Disciplinary Neo-liberal Feminism and the Political Economy of Microfinance and Risk.

Abstract:

This article draws on a critical feminist approach to locate poverty alleviation strategies based on microfinance within an analysis of global capital accumulation. It argues that the liberal frameworks of female empowerment and entrepreneurialism that are central to such programmes operate as important legitimising discourses that mask their underlying political, social and economic objectives. In contrast a critical feminist approach more adequately explains the interplay of class and gender that underpin poverty alleviation strategies. This article argues that in the context of reduced social provision and the reprivatisation of social reproduction, poor women have been identified as important new markets for global finance and consumers of debt. In doing so the risks inherent in the expansion of financial markets to the margins have been promoted as incentive and discipline whilst being increasingly born by women and households. The recasting of feminism in a disciplinary neo-liberal form has been central to the incorporation of women into global capital accumulation via the expansion of credit markets, therefore the article argues microfinance programmes are important sites of contestation for the politics of class and gender.

Poverty alleviation strategies based on microfinance have far-reaching implications for women, households and the collective feminist project. Using a critical feminist approach, this article locates microfinance within an analysis of capital accumulation on a global scale and associated attempts to co-opt feminism within its needs. Through a critique of the ideological framework that underpins microfinance and its accompanying rhetoric of entrepreneurialism and female empowerment, the article demonstrates that liberal accounts do not sufficiently explain the political, social and economic objectives that underpin debt-based poverty alleviation strategies. In contrast the application of a critical feminist approach demonstrates the interplay of class and gender within the contemporary expansion of capital accumulation and in doing so reveals the manner in which particular households absorb the risks and insecurities within the processes of social reproduction and financialisation, often veiled in terms of financial inclusion and female empowerment.

Particular attention is paid to how risk has been framed and transmitted as both an incentive to and disciplinary mechanism of the poor. Through the targeting of poor women, microfinance demonstrates how the socialisation of risk underpins contemporary processes of production and social reproduction in which class and gender are drawn upon to legitimise the current form of development, further embedding the feminisation of poverty and mediating the social tensions inherent in the expansion of capital accumulation. In the context of reduced social provision, the privatisation of social reproduction and individualised responsibility for economic and social development, poor women increasingly bear the risks of the expansion of credit markets and financialisation to the margins of the global economy.

The argument within this article is developed through five inter-related points: First, the capacity for entrepreneurialism has come to be viewed as universal via its reconceptualization as propensity to take risks and have access to credit rather than innovate. Second, debt-based mechanisms that ostensibly seek to address the financial inclusion of the poor and kick start entrepreneurial enterprise, provide key tools in the extension of capital accumulation on a global scale. Third within this process any associated negative risks are meditated and mitigated by institutions at a variety of different levels, while the positive risks of private enterprise are promoted. These risks operate as both incentive and discipline, locking the poor into financial networks and markets. Fourth this relies on the recasting of debt financed precarious self-employment in terms of female empowerment and the expansion of an entrepreneurial class, which serves the needs of capital and the rhetoric of disciplinary neo-liberal feminism. Fifth this is problematic, both for women targeted by microfinance programmes and for feminism as a collective project. By understanding the reframing of feminism as a class project, microfinance programmes in turn are identified as important sites of contestation for the politics of class and gender.

Before exploring each of these claims, it is necessary to give a brief outline of microfinance. Since the 1980s microfinance has been at the centre of development policy and programmes at the local, regional, national and global levels. The concept of microcredit was originally defined as the provision of very small loans (famously of $10) to poor individuals to establish or expand a simple income-generating activity and lift themselves from poverty. Also known as the Grameen model, after the Bangladeshi bank that first promoted its use, its proliferation as a new paradigm of development was led by Muhammad Yunus. The movement reached its nadir with both Yunus and the Grameen

Bank being jointly awarded the Nobel Peace Prize in 2006. Overtime the concept of microcredit expanded into microfinance to represent the inclusion of a range of financial services such as micro insurance, micro savings, financial literacy training and skills development. Alongside this expansion there has been the commercialisation of the microfinance sector, with the inclusion of global banking interests and the proliferation of financial institutions at the local and national level.

The development of microfinance reflected the dominant paradigm of the 1980s. As a decentralised, non-state form of development financing for individualised enterprise, microfinance chimed with both the Washington consensus and subsequent shift to the Post Washington Consensus. Its remit transcended narrow economic doctrine, as access to credit was reframed as a fundamental human right, in a seemingly natural extension of the rights framework already enshrined in International Agreements (Mayoux 2002:6).

