are empowering for women (or for any human being). In fact they serve to disempower women through excessive control and oppression.

Another staff from BRAC articulated that women will be empowered during the weekly collection meetings, by unequivocally sitting together. Sitting together does not result in empowerment. These conceptions illustrated BRAC's poor or lack of understanding the concept of empowerment.

BRAC also claimed to empower women by providing financial literacy, although the primary data revealed that there was no program being implemented in 2015. The information women were provided was how to pay back their loans. Women were not being provided skills or knowledge to successfully run their business. Even for those women who were making a profit from their own small business, there was no financial literacy program. BRAC staff themselves admitted that this was a challenge. The female borrowers revealed "*So you are giving us loans, yes, fine. You are collecting money with interest, but you don't give us any education about how to use the loan, only give money, and collect it back*" (Interview notes, June 2015). After ten years of implementing the microcredit program in Tanzania, there wasn't even the most basic financial literacy program which calls BRAC's claims of empowerment into question.

Additionally, staff themselves were not trained as educators and could only provide basic solutions to assist the women. Staff did receive training in Dodoma for two weeks on how to survey for clients, and all the aspects of lending and collecting the loans.

BRAC staff further claimed that by giving money to women, this will give women power, which will give them a voice. Female borrowers articulated that they needed their husband as a guarantor to take out a loan. In the absence of a husband, a close relative who could pay when required. How is it possible for women to have a voice when they need their husband's approval? Without approval, women could not receive a loan. BRAC staff indicated that even after ten years of women taking out loans and successfully paying them back, women are still not allowed to take out loans on their own. This simply reinforces and reproduces the existing power relations of patriarchy in the home.

Furthermore, BRAC staff confirmed that the poorest women in rural Tanzania are still marginalized because group lending models do not want to accept the ultra poor who may not be able to make their payments. The ultra poor women are then marginalized through this model as they are not sound financial investments, and cannot guarantee the same rate of return from the woman who is poor, but not too poor.

The challenge for women is that often after a number of weeks, they are unable to pay back the loans, and BRAC staff indicated that the women have to acquire additional loans to pay back the original loan to BRAC. This puts them into a cycle of debt. It's what Karim (2008) refers to as "microdebt". In situations like these, women end up in deeper debt because they find it difficult to keep up with all the payments.

BRAC's microcredit model also rests on the assumptions of "possessive individualism". Women are left to succeed or fail based on the Eurocentric notions of individualism. This subsumes that each individual has the capacity to self-determination. Without skills or tools, women are expected to run thriving businesses and escape poverty through their own individual efforts. This individual approach ignores the root causes of poverty which includes colonization (Bateman, 2017). According to one of the research participants, women who are already in a manageable financial position, the microloan works for her. For other women, it carries them into a cycle of recurring debt, while BRAC continues to accumulate profits.

Harvey (2005) postulates a return to Marx's concept of primitive accumulation / accumulation of dispossession, an ongoing process which not only existed in early capitalist development but has been an ongoing process and impacts women's entrenchment into capital. Authors Keating, Rasmussen and Rishi (2010) articulate that for women, work might be empowering for those who are already economically advantaged, but for others, it is simply a means of survival and the experience is not at all empowering. The authors provide an example of Nancy C. Junk's research study of fifty microcredit organizations in the United States. The results indicated that programs were racialized and feminized. Participants targeted women, minorities, immigrants, women, and the disabled. The programs were minimally successful in moving women out of state funded programs, but were even less successful in getting women out of poverty.

Goetz and Sen Gupta (1999) assert that microcredit individualizes and depoliticizes poverty, and that these programs emphasizes self-help rather than public responsibility. This is evident in BRAC's programs implicating women into capital markets with minimal business

skills and expecting that women alone are responsible to ensure profits through their hard work, which removes the responsibility of the state from the welfare of its citizens. For microcredit providers such as BRAC, the country's retraction becomes an excuse for the proliferation of market-based initiatives. For BRAC, this posits them in the middle of a nexus maintaining they are empowering women, while also collecting their debts (Keating, Rasmussen & Rishi, 2010).

