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DEMYSTIFYING MICRO-CREDIT

The Grameen Bank, NGOs, and Neoliberalism in Bangladesh

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—ABSTRACT—

This article is an ethnographic study of the effects of micro-credit on gender relations in rural Bangladesh. Focusing on the 2006 Nobel Peace Prize winner, the Grameen Bank of Bangladesh and three other leading non-governmental organizations (NGOs) in the country, I analyze the role of gender in the expansion of globalization and neoliberalism in Bangladesh. The Grameen Bank has become a global symbol of poor women's empowerment and is celebrated for its 98 percent loan recovery. In this article, I examine some of the NGO tactics behind the loan recovery programs. In particular, I examine how Bangladeshi rural women's honor and shame are instrumentally appropriated by micro-credit NGOs in the furtherance of their capitalist interests.

Key Words ◇ Bangladesh ◇ development ◇ globalization ◇ Grameen Bank ◇ micro-credit ◇ neoliberalism ◇ NGOs ◇ women

While economic globalization refers to the removal of trade barriers and open markets, its effects on communities are variable, contingent, and locally constructed. This article is an interpretation of these variable, contingent, and local expressions of grassroots globalization through an ethnographic study of globalization and neoliberalism in rural Bangladesh. It examines how globalization and neoliberalism are brought to the grassroots—the most intimate sphere of the social, the home and women—through the modernist discourse of women's empowerment through micro-credit.

Focusing on the micro-credit policies of the 2006 Nobel Peace Prize winner, the Grameen Bank of Bangladesh, and three other leading non-governmental organizations in the country, I analyze the centrality of gender in the expansion

of globalization and neoliberalism in Bangladesh.¹ I examine how Bangladeshi rural women's honor and shame are instrumentally appropriated by NGOs in the welfare of their capitalist interests. I analyze this relationship between rural women and NGOs by placing it within the political economy of shame, a concept I explain later.

Arjun Appadurai has defined grassroots globalization as:

. . . new forms of social mobilization that proceed independently of the actions of corporate capital and the nation-state system . . . these social forms rely on strategies, visions, and horizons for globalization on behalf of the poor . . . this kind of globalization strives for a democratic and autonomous standing in respect to the various forms by which global power seeks to further its dominions. (2001: 3)

The grassroots globalization I studied in Bangladesh is contrary to Appadurai's model. It works through and not against corporate capital, donors, state, NGOs, and members of civil society, and creates complex new maps of social interdependencies that are laden with the financial investments of multiple actors at the local, national, and global levels. Grassroots globalization weakens the sovereignty of the patriarchal home family, and replaces it with the sovereignty of the market through NGOs, contracts, courts, juridical subjects, and the remaking of subjects as a community police to safeguard their investments. The developmental NGO is the purveyor of this new economic sovereignty that is represented by corporate capital interests and local institutional interests (NGOs), and is an architect of neoliberalism within a modernist developmental discourse of poor women's empowerment through the market.

Neoliberalism as an ideology rests on the idea that human welfare is best served by the withdrawal of the state from welfarist policies (Harvey, 2005: 64). Extending this economic definition, Ong has termed neoliberalism as a rationality of governance stating that 'governing relies on calculative choices and techniques in the domain of citizenship and of governing'. It subjects citizens to act in accordance with the 'market principles of discipline, efficiency and competitiveness' (Ong, 2006: 4). Neoliberalism is about the subjection of targeted populations to certain rules that inform and regulate behavior. In many postcolonial countries with weak sovereignties, the notion of citizenship as a set of entitlements that are bound up with a nation-state that guarantees those rights, is lacking. In its place, we see the articulation of a postcolonial governance authorized by NGOs whose clients are subjected to act in accordance with the values of 'discipline, efficiency and competitiveness'. By postcolonial governance I refer to the subjection of targeted populations by non-state actors such as NGOs to new technologies of market-oriented disciplinary mechanisms. It also refers to governance by NGOs that have begun to act like a state with what Ong has termed as 'graduated sovereignties', and they seek to implement social engineering programs (population control,

HIV/AIDS management, primary education, voter education, etc.) that was formerly in the domain of the state.