The emergence and growth of microfinance correlated with the move by states to abandon macro-structural efforts to tackle poverty, leaving a gap that small scale lending was supposed to fill (Fraser 2013). In return the state was charged with securing and protecting the freedom of the private sector, enabling fully functioning and open markets and engendering an environment for entrepreneurship. From the 1980s onwards institutions such as the World Bank incorporated support for microfinance programmes, with the UN nominating 2005 ‘International Year of Microcredit’. National and regional development policy similarly embraced the concept, with this form of financing spreading worldwide on the promise of a ‘trickle up’ from financially sustainable local microfinance to national economic growth. By 2010, and in the wake of the financial crisis micro-finance was seen by the G20 as central to a broader strategy of financial inclusion and stabilisation of the world economy (Soederberg, 2013).

The novelty of this form of development financing rested on the ‘financial inclusion’ of those normally excluded from traditional financial markets, particularly due to a lack of collateral and market information asymmetries. The provision of loans to the poor was identified as a solution to this exclusion and was legitimized via the rhetoric of poverty reduction, based on entrepreneur-led growth and empowerment. This rested on what Bateman (2010) describes as a fivefold case for microfinance. First, that it produces additional income and employment within poor communities. Second, that it avoids recourse to traditional money lending or the local loan shark. Third, that it promotes gender empowerment through the involvement of women within the business sector. Fourth, that it allows consumption smoothing by allowing access to finance. Fifth, that it produces social solidarity in poor communities. Karim (2013) notes that its ‘success story’ rests on the idea of a “lone female entrepreneur, often a poor, illiterate homemaker, who autonomously makes free choices in the market and excels with her entrepreneurial skills*”.* Through microfinance she will become a self-employed, out-of –the-home entrepreneur, owning private property and selling her labour on the market (Karim 2013).

Neo-liberal Development and the Entrepreneurial Risk Taker

The rationale for microfinance hinges on the nexus between credit provision, economic growth and the promise of liberal economic theory that a self-sufficient middle class will emerge from a pool of latent entrepreneurial capacity. Thus the entrepreneur is modelled as the catalyst between individualised debt, poverty reduction and social mobility. At its simplest, entrepreneurial activity is assumed to be kick-started via access to small scale credit, erasing the capital constraints that limit the development of enterprise and income generation (Duvendack et al 2011:9). Entrepreneurialism is often conflated with self-employment, rather than innovation per se, and is predicted to maximise outcomes at both the individual and macroeconomic level. So the individual as an autonomous self-directing agent and an entrepreneur of the self has become the 'iconic economic subject' (Murphy 2013). Through the extension of credit, the opportunities for enterprise and market participation are to be open to all with the entrepreneur imagined as every(wo)man.

This model reflects the conceptualisation of a universal potential for entrepreneurialism presented by the Austrian School. Kirzner (1997) drawing on the work of Von Mises, argues that entrepreneurial activity is the very human act of discovery which in turn brings equilibrium to the market. The ability to discover requires alertness to the unnoticed circumstance and opportunity, such as undervaluation within markets. In this way Von Mises conceptualised the pure entrepreneurial function as "buying cheap and selling dear" (Kirzner 1997:33). Thus for the Austrian School the entrepreneur is an equilibrating force, correcting conditions of market disequilibrium through alertness.

However, in the more substantive ideational framework underpinning neo-liberal political economy and competitiveness, entrepreneurship has a more specialised, technical and precise meaning. Schumpeter (2000:60) argued that the entrepreneur is a distinct breed, a 'special type' that can only be characterised as such when innovating. Innovations (or "new combinations") could be a new good, a new method of production, the opening of a new market, a new source of supply of raw materials or half manufactured goods, or the new organisation of any industry (Schumpeter 2000:51-52). Thus for Schumpeter, the entrepreneur was a unique, exogenous and destabilising force, bringing economic development via the perennial gale of creative destruction. They are the 'revolutionists of production' whose innovating activity are both the source of profit in the capitalist system and of disequilibrium (Heilbroner 1999:295). The rents from entrepreneurial activity are supposed to maximise individual wellbeing and in turn generalise an increase in welfare as the gains 'trickle down' to labour in the form of higher wages and better conditions (Selwyn 2014:184). In Marxist terms individual capitalists are entrepreneurs at the point at which they are transforming processes and social relations in support of increasing relative surplus value. For Schumpeter this innovator was not an 'everyday' business person, following the routes of others, nor are they defined by their class or their possession of capital. They are neither merely inventors nor capitalists who undertake risks to participate in profit (Schumpeter 2000:71).

Schumpeter's intervention has two implications. First, capitalists and their managers are not always entrepreneurs – this is a fleeting and contingent moment in their role of subordinating labour power to the extraction of surplus value. Second, if capacity for entrepreneurialism is at least partly determined by personal characteristics – albeit that these are produced like other aspects of nature (Smith, 2007) – then not everyone is equally predisposed to be successful at entrepreneurial activity. On its own terms therefore the supporting ideational framework for neo-liberal competitiveness would seem to raise pertinent questions about the scope for extending entrepreneurship to all.