CHAPTER SIX

Concluding Reflections

Revisiting the Purpose and Research Questions

The research was a critical exploration of the microcredit program in Tanzania in terms of its gendered, neocolonial and poverty alleviation strategy. According to Karim (2008):

“Grassroots globalization weakens the sovereignty of the patriarchal home family, and replaces it with the sovereignty of the market through NGOs...and the remaking of subjects as a community police to safeguard their investments. The development NGO is the purveyor of this new economic sovereignty, that is represented by corporate capital interests and local institutional interests (NGOs), and is the architect of neoliberalism within a modernist developmental discourse of poor women’s empowerment through the market” (p.6).

The main purpose of this research was to develop a critical exploration of the microcredit program as a neoliberal, poverty alleviation intervention, and its poverty causing, neocolonial and gendered implications. The study questioned how the capitalist-driven program has blatantly been utilized in the name of development and poverty alleviation to further the interests of the agents of capital, including NGOs implementing microcredit, while perpetuating obstinate colonial continuities in Tanzania. The research attempted to explore (a) what are the poverty causing implications of microcredit interventions structured by the interests and relations of neoliberal development, (b) what are the gendered implications of microcredit, and (c) how do such interventions reproduce colonial relations?

Although microcredit has been so pervasive, if not hegemonic in neoliberal development practice and research, critical empirical research from throughout the world has been increasing and contributes towards critical scholarship on the subject. This thesis contributes to this body of knowledge, specifically in relation to Tanzania. This was an opportunity to conduct critical research while not being associated to an NGO or funder that would affect the research to explore the research questions: **(a) What are the poverty-causing implications of microcredit interventions structured by the interests and relations of neoliberal development and capital?**

This research suggests that instead of poverty-alleviation, the microcredit program does exactly the opposite – it strengthens power relationships at multiple levels, and in certain contexts, perpetuates poverty it is trying to alleviate. In the context of weak governments (or perceived weak governments), the retraction of the state provides opportunities for the World Bank and its global partners to perpetuate the colonization of African countries carried out during imperialism. Colonizers recognized that imperialism was too expensive, and that democratization through local, social indigenous movements throughout Africa, had created shifts in political and social contexts, with which they had to contend. In order to continue the exploitation of resources, the global partners recognized that a new form of governmentality was necessary to get low income countries into a new form of governance to secure global capitalism. They promulgated this through prescriptions of modernization, education for the knowledge-economy, and neo-liberalization. The neoliberal reforms which were then imposed on African countries in the name of reducing their financial debts, demanded the retraction of the state and led to the demise of the public service sector, reduced social services for local citizens and

increased impoverishment. This created opportunities for the World Bank and its economic networks to achieve their capitalist agendas through this new form of imperialism. The new governmentality was implemented by international development NGOs who are financially supported by the West to undertake programs and services in local contexts such as Tanzania in the name of development. This research provided insights into development NGOs as the purveyors of this governmentality, aligned to citizen's interests. Microcredit became *the* development intervention/program deployed to alleviate poverty in the name of development. Yet this research indicates that NGO's such as BRAC that implement the program, do not track poverty. There was no evidence to prove whether, after ten years of implementing the program, whether poverty was going up or down. Anecdotal descriptions of women who were able to financially improve their material conditions were cited, but it is not clear as to what degree, the material conditions of women were actually improving. In fact, staff stated themselves that those who lived in very rural environments did not have infrastructure and basic provisions and continued to remain impoverished. Microcredit was not offered to them, as they are not lucrative investments. Microcredit is only for those running businesses who are a minimal risk to investors and can maximize profits.

As stated by BRAC staff, the microloans are only beneficial for women who have successful businesses and finances to repay the loans, but not for others. For those women, the loans become a burden to them. They acquire another loan in order to make BRAC's payments and end up in a cycle of debt. What is clear is that while BRAC is accumulating a profit, it operates in a nebulous paradox – the very intervention that attempts to alleviate poverty, creates more poverty.