But neoliberalism and globalization have also created new pathways for rural people to access new routes of capital circulation and have facilitated new movements of migrant labor. In Bangladesh, micro-credit borrowers and their families have been networked into Appadurai's 'finanscapes' (Appadurai, 1996: 37). These new circulations of 'finanscapes' have brought new wealth, ideas, and social identities into rural spaces. Successful rural women are sometimes able to pool their loans together to send a male kin to the Middle East or Malaysia as migrant labor who, if all goes well, repays the investment at a high interest rate to them. While these opportunities are limited, they function in a similar way to the lotteries in the US. While the chances of 'making a windfall' are extremely rare, people begin to believe that they too can win.

In the analysis under consideration, neoliberalism and globalization operate at the grassroots through the micro-credit policies of NGOs. As providers of credit, jobs, and sustenance to a financially strapped poor rural population, NGOs in Bangladesh have tremendous power to regulate people's behavior, and subject them to NGO mandates and priorities. I make three arguments. Firstly, NGOs that work with micro-credit manipulate existing notions of Bangladeshi rural women's honor and shame in the furtherance of their capitalist goals, and instrumentally violate local norms of cohesion and community. I call this the *economy of shame*. Secondly, the work of micro-credit has resulted in unanticipated neoliberal subjects, the female petty moneylender for example, that this article examines. Finally, I argue that the developmental NGO operates as a shadow state in Bangladesh, and 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' (Hoare and Nowell-Smith, 1971: 248). This enables the NGOs to neutralize dissenting voices in public spaces, a point I discuss at the conclusion of the article.

The research for this article was conducted over eighteen months (1998–9), and was based on a study of the Grameen Bank and three of the largest NGOs in the country. Each of these NGOs works with micro-credit, has millions of dollars in donor support, and millions of rural subscribers. These NGOs reach 80 percent of the rural people.² According to the Bangladesh NGO Affairs Bureau (NGOAB), during 1990 to 1998 the cumulative amount of foreign funds disbursed to NGOs stood at Taka 1,364,421,079 for 5096 NGO projects. In 1994–5, 20 percent of foreign funds were disbursed through the NGOs (Karim, 2001: 96). For western donors in Bangladesh the NGO sector is the preferred mode of developmental aid. The NGOs offer a streamlined

and accountable system of aid delivery compared to the Bangladeshi state that is bureaucratic, corrupt, and inefficient, and is considered a 'failed' state by western aid agencies. The celebration of the neoliberal policies of the Grameen Bank has to be understood against this predicament of postcolonial governmentality.

Globalization, Neoliberalism, and the NGO as a Shadow State

Globalization has been theorized as a 'crisis in the sovereignty of the nation-state' with rapid movement of finance capital that lies outside the control of the state (Appadurai, 2001:4). I analyze globalization in a different context: the virtually absent state in a postcolonial country where the critical question is the emergence of a new sovereignty, the *NGO as a shadow state*. In terms of national development, many 'third world' countries are heavily dependent on western aid.³ It is precisely the lack of economic sovereignty of third world countries that allows the International Monetary Fund (IMF), the World Bank, and Western industrialized nations and multinational corporations to exploit these countries and their populations for their corporate and political goals. This lack of economic sovereignty in developing countries gets exacerbated when NGOs with economic ties to western capital enter development, target poor people with much-needed services that the state fails to deliver, and link together economic, political, and social life through their programs. In the absence or a weakening of progressive social movements in many postcolonial countries⁴, these NGOs are able to set themselves up as working with the 'poorest of the poor', and install themselves as *the* progressive voice in rural society. The NGO rhetoric of 'working for the poorest of the poor' does not occur in a vacuum. It occurs in those instances where the state has failed or has withdrawn from the welfare of its citizens, shifting that responsibility increasingly to private charities, corporations, and developmental NGOs. Consequently, NGOs that step in to take many of the services traditionally reserved for the state (education, healthcare, credit, employment) begin to act like a state. In Bangladesh, I found that villagers often referred to the NGO as *sarkar* or state (Scott, 2006).⁵