Selwyn (2014:133) highlights further limitations, particularly the obfuscation of the class relations that underpin both innovation and profit generation. He contrasts this with a Marxist conception of creative destruction which locates economic dynamics within a global system, and understands competition and technological innovation in the dual relationship of the never ending competitive accumulation between firms, and between capital and labour that are constituted at the global level (Selwyn 2014:133). Thus technological innovation tends to cluster in the richer areas in a cumulative process of innovation and rent appropriation, in which the diffusion of technology, facilitated via the organisation of international economic relations and IFIs, structures the global manufacturing system (Selwyn 2014).

Importantly then the neoliberal representation of the entrepreneur within poverty alleviation strategies pays little attention to the potential of the individual as innovator, particularly in terms of a force for technological change, nor the structural elements of the global economy . Rather it identifies self-employment and a willingness to take risks as the markers of entrepreneurialism. This potential is regarded as universal and necessary. It underpins the political rhetoric of neo-liberal competitiveness in which all, under the patronage of global, national, regional and local institutions, are to become individualized and autonomous entrepreneurs (Cammack 2006:4).

Microfinance, financialisation and capital accumulation

The trope of the universal entrepreneur has been central to the Washington and Post Washington consensus, and in particular the articulation of a politically acceptable mode of integrating all into the global economy (Cammack 2006). This both relies on and justifies the extension of private investment as credit and the creation of new markets for financial products. Microfinance programmes have constructed a rationale for the development of formalised lending, while delegitimising the informal system and promoting debt as a route to creating responsible, individualised market actors (Soederberg 2014)

Soederberg (2014) uses the term 'debtfarism' to describe the increased reliance on 'expensive forms of privately created money' as consumer credit. Under the banner financial inclusion and pro-poor development, debtfarist mechanisms are targeted at those normally beyond the reach of the market. Through such programmes the reliance of the poor on the state is shifted to reliance on private financial institutions. Soederberg (2014:1) argues that the targeting of the surplus population by the 'poverty industry' reveals 'the power of the societal structures and processes that have normalised, disciplined and naturalised the reality of pervasive debt'. This has been a key policy target for institutions at the national and international level, with an explicit focus on facilitating capital accumulation and social reproduction:

> "*Financial inclusion is critical in reducing poverty and achieving inclusive economic growth. When people can participate in the financial system, they are better able to start and expand businesses, invest in their children's education, and absorb financial shocks'"* (World Bank 2014)

The goal of integrating the poor into the formal banking sector has seen significant success. In the three years between 2011 and 2014, 700 million new bank customers were created with the numbers of 'unbanked' people falling from 2.5 billion to 2 billion (World Bank

2014). 62% of the world's adult population now have a bank account, in contrast to 51% in 2011. In terms of the potential market, 1.1 billion women constitute 55% of the World's unbanked adults, while the 1 billion people in the poorest 40% of households constitute half (World Bank 2014).

Though the provision of loans and other financial products to those formerly excluded, new credit-based economic relations between owners and borrowers of capital are constructed, facilitating capital accumulation *via* financial liberalisation and the trade in financial services (Mader 2014:602). Thus the frontiers of financial accumulation are shifted from beyond existing limits and into the slum and village economies of the Global South, opening up "new avenues for capital accumulation via financialised capital-labour relationship with entrepreneurial, self-exploiting subjects" (Mader 2014:603) .

The concept of the frontier represents not solely a spatial category but a social and ideological limit that capital seeks to overcome (Smith 2007) bringing with it the real subordination of society to its logic. Understood as primitive accumulation or 'accumulation by dispossession' (Harvey 2004), social groupings outside the remit of capitalism are brought into its sphere while the resources that households rely on for subsistence are expropriated and the poor compelled to offer their labour for commodification. The creation and expansion of markets often rests on violence and coercion alongside the production of new forms of social formations and class relations necessary for capitalist accumulation (Le Baron and Roberts 2010). The role of microfinance is important therefore, in securing social reproduction, formalising informal economic activity and creating markets for finance. Households are both incentivised and disciplined to formalise their subsistence activities, which, though relations of debt, are expropriated by global capital while the labour involved is commodified. As debts are repaid, money capital returns a surplus without directly engaging in production (Soederberg 2014).

In this way labour becomes embroiled in the risky business of exploiting itself directly and returning surpluses or repayments to capital. Debt operates as a coercive and constraining discipline that is incentivised via the tropes of entrepreneurism and empowerment in which recourse to universalism is particularly important. Those at the margins are drawn into capitalist society and social relations, with market discipline enforced via consent and coercion. Thus microfinance represents an ideological and material campaign that mystifies the class relations and exploitation involved (Federici 2014).