The second research question attempted to explore **(b) the gendered implications of microcredit**. From a gendered perspective, both literature and empirical evidence indicate that microcredit reinforces patriarchy, rather than challenging it. The research chronicles the excessive pressure put on women by each other, through group leaders of a woman's lending group, through staff who collect weekly payments, to managers that are responsible for areas and branches, to having women in a group sell each other's material possessions, to running away from their homes. These forms of social control and domination by providing a loan to women would be difficult to implement in the West. It is unlikely that women in the West would meet at their local soccer field or town hall, having a representative of the local bank visiting every week to collect loan payments from 20 women. It would be even more difficult to get women to rise and in unison, read out their obligations to the bank on a weekly basis for a 20 to 40 week loan. If it is not possible in a Western context, what makes this possible in Tanzania or any other African country?

The epistemic assumptions of the South, Southern women, gender and race are Eurocentric constructions which were imposed on Africans during imperialism of the 1800's. These assumptions are perpetuated in the neocolonial context through international NGOs that assert they are acting on behalf of the state (as the state is not able to govern itself). In order to implement microcredit in these contexts subsumes a generalization of Third World women as passive women who can be coerced and manipulated on the very basis of their poverty and race. Inherent in the microcredit program are the epistemic assumptions based on gender, class, race, and poverty. As Mohanty (1984) has boldly articulated, Third World women are defined as "monolith into large economic and ideological praxis of disinterested scientific inquiry and

pluralism, which are surface manifestations of a latent economic and cultural colonization of the non-Western world” (p.86).

The third question explored **(c) how such interventions reproduce colonialism**. As the West continues to exert its economic, political and social power over countries such as Tanzania, they continue to support development NGOs, who act in the interest of capital. These capitalist agendas are being implemented in the same manner that imperialists had portrayed and construed Africans in the 1800’s. Imperialists claimed that Africans were not able to govern themselves; they operated under a system of governance which was ineffective; that Africans were lazy, uneducated individuals who needed to be modernized. As Bhabha (1990) states of imperialism, Africans were perceived as “a population of degenerate types on the basis of racial origin, in order to justify conquest and to establish systems of administration” (p.75). Erstwhile, colonizers perceived themselves as progressive, modern and competent.

In conversations with female borrowers and BRAC staff, these epistemic and Eurocentric conceptions slowly unfolded and were evident in the excessive monitoring and oppression of female borrowers, as well as in the racism of BRAC’s internal structure. The most senior positions were still held by Bangladeshi men from BRAC in Bangladesh, while mid-level and junior positions were held by local Tanzanians. When questioning one of BRAC’s staff as to why the program is not run entirely by local Tanzanians, he stated local Tanzanians are being trained and eventually they will be given the opportunity to manage their own program. After ten years, that day has not come. Tanzanians are apparently, still “in training” (Journal notes, June 2015).

In the meantime, similar to the imperialists, Eurocentrism still perceives of itself in terms of its noblest achievements – rational, scientific, modern and competent, while the non-West continues to be perceived in terms of its deficiencies, while ignoring its continued domination, oppression and exploitation (Stam & Shohat, 2005).

Politics of Conducting Critical Research on Agents of Capital

Conducting research in Tanzania was an exploratory endeavour which I quickly learnt which would be much more challenging than I expected. Although I was welcomed at BRAC at the beginning of the research, my line of questioning reiterated that I was probing and asking questions that made the senior staff uncomfortable. I asked some simple questions for an organization attempting to alleviate poverty. If the empowerment of women is so important, why has BRAC not created a financial literacy program? Or a skills based program for women who are trying to develop new skills? Why does the current microfinance program only teach women how to pay back loans?

The surveillance that female microloan borrowers and BRAC staff face was a reminder of the surveillance even of researchers. There were only a few instances where I was allowed to interview a person on their own. The BRAC staff assigned to me who arranged all my interviews was asked to attend all my interviews with mid-level and most senior members of the staff.