In the rural Bangladeshi economy, which is the focus of my analysis, the Grameen Bank and NGOs that were aided by western donors largely facilitated the process of globalization.⁶ Through micro-credit operations, rural people and NGOs in Bangladesh have become mutually dependent, and rural people and multinational corporations have become connected for the first time. Through NGOs, micro-credit recipients have become consumers of products of multinational corporations such as finance capital, breeder chickens, cell phones, and as producers, they remain dependent on multinational corporations for physical inputs such as seeds, fertilizers

and pesticides. But NGOs are not passive agents of capital. NGOs are also active producers of new subjectivities and social meanings for people through their various economic and social programs. Thus, the relationship between rural subjects and NGOs is contradictory and varied; they instrumentally exploit each other. However, the balance of power is with the NGOs. Yet very little ethnographic work⁷ has been done to examine how this micro-credit model might intersect with local patriarchal norms and cultural practices, and result in behaviors that may not correspond to building social solidarity and goodwill among targeted populations (Goetz and Sengupta, 1996; Rahman, 1999 & 2001; Ahmad, 2007). Internal NGO staff and local and international consultants hired by NGOs and aid organizations do the bulk of the research on micro-credit NGOs in Bangladesh (Hashemi & Schuler, 1996; Counts, 1996; Bornstein, 1996; Khandaker, 1998; Todd, 1996a, 1996b are some examples).

Micro-Credit and the Political Economy of Shame

Before proceeding to an analysis of how globalization and neoliberalism operate in rural Bangladesh through micro-credit operations, I would like to first introduce the two terms I use to analyze the Grameen model: micro-credit and the economy of shame.

Micro-credit.

In development rhetoric, micro-credit is the extension of small loans to women for income-generating projects and has been eulogized as a magic bullet of poverty alleviation. However, according to Professor Yunus, the Grameen Bank model of micro-credit is not solely a matter of the extension of credit, it has a unique set of social objectives that it aims to implement through micro-credit policies.

- It promotes credit as a human right.
- It is aimed towards the poor, particularly poor women.
- It is based on 'trust', not on legal procedures and system.
- It is offered to create self-employment, income-generating activities and housing for the poor, as opposed to consumption.
- It was initiated as a challenge to conventional banking which rejected the poor by classifying them as 'not creditworthy'.
- It provides service on the door-step of the poor based on the principle that the people should not go to the bank, the bank should go to the people.
- It gives high priority to building social capital.⁸

If we replace the term credit with debt, we get the mediation of rural social relations through debt-related dependencies. In theoretical terms, debt ties the present and the future together. Debt is thus a regulator of social behavior, and present behavior determines future pay-offs. By replacing credit with debt and introducing the concepts of culture and the uncertainty of the market into the equation, we can ask some difficult questions of micro-credit practices of development. What happens to people in a face-to-face community when they are linked through relations of debt introduced by a modern banking system? What happens to the social position of women when they become the bearers of debt within the patriarchy of the home and the patriarchy of the modern NGO institution?

The Economy of Shame

The use of shaming as an instrument of social control of the poor, particularly of poor women, has a long history in rural Bangladesh. Women are the traditional custodians of family honor. The shaming of men through their women (mothers, wives, daughters) is a pre-existing social practice. In a face-to-face society, one's ability to maintain honor (the protection of one's good name, the honor of the womenfolk, and the patriline) structures one's social acceptability. To lose face is the ultimate mark of dishonor. Rural discourse is structured around notions of honor, and any trespassing behavior (a woman seen talking to a non-kin man, for example) is spoken of in terms of the protection of the honor code, i.e. our women do not do X because we are honorable people. For the poor, the discourse of honor is a symbolic covenant with God. It is a moral resource through which they view themselves as morally superior to rich and urban people.