The role of the state is central: in enforcing the separation of labour from its means of subsistence, mediating the dynamics of class struggle and competition and ensuring that particular forms of labour power are socially reproduced. Soederberg (2014) highlights how the proliferation of debtfarism as a social construct has been reliant on the partnership between the state and capital, while the state has played a key role in the expansion of capital through, for example, the removal of barriers and creation of conditions for commercialisation and generalisation. Capital therefore is reliant on the state as mediator and facilitator, particularly through its promotion of disciplinary and market orientated social institutions and mechanisms (Le Baron and Roberts 2010:24). Le Baron and Roberts (2010:39) argue that the state and market create a 'carceral' matrix ''that contains and manages the tensions and contradictions of neo-liberalism with households and individuals increasingly drawn into the matrix” with the interests of the working class become more firmly allied to the capitalist class (Le Baron and Roberts 2010).

Yet that matrix extends beyond the state and market to include institutions that operate at a variety of levels. Cammack (2012) argues states and multilateral organisations work in tandem to promote, coordinate, regulate and legitimise the ‘politics of competitiveness’, which extends the fundamental characteristics of capitalism on global through to local scales of remote rural and marginalised urban communities, households and the individual. Various accounts have highlighted how microfinance, as part of broader capital accumulation, is reliant on the interplay of institutions at the global, regional, national and local level (Weber 2001; Mader 2014; Soederberg 2014). Weber (2001:2) argues that the interlinkages between global financial institutions, NGOs, local financial institutions and the rural poor both facilitates global financialisation and provides a political safety-net that contains and dampens resistance. Microfinance networks therefore play an ideational role, integrating the local economy with the global through loans, commodities and ideas that circulate within communities and link individuals and households to global financial markets.

Whilst delivering ‘pro-poor’ programmes, transnational financial networks also manage the risks of lending to the poor. As such they collide the interests of global banking institutions, development institutions, NGOs and states, while mitigating risk through collectivization. For example the Barclays ‘Banking on Change Partnership’ with CARE International UK and Plan UK is explicitly tasked with reducing the risks for financial institutions of lending to the poor by risk sharing. Over three years it has extended credit and financial education and services to half a million poor people and was highly commended at the 2014 Ethical Corporation Responsible Business Awards for 'Best Business/NGO Partnership'.

Within the networks linking global banks to institutions and borrowers at a community level, it is local microfinance institutions, such as NGOs that play a key role in risk management and market creation. Karim (2013) argues NGOs have become self-seeking within this process, due to the exigencies of neo-liberalism and shrinking development funding, in what has become the NGO “poverty enterprise”. She argues that many have become primarily concerned with profit and financial viability, marking a transformation from social work to profit generation through the use of members as internal markets (Karim 2013). The role of the state, both domestically and internationally, is similarly important in underwriting and absorbing the risks of constructing and extending markets for credit. For example UK government donor funding jointly finances the International Finance Corporation’s Global SME Finance Facility. This facility funds the IFC / Coca Cola partnership to provide a Risk Sharing Facility and a $50 million loan to Access Bank Nigeria, which in turn works through a local and regional banking institutions to expand lending to SMEs, and specifically African female entrepreneurs (IFC 2013).

Negative and Positive Risks of Global Capital Accumulation

The expansion of capital accumulation at every level is conditioned by and dependent on risk. Cammack (2012:359) identifies the distinction between the negative risks that threaten the global liberal project, and the positive risks upon which a functioning market economy depends. He argues that while risk is systemic, only negative risks are to be mitigated, prevented or coped with (Ibid). The collectivisation of risk via microfinance networks can be viewed in this context.

Key negative risks associated with lending to those at the margins are identified as information asymmetries and lack of collateral, which problematizes credit provision as adverse selection and moral hazard (Duvendack et al 2011). Microfinance offers a solution by introducing new borrowers to these markets through the extension of small unsecured loans. This in turn creates an identity and history as a borrower to inform future lending. This identity is constructed around the borrower's entrepreneurial behaviour, collateral, social contacts and most importantly their commitment to repay debt (at whatever cost). Technology is often employed to fix that identity and information, for example the fingerprinting of borrowers and use of mobile phone technology to record and access information 'in the field'. Microfinance programmes therefore mitigate the negative risks financial institutions face in reaching new markets and overcome the barriers to making the poor bankable. As over time information about individual borrowers is accumulated and reviewed, the risks of lending to this section of the market are gradually shifted away from the lending institutions and onto the poor themselves.

The mitigation and management of negative risks is contrasted with the treatment of positive risks. These are welcomed, nurtured and protected as they underpin the market incentive structure and sustain a culture of entrepreneurial risk-taking (Cammack 2012: 362). International organisations, committed to the construction of the global market, seek to create and promote new opportunities for positive risk taking, particularly via incentivised self-employment and entrepreneurialism. Microfinance provides this opportunity through the generalised provision of credit for private enterprise, particularly for women to become "the cell-phone lady, the chick breeder, the egg seller, and the dairy-cow owner" (Karim 2013).