Even times when I interviewed junior and mid-level staff, there were often times two BRAC staff silently listening to all the conversations. In some interviews, they contributed to the conversations, and other times, they silently listened, yet their presence put pressure on the staff who were interviewed to not divulge information contrary to the organization's claims. Visiting

female borrowers difficult because five BRAC staff were present. The polarization of power was acutely evident as the women looked extremely uncomfortable. They did speak unless they were spoken to and it was difficult to illicit responses. Even in speaking with the senior staff, though friendly and cordial, they seemed uncomfortable with some of the questions, as oftentimes they answered as best as they could, but knew they did not have evidence, such as making claims to alleviating poverty, when they knew this was not being tracked in a qualitative manner. The amount of monitoring and surveillance lends itself the question about why BRAC staff felt so uncomfortable. Subsequently, the amount of surveillance and monitoring lends itself the question – why was BRAC so uncomfortable even with researchers wanting to learn about the program? This level of surveillance was evident even in the women’s groups.

These experiences delineate the difficulty in conducting critical research on large corporate/like institutions (NGOs) operating in the interest of capital. Conducting critical research allows for scholars to understand not what is being produced to gain profit, but how social relations are altered and manipulated in the interest of capital. As indicated by Peet & Hartwick (2009), development attends to the social consequences of production.

The social implications of power relations illustrates how domination of the female borrowers delimits and destabilizes opportunities for social mobilization. Although this may be true, it was evident through the research that the female microloan borrowers spoke their truth when they articulated they would like to build skills and knowledge and would be open to taking training. They proclaimed that even the interest was too ‘big’. When asked what they would say to the BRAC’s most senior official of the microcredit program if he visited them, they said: *“If the president (BRAC) will come, we will just thank him very much for giving this money from*

BRAC because it helped us so much, and then we will request from him to reduce the interest rate of the loan” (Interview notes, June 2015). These instances indicated that the women challenged the existing conditions under which they were being treated.

While NGOs posit themselves on being on a capital and moralizing mission, understanding microcredit through macro-level politics can assist in developing a counter-discourse about neoliberalism and coloniality. Critical perspectives allow us to frame capitalist endeavours in a historical context, while challenging the inequities arising in current contexts. It is for this reason that female borrowers, activists and scholars continue to expose individual and structural inequities of such capital programs. As poignantly stated in Jean-Paul Sartre in *The Wretched of the Earth* (1963): “...if exploitation and oppression never existed on earth, perhaps displays of nonviolence might relieve the conflict. But if the entire regime, even your nonviolent thoughts, is governed by a thousand-year old oppression, your passiveness serves no other purpose but to put you on the side of the oppressors” (p. xliii).

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Appendix A
Information Letter and Consent Form – Individual Interviews

Title of Research Study:
Development NGOs and Microcredit Education in Tanzania

Research Investigator:
Sheineen Nathoo
sheineen@ualberta.ca
Tel: 780-540-2929

Supervisor: Dr. Dip Kapoor
Faculty of Education
University of Alberta
Edmonton, Alberta T6G 2G5
dkapoor@ualberta.ca
Tel: 780-492-7617

Background

You are being asked to be in this research study to learn about the impacts of micro-credit education/training in Dar-es-Salaam. This research is part of a Master of Education thesis at the University of Alberta, Canada.

Purpose

The purpose of this research is to learn about micro-credit education programs in Dar-es-Salaam, and to understand the impacts on the lives of people who receive micro-credit education/training.

Study Procedures

The research study will adopt a critical-qualitative case study approach using participant observations and key informant interviews. The study will engage in participant observation at sites including adult education micro-credit education centres located at the NGOs premises, and public information sessions/meetings that provide information on micro-credit education program in Dar-es-Salaam. Key informant ‘expert interviews’ will include interviews with NGOs that develop micro-credit education/training, educators who provide micro-credit education/training, and focus groups of micro-credit women’s groups who have received micro-credit loans.