As I illustrate in this article, the economy of shame refers to the appropriation of pre-existing forms of shaming by a modern institution, the NGO, which instrumentally deploys various forms of shaming in its own capitalist welfare, i.e. the recovery of loans. Shaming takes many forms in Bangladeshi rural society, from rude language to regulation of women's sexuality to disciplining of poor people through accusations of sexual infidelities resulting from public floggings, pouring pitch over bodies, tonsuring women's hair, hanging a garland of shoes around one's neck, to isolating one's family in the village, to publicly spitting on the person every time s/he walks by, to making adults hold their ears as a sign of their guilt in a public forum, to breaking apart a person's house to recover money, and so on. In this context, Grameen Bank's insistence of a no-collateral loan and repayment of loans at 98 percent takes on a different meaning (see Amartya Sen for a celebratory reading of Grameen Bank, 1999: 201). The honor and shame codes act as the collateral of these loans. It is the honor of the family that is at stake, and which the woman represents. If the woman gets publicly shamed, the family is dishonored. In a face-to-face

society, men and their families try to maintain the sanctity of their family honor by observing the honor of their women.

NGOs in Bangladesh

Bangladesh, as an independent state, entered the global economy in 1971 when globalization and neoliberalism were dismantling the traditional welfare state in the West, and women-centric aid policies had become the norm for western aid agencies. After nine months of war against Pakistani forces, Bangladesh broke away from Pakistan on 16 December 1971 and declared itself an independent state. In 1947 when the British divided India into India and Pakistan, Bangladesh was the region known as East Pakistan. The West Pakistani leadership had paid little attention to the growth of its eastern province, which was ethnically Bengali and distinct from West Pakistanis. Bangladesh (former East Pakistan) was an internal colony of West Pakistan that provided raw materials (jute, tea, paper, etc.) to West Pakistani-controlled corporations. After the war in 1971, the already fragile infrastructure of Bangladesh was in chaos (Sisson and Rose, 1991; Umar, 2004). It was in this scenario that developmental NGOs stepped in as rural service providers.

NGOs began their work of war reconstruction and rehabilitation of refugees, occupying an infrastructural vacuum in the newly independent state. The developmental NGO sector soon capitalized on the women-in-development (WID) paradigm of the United Nations and western aid organizations. The Bangladeshi state, under military leadership, also capitalized on the WID paradigm to gain development dollars and legitimacy from western democracies.⁹ The idea of women's participation in the economy was celebrated as a national goal, and developmental NGOs were given a free reign to grow and expand their rural outreach with western aid. The western aid organizations also preferred the NGO sector as their aid allies. It enabled them to bypass the bureaucracy and corruption of the Bangladeshi state,¹⁰ and to directly reach targeted segments of the rural population (Karim, 2004). Over time, this developed into a lattice of dependent relationships between aid organizations, western capital, NGOs and the Bangladeshi state.

With the transition to democracy in Bangladesh in the 1990s, NGOs have moved into the political sphere. They have begun to use their borrowers as vote banks, urging them to cast votes for political candidates who represent an NGO-friendly platform.¹¹ NGOs, through their partnership with western aid agencies, USAID in particular, that emphasize 'good' governance programs, have reconstituted themselves as institutions for grassroots democratization. The space of the political, that is, what notions of politics can

be conceptualized and authorized, is under construction through a diverse set of actors—national political parties, NGOs, clergy—all of whom are making claims on rural female subjects for their adherence. Neoliberalism and globalization have unhinged politics from the older left-identified politics with the vanguard political party as the catalyst of social justice, and have introduced a new politics of grassroots mobilization of the poor organized by the NGOs. Given the dominance of NGOs over rural populations, national political parties also seek the alliance of NGOs in order to win elections. Many NGOs have aggressively sponsored their female members for village-level local elections, posing a challenge to the rural patriarchal power structure through democratic means (Karim, 2001: 99, see also Cruikshank for a critique of empowerment, 1999: 68). After winning the 2006 Nobel Peace Prize, Professor Yunus (founder of the Grameen Bank) initially announced that he would start a new political party, a decision that he later withdrew.¹² In the unfolding scenario, politics and development have become connected in the architecture of globalization at the grassroots.