The incentives to become self-employed risk takers are embedded in the neo-liberal promise that the insecurity of poverty can be solved by the successful navigation of the positive risks of individualised private enterprise. The poor therefore must become masters of their own security through their participation in markets and (risky) enterprise. They are not to be protected from market discipline or potential failure, nor unconditionally have their needs met by the state, but instead be exposed to competition and endure the consequences if they are not successful (Cammack 2012: 362). Indeed microfinance innovations, such as micro insurance and micro savings, have developed as market based mechanisms to help cope with the risks by enabling the poor to provide themselves with personal safety nets.

In the absence of public provision to offset the insecurity of poverty, the risks inherent within microfinance and credit based private enterprise operate as both incentive and discipline. The incentive structure relies on the promise of entrepreneurial success, often enforced by case study narratives produced by NGOs and International Organisations. For example, a case study from Barclays Banking On Change (Barclays 2015):

> *"When Zainabu left school, she found it hard to get a job. An aspiring hairdresser, she didn't have a fixed income or the support to start her own business. Encouraged by her friends to join a Banking on Change savings group, she saved to rent a small*

salon and took a loan from the group to buy the equipment she needed. She now earns around $9 per day and plans to expand her business by opening more salons"

The presentation of incentives is an important ideological device, offering the opportunity of elevation to the middle class for those able to generate enough disposable income. This transition is a key goal of development institutions with, for example, the African Development Bank categorising the first step on the ladder as the daily consumption level of $2-4, a rate just above poverty line indicators. This 'floating' middle class may 'slip back' or transition to the lower middle class, marked by a daily consumption level of $4-10.

Microfinance rhetoric constructs a route for this transition via aspirational entrepreneurialism, owning assets, building businesses, employing others and self-sufficiency. Attempts to recast MF borrowers as a potential entrepreneurial middle class plays a vital role within the legitimisation of neo-liberalism, offering a zone of aspiration to act as a buffer to contain and control social tension associated with capital accumulation on a global scale. In turn debt-financed risk-taking transmits market discipline and locks the debtor into dependence on market relations. The coupling of debt as incentive and discipline reflects the consensual and coercive forces of disciplinary neo-liberalism and its constituent class relations, which through microfinance are mediated via gender relations and the household.

Gendered capital accumulation and social reproduction

Poor women have been a deliberate target of 'pro-poor' strategies for financial inclusion. Roberts (2012:100) argues that the identification of women as "a large and underserved market opportunity" (World Bank 2011:303) represents a new form of enclosure. This draws on De Angelis' conceptualisation of 'enclosure' in which capital searches for new spheres that it can colonise with its priorities and devises new strategies to 'enclose' those social spaces that were formerly beyond its reach (Roberts 2012: 100). This enclosure has been dependent on the construction of an explicit link between capital accumulation, female empowerment and the possibilities of the transition of the poor to an entrepreneurial class. Gendered stereotypes such as geographical stasis, responsibility for the household, being nurturing and caring and working hard have been deployed to enclose poor women. They are identified as a large and less risky market for credit than poor men, and assumed to be more likely to invest their earnings in the social reproduction of their families and communities, in turn stimulating the broader national economy (Roberts 2012:93).

Women are also targeted by financial institutions and pro-poor poverty schemes due to assumptions of embeddedness within familial and community networks, with social networks and groups often becoming vehicles for microfinance (Maclean 2010: 498). As group borrowing schemes, these networks provide 'social' collateral via peer monitoring, group trust, relationships, individual reputations, risk sharing and social sanctions against default (Weber 2001:6). Federici (2014: 237) argues that "mechanisms by which different communities culturally enforce their ethical mores" are applied, accompanied by threats and psychological intimidation in order to secure repayment. Through this capacity to exert coercive pressures and discipline, the risks for financial institutions of lending to those traditionally excluded from formal credit provision are diminished.

In addition to overcoming the inability of women “in most parts of the world” to offer collateral due to their lower ownership of assets (World Bank 2011:300), group schemes also overcome the information asymmetries that limit the participation of women in credit markets.

> *“Because women in most countries use credit less than men do, lenders have little or no information about women’s potential repayment capacity and are unwilling to extend them credit even if they are creditworthy”* (The World Bank 2011:300)

Through participation in group schemes, identities and information about borrowers are built up, which in turn facilitates a transition from collective to individualised borrowing. In addition such schemes play an important role in the delivery of business training and education. For example the NGO Accion delivers MoneyPlan, a financial literacy programme (including financial planning, cash flow and budgeting, savings, debt, insurance, investment and banking) to other NGOs and community organisations which in turn deliver the training at a local level. Microfinance has moved beyond a narrow focus on credit provision to encompass a wide range of financial services and financial literacy programmes. This expansion places particular importance on teaching women and girls business skills, entrepreneurial ‘know how’ and the mechanics of borrowing and interacting with the banking sector.