The research will use semi-structured interviews which will be approximately 45 minutes in length. The sample will include:

One locally based NGO;

Three program staff that develop micro-credit education/training programs;

Three educators who provide micro-credit education/training;

Three micro-credit women’s groups (of five women in each group) who have received micro-credit loans.

The interviews will be audio- recorded with permission from the participants. In addition, the interviewer may write down a few notes. Should a participant decide not to permit audio-recording, the interviewer will only take notes during the interview. Secondary sources including annual reports, micro-credit training materials for students, NGO policy documents, observations

and notes will be analyzed concurrently. Following the completion of the interview, the recordings and interview notes will be typed out and summarized for the final thesis document.

Benefits

Your participation will help to understand how micro-credit education helps people economically and how it impacts people from a socio-cultural and gender perspective. There are no costs to taking part in this research and compensation not be provided for participating in the research. Participating does not provide any other benefit, but provides an opportunity to share experiences of micro-credit education.

Risk

The researcher will take all possible steps to ensure that the participant is not at risk. The interviews will take place in local NGOs in Dar-es-Salaam, Tanzania that offer micro-credit education/training and at village-based locations (e.g. community hall). If at any time, the participant does not feel safe, or feels they need to leave or end the interview, they are able to do so. This research is not associated to any specific funder. No information about your participation will be shared with other participants.

Voluntary Participation

You are not obligated to participate in this study. The participation is completely voluntary, and you are not obliged to answer any specific questions, when participating in the study. Permission from individuals (in the form of a consent form) will be obtained prior to participation, at which point a detailed explanation of the procedure, right to consent, right to terminate the interview at any time, and guarantees of anonymity and confidentiality will be explained. All participants will be provided with a copy of this information sheet.

Confidentiality & Anonymity

The researcher will not use any real names throughout the creation of a final paper or any further materials following this research. Each participant will be assigned a “fake name” following transcription of the interview and no real names will be used on any written document or in any communication beyond initial meeting and interview with the participant. The only individual who will have access to the interview transcripts will be the researcher. All information will remain locked and/or password protected at all times throughout the research and following completion of the research.

The plan for this study has been reviewed for its adherence to ethical guidelines and approved by the Research Ethics Board at the University of Alberta. For questions regarding participants rights and ethical conduct of research, contact the Research Ethics Office at (780) 492-2615.

Appendix B
Consent Form

Title of Project: Development NGOs and Microcredit Education in Tanzania

Principal Investigator: Sheineen Nathoo
 Telephone Number: 780-540-2929
 Supervisor: Dr. Dip Kapoor
 Telephone Number: 780-492-7617

| | Yes | No |
|---|----------------------------------|--------------------------|
| Do you understand that you have been asked to be in a research study to investigate micro-credit education and its impacts? | <input type="checkbox"/> | <input type="checkbox"/> |
| Have you read (or has it been read to you) and been given a copy of the Information Sheet? | <input type="checkbox"/> | <input type="checkbox"/> |
| Have you had an opportunity to ask questions and discuss this study? | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you understand you are free to withdraw or end the interview at any time, without a reason and without affecting you in any way? | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you understand you must inform the researcher at the end of the interview if you permanently wish to withdraw from the study? | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you understand that the interview will take approximately 60 minutes? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are you aware that you will not gain any privileges, or receive preferred treatment, as result of your participation in this study? | <input type="checkbox"/> | <input type="checkbox"/> |
| Who explained this study to you? | <input type="checkbox"/> | <input type="checkbox"/> |
| I agree to take part in this study | <input type="checkbox"/> | <input type="checkbox"/> |
| I agree to be interviewed and audio-recorded | <input type="checkbox"/> | <input type="checkbox"/> |
| Signature of Research Participant: _____ | Printed Name: _____ | |
| Telephone Number/ and or Email: _____ | Signature of Investigator: _____ | |

The plan for this study has been reviewed to meet the ethical guidelines and approved by the Research Ethics Board at the University of Alberta. For questions regarding participants rights and ethical conduct of research, contact the Research Ethics Office at (780)492-2615.