Financial literacy is therefore an important navigational tool enabling women to negotiate entry into financial markets as consumers. As with the development of a borrower identity, it facilitates a transition from collectivised to individual forms of borrowing. Borrowers learn at each incremental stage the rules of engagement with financial institutions to achieve ‘graduation’ to the formal financial sector. Typically, institutions such as Banco Sol in Bolivia and Bank Rakyat in Indonesia provide larger individual loans to established clients who began within group lending schemes (World Bank 2011: 302). By building a track record of borrower performance, incentive and discipline intertwine as successful borrowers exit microfinance and enter the more formal and traditional financial sector. Importantly discipline and sanction become institutionalised, through the threat of exclusion from future provision. The World Bank (2011:28) speculated that this accumulation of information and engagement is perhaps more valuable in the long term to credit markets than the cost of initial small loans. The risks of lending are thereby resolved by the identification and development of the financially literate who successfully learn the rules of engagement with credit markets, and of those that do not.

The presentation of the focus on women in financial inclusion programmes in terms of female empowerment and entrepreneurialism, draws on an explicitly liberal feminist framework. Entrepreneurialism as debt-financed self-employment is viewed as the vehicle for empowerment via the generation of individual income and resources. By creating a ‘win-win’ partnership between credit providers and borrowers a ‘virtuous spiral’ of equality gains are predicted to emerge as economic empowerment spills-over to the social and political empowerment of ‘third world’ women, whilst at the same time delivering national economic success (Mayoux 2002:6). Empowerment on these terms is understood as access to and control of resources within the context of functioning markets that in turn will readjust the allocation of power and representation, in governance, the home and the community. Moreover women are to be brought firmly into the formal sector with their labour shifted from informal economic activity, although importantly without recognition and value attributed to their uncommodified work undertaken in the household.

This approach reflects the 'gender mainstreaming' of development policy and practice exemplified in the World Bank's 'flagship' 2012 *World Development Report: Gender Equality and Development,* and the World Bank's *2014 Voice and Agency: Empowering Women and Girls for Shared Prosperity*. Within this, gender equality is located primarily within economic rationality and 'smart economics' in an instrumental approach whereby the concept of empowerment framed in terms of individual choices (Elias 2013).

Roberts (2012) describes this as the politico-economic project of 'Transnational Business Feminism', led by an alliance of liberal feminists, feminist organisations, with capitalist states, regional and international funding institutions, NGOs and MNCs. Here gender equality is married to the needs of capital, in a manner which 'naturalizes and depoliticizes capitalist crises' at the same time as delivering a high return on investment (Roberts 2012:85). Feminism therefore has become defined by its 'business case' –as good for women and good for business (Roberts 2012:87).

Questioning Microfinance

In the recasting of debt financed self-employment as both empowering and entrepreneurial, the possibilities of transforming women's lives have been codified through their relations with financial institutions and capital. Microfinance therefore provides a key mechanism for the enclosure of poor women as a new market for global banking interests whilst socialising the risks of capital accumulation, as both incentive and discipline. The reliance of female empowerment on debt-fuelled self-employment however is problematic in a number of ways, for women, households and more broadly for feminism as a collective project.

Firstly microfinance and similar programmes can reproduce and embed rather than challenge gendered relations within social reproduction. Chant and Brickell (2014:89) argue that policies based on changing women's access to material resources place additional burdens on women that further entrench stereotypical and uneven gender roles. Access to resources does not necessarily equate to control of household finances, the levelling out of patriarchal structures or a fundamental challenge to discrimination within social institutions (Chant and Brickell 2014:90).

> *'While women have increasingly become targeted as the 'saviour's of household wellbeing , a largely 'business as usual' approach which parks what goes on within male-headed households to one side , has not only slowed progress to gender transformations, but could also be argued to have aggravated the inequalities faced by women' (Chant and Brickell 2014: 93*) .

Karim (2013) concurs:

> *"Women, even if they have marketable skills, often find themselves beholden to their husbands and male relatives if they lack market access. Thus, microfinance has to be located within the social constraints that poor people—and particularly poor women—face. Often when women receive loans, their male family members take the money".*

This accords with Duvendack et al's (2011:69) analysis of the impact of microfinance on intra-household relations. Assumptions about empowerment " can be contested on the grounds that improved returns to assets, especially labour , power and entrepreneurship, are neither necessary or sufficient grounds for improvements in health and education developments, may not exist , or may anyway be captured by males" (Duvendack 2011:11) .

Roy (2010) argues microfinance programmes exercise patriarchal control over women as the household internalises 'the high transaction costs of lending to men', while the responsibilities of household debt and subsistence are shifted onto women. Similarly Federici (2014: 239) argues that microfinance allows for the bypassing of male relatives as the mediators in the exploitation of women's labour and for their direct exploitation by global capital.