Appendix C

Information Letter – Not-For-Profit Organization Participants

Research Study: Development NGOs and Microcredit Education in Tanzania

Dear _____ :

My name is Sheineen Nathoo and I am a graduate student in the Department of Education at the University of Alberta in Edmonton, Canada. I am conducting a research study for the completion of a Master of Education degree, and would like to invite you to participate in the study.

The purpose of the research is to learn about micro-credit education programs in Dar-es-Salaam, and to understand the socio-cultural and gendered impacts on people who receive micro-credit loans and micro-credit education/training.

The research will include interviewing one program staff who develops micro-credit education/training programs and one educator who provides micro-credit education/training. The interviews will be semi-structured for approximately 45 minutes and will be audio-recorded with permission of the staff. In addition, the interviewer may write down a few notes. If either of the staff decide not to permit audio-recording, I will only take notes during the interviews. Following the completion of the interview, the recordings and/or interview notes will be typed out and summarized for the final thesis document.

Your participation will assist in understanding how micro-credit education helps people economically and how it impacts people from a socio-cultural and gender perspective. There are no costs to taking part in this research and compensation cannot be provided for participating in the research. Participating does not provide any other benefit, but provides an opportunity to share experiences of micro-credit education programs.

You are not obligated to participate in this study. The participation is completely voluntary. This research is not associated to any specific funder. If you begin the study and later decide that you do not want to participate, please let me know by phoning or emailing me. The last day to withdraw from the study is July 31, 2015. If at any time, you feel uncomfortable answering questions, you can let me know and you do not have to answer questions that make you uncomfortable.

The researcher will not use any real names in the final thesis document or any further materials following this research. Each participant will be assigned a “fake name” following transcription of the interview. I will be the only person who will have access to the recording and/or notes and

will keep the information confidential. Information which is recorded and written down will remain locked and protected at all times even after the research is completed.

I will be happy to answer any questions you have about the study. If you would like to participate, please call me at (*insert Tanzania mobile number here*) or email me at sheineen@ualberta.ca. You can also contact my Supervisor, Dr. Dip Kapoor, at 780-492-7617 or at dkapoor@ualberta.ca if you have questions or concerns. If you decide to participate, I will contact you to confirm the date and time to meet which is convenient for your staff.

With kind regards,
Sheineen Nathoo

Contact Information:

Researcher: Sheineen Nathoo

Telephone: (*insert Tanzania mobile here*); Telephone (Canada): 780-540-2929

Email: sheineen@ualberta.ca

Supervisor: Dr. Dip Kapoor, Faculty of Education, University of Alberta, Edmonton, Canada.

Telephone (Canada): 780-492-7617

Email: dkapoor@ualberta.ca

This study has been reviewed to make sure it follows ethical guidelines and is approved by the Research Ethics Board at the University of Alberta. For questions about your rights and ethical conduct of research, contact the Research Ethics Office at (780) 492-2615.

Appendix D Sample Interview Questions

Title of Research Study:
Development NGOs and Microcredit Education in Tanzania

A/ Sample questions for program staff from NGOs that develop micro-credit education/training programs:

1. How long has the organization been providing micro-credit education/training?
2. Why did you choose to offer micro-credit education/training?
3. What is the demographic of the students who participate in the micro-credit education program?
4. Are individuals taking the program because they are required to, in order to get a micro-credit loan?
5. How does the organization fund the program?

B/ Sample questions for educators that provide micro-credit education/training programs:

1. What does the training content consist of?
2. How do you determine the course content?
3. What are the education levels of the students?
4. From your experience, how does the micro-credit education/training impact students?

C/ Sample questions for focus groups of micro-credit women's groups:

1. When you took out a micro-credit loan, did the bank ask you to take micro-credit training?
2. When you took out a micro-credit loan – how did it economically impact you and your family?
3. How did taking out a loan affect the relationship with the men in your immediate and extended family?
4. How did taking out a micro-credit loan affect your relationships with the people in your village and/or community?