For Elias (2013: 152) the double burdens and gendered structures of socio-economic inequality that are central to contemporary capital accumulation are intensified and disguised through the rhetoric of empowerment. However more than that women's individual burdens are multiplying while their position in social reproduction is entrenched. The burdens of caring and household responsibilities and of generating income, are increased to include women's *individual* responsibility for changing patriarchal structures while ensuring the economic development of their communities, regions and nations.

Second, Mayoux (2002) highlights that the income from self-employment rarely meets the costs of the basic consumption of goods and services, while Karim (2013) argues that although some women use microfinance loans “productively”, the ‘vast pool’ of borrowers do not. Debt therefore is used to fund “consumption smoothing”, meaning that households borrow in order to finance their reproduction and deal with the structural pressures of poverty in the absence of adequate social provision. This ‘reprivatisation of social reproduction’ (Bakker and Gill 2003) or ‘financialisation of reproduction’ (Federici 2014) forces the use of debt to ‘purchase services (education, health care, pensions) that the state formerly subsidised, so the *many reproductive activities have now become immediate sites of capital accumulation’ (* Federici 2014: 233 italics author’s own). While debt financed privatisation is presented as self-investment (Federici 2014), the ‘misappropriation’ of credit leaves the poor open to blame for their own position and more broadly for the failure to achieve macroeconomic development goals. This in turn fuels demands for the poor to exert more discipline over their households and patterns of consumption. Moreover the discipline of individualised debt burdens, social sanction and surveillance, both secures women’s participation in the market and ensures they continue to take responsibility for social reproduction in support of neoliberal state formations (Elias 2013:157).

Third, the microfinance model hinges on the prospect of success however there is scant evidence that this is guaranteed. Duvendack et al’s (2011) systematic review of the impact of microfinance concludes that while there are ‘anecdotes and other inspiring stories’ that support the positive outcomes, rigorous quantitative evidence is scarce and inconclusive. “Despite the apparent success and popularity of microfinance, no clear evidence yet exists that microfinance programmes have positive impacts“(Duvendack et al 2011).

Engagement with liberal theory on its own terrain, reveals the ambiguity of a model that rests on the idea of a universal capacity for entrepreneurialism. Moreover Schumpeterian reasoning, while contending with a Marxist analysis of class struggle and the bourgeois capitalist, challenges the assumptions that the extension of credit can create entrepreneurs that in turn provoke economic development. Duvendack et al (2011)'s findings support this, as do Bateman's who has provided a longstanding critique of microfinance and the economic principles that underpin it. Bateman (2010) argues this form of development ignores economies of scale, resulting in client failure and a deeper fall into poverty. Typically local traders borrow funds to saturate local markets with similar products and services leading to falling prices, profits and wages. Located within Schumpeterian analyses of the entrepreneur as leader and innovator, the probabilities of economic stagnation and 'routine' are highlighted. "Whereas leadership is rare and difficult, followership is easy. On the heels of the innovator comes a swarm – the word is Schumpeter's – of imitators." (Heilbroner 1999:296). Bateman (2010) argues that microfinance reinforces the bazaar economy, agricultural production and trading, resulting in deindustrialisation and infantilisation.

Karim's work (2013) reveals how in the event of failure and default women suffer public shaming, social sanction and humiliation from the community or social groups pressured by the microfinance institutions to recover the debt. Microfinance therefore can increase intragroup friction, with individual women bearing the social costs of failure, which is experienced as guilt, shame, silence and lack of disclosure (Federici 2014). Maclean (2010:501), in her study of microfinance in Bolivia, argues that hierarchies and power relations within groups can be exacerbated and exploited and that "in some cases women's commitment to repay disguises the measures taken to preserve their reputation and place within the group, community and social network" (2010: 511). Borrowers may take on further debt to make their repayments, at times borrowing from traditional money lenders, family and friends which in turn places strain on their social networks. Alternatively they might sell their labour elsewhere, "exacerbating one of the main gendered inequalities in development – paucity of time" (Maclean 2010:512). The pressures for repayment can undermine social networks and the vital role that they play in subsistence and production, and indeed threaten their very survival (Mclean 2010:212)

Understanding the possibilities of business failure (rather than entrepreneurial success) is vital as it has important normative implications for the idea of female empowerment. Such implications are intensified and refracted when located in a framework that predicates the empowerment of women on their successful navigation of risk. Through this logic women are the agents of their own security, responsible for their own position within capitalist and gendered social relations. Just as the successful navigation of positive risk is predicted to create an empowered market actor able to take control of her position in social relations, unsuccessful market participation and failure relegates women to a less equitable status, both socially and materially, and culpable for that. Poverty and inequitable gender relations become the fault of a failure to successfully engage with the market and inability to guarantee one's own security.

Finally, through uniting the feminist promise of agency with the incentives and disciplines of risk, feminism has been reframed in a disciplinary and neo-liberal form. In this way feminism as a transformative project has been appropriated by the promise of empowerment via the creation of transnational partnerships that extend and embed financial liberalisation and credit markets. Moreover the feminist agenda of equalising gender relations through the extension of educational opportunities for women and girls has been reframed as educating women and girls to become market actors.

For Fernando (2006:24) the legitimising discourse of empowerment demonstrates

> *'the remarkable capacity of capitalist interests to utilise the language and practices of its opponents for its own reproduction. Just like the discourse of modernity….. it frames the subjectivity of poor women, in an essentialist way and articulates their empowerment within the fundamental parameters of capitalist modernity".*

Drawing on the work of McRobbie, Elias (2013: 153-154) argues that the absolute incorporation of feminist agendas in this way represents the 'politics of post feminism' which delinks gender analyses from critical feminist perspectives. Postfeminism neutralises, depoliticises, and even stigmatises feminist claims while endorsing "the production of new neo-liberal compatible female subjectivities based around the discourses of ambition, social mobility, choice, self-reflexivity, risk taking and individualism" (Elias 2013:156).

The production of neo-liberal female subjectivities draws on intersectional identities. For example Murphy (2013) highlights the reframed visual representations of 'third world' women and children, from suffering victims in the development literature of the 1980s, to the optimistic and hopeful campaigns of microfinance. "This visualization of The Girl as a global neoliberal subject figure….is thus imbued with the feminist promise of agency, translated into the promise of value-added capital" (Murphy 2013).

This promise subverts the feminist ‘struggle’ concept of autonomy. This has been understood as freedom from coercion however in the neo-liberal framework it has been comprehensively individualised (Mies 2014:40). This reframing has allowed the entwining of women’s emancipation and the feminist movement with capital accumulation and the neo-liberal project to build a free-market society (Fraser 2013). Bedford (2009) highlights how high profile neo-liberal feminists and entrepreneurs are central to this ‘rogue feminism’, operating as a transnational entrepreneurial class that advocates for enterprise and promotes legislative change for a more open business environment. This supports Roberts’ (2012:100) argument that ‘Transnational Business Feminist’ creates new sources of capitalist profits while colonising new spaces with capitalist priorities and reproducing class rule.

Microfinance therefore provides a lens through which to understand the reframing of the feminism as a class project. The attempts to marry gender equality with private sector development and entrepreneurialism represents a repackaging of capitalist social relations of production within a legitimizing and mystifying rhetoric, characterised as benevolent and inclusive (Cammack 2006:5-7). In this way the collective feminist struggle for equitable gender relations has been re-imagined from a collective socio - political project to one based on an individualised, neo-liberal economic rationale. Recourse to Smith’s conceptualisation of the frontiers of capitalism as sites of social struggle is useful here. By locating financial inclusion and empowerment strategies in the nexus between global capital accumulation and disciplinary neo-liberal feminism, microfinance can both be identified as a site of social struggle and an arena for non-capitalist feminist politics to reclaim the feminist movement and delink it from the exigencies of global capitalism and the transnational bourgeois class.

Conclusion

Understanding the risks of microfinance provides a useful lens through which to view the incorporation of the financially excluded into global capital accumulation. In the context of ambiguous results, both in terms of entrepreneur led economic growth and female empowerment, what has emerged is the importance of debt and risk taking as both incentive and discipline within broader processes of capital accumulation. Where the requirement for the poor to become self-employed entrepreneurs exploiting their own labour is successful, novel forms of financing create or further strengthen nascent capitalist social relations. However, the evidence on micro-finance shows that debt-fuelled household income strategies are often unsuccessful and precarious. In these circumstances micro-finance institutions – and the financial institutions behind them – still expect repayment and interest, often at high rates. Money capital returns a surplus without directly engaging in production, (Soederberg 2014) while poor women increasingly bear the risks of the expansion of credit markets and financialisation. The achievements of microfinance are therefore best viewed in terms of providing new markets of 'bankable' poor with access to debt, addressing the negative risks of the capital expansion while incentivising and disciplining individualised risk taking and generating returns to finance capital. The targeting of women and girls in particular, as locations of investment and as borrowers, has further embedded the feminisation of poverty on a global scale, locking in relations with global financial institutions whilst reconfiguring feminism in disciplinary neo-liberal form.

By engaging with liberal theory and the conceptualisations of empowerment and entrepreneurialism, the theoretical underpinnings of the microfinance model are revealed as questionable. While it is useful to identify the contradictions in the logic of extending micro-finance in terms of its own ideational framework, more importantly it demonstrates that liberal categories and explanations do not fully account for the political, social and economic objectives that lay behind this. The application of a critical feminist analysis reveals the class project that underpins the rhetoric of microfinance as entrepreneurial and empowering, and the associated attempts to depoliticise and co-opt the transformative feminist agenda it lays claim to. As a frontier of capital accumulation, microfinance policy and programmes therefore present an important space for the contestation of class and feminist politics.

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