It can be said that NGOs are reterritorializing rural subjects as new subjects of a market-driven democratization, yet what remains amorphous is the nature of this reterritorialization. And as Ong has pointed out, 'Neoliberalism can also be conceptualized as a new relationship between government and knowledge through which governing activities are recast as nonpolitical and nonideological problems that need technical solutions' (Ong, 2006: 3). It must be mentioned that, while NGOs can subject the poor to their will, they do not control the choices people make. For example, once empowered to vote, NGO female borrowers often cast the vote according to family preference.¹³ While this grassroots mobilization unleashes new energies and potentials, and perhaps even challenges globalization at the grassroots, it remains inhibited by the financial imperatives of NGO lending institutions, i.e. the management of rural populations through micro-credit that tends to de-politicize political possibilities (Ferguson, 1994).

There are several critical factors that allow the NGOs to play such a decisive role in rural life in Bangladesh. Firstly, there is the virtual absence of the state in the rural economy. NGOs dominate the rural economy from rural credit to telecommunications to primary education.¹⁴ Secondly, the NGOs provide two-thirds of the institutional credit in rural areas (Sobhan, 1997: 133). In Bangladesh, neither the government banks nor the traditional moneylenders loan to the very poor because they lack physical collateral. This financial dependency on the NGO has given them the power to act as patrons of the poor. They constitute a modern landlord with a global vision. Thirdly, the NGOs are a major source of employment in a country with limited job opportunities for its burgeoning young population. Young college graduates seek entry-level jobs with NGOs. NGOs are seen as the future—a promise of a better life and, for the better educated, an opportunity to go abroad for training.

Fourthly, the NGOs have silenced dissent in the public sphere by inducting a large number of university professors and researchers as consultants in their various programs; public intellectuals who might otherwise have spoken out against the excess of NGOs. In fact, many university professors operate as full-time NGO consultants and part-time teachers. This shift is legible in discourse. Researchers talk about NGO research as a job (*kaaj*) and not as research (*gobeshona*). Finally, the work of NGOs fragmented the left political parties from the 1970s onward when both groups struggled over the adherence of the poor. The resource-rich NGOs won. Thus many people—from the rural to the urban, from the illiterate to the highly educated—in Bangladesh are direct and indirect beneficiaries of NGO programs and policies.

The Grameen Bank Model of Micro-Credit

Grameen Bank (GB) has reversed conventional banking practice by removing the need for *collateral* and created a banking system based on mutual trust, accountability, participation, and creativity. GB provides credit to the poorest of the poor in rural Bangladesh, without any collateral. At GB, credit is a cost effective weapon to fight poverty and it serves as a catalyst in the overall development of socioeconomic conditions of the poor who have been kept outside the banking orbit on the ground that they are poor and hence not bankable.

The Grameen Bank (or Rural Bank) was started by a local economist; Professor Muhammad Yunus, in 1976. The Bank originally targeted rural men for its credit programs. In its early days, the Bank ran into difficulties in collecting money from men who would not allow themselves to be subjected to the Bank's strict rules. By the late 1970s, the Bank had appropriated the Women-in-Development (WID) paradigm of western aid agencies, and reinvented itself as a bank for poor women. In 1998, the Bank had been replicated in 54 countries and 94 percent of its borrowers were poor women.

Grameen Bank has made significant contributions to the practice of commercial banking. It has made credit available to the poor who were denied commercial loans due to a lack of physical collateral. It has demonstrated through its 98 percent rate of recovery that the poor are not defaulters, that the poor pay back their loans. It has taught women the importance of managing money, and keeping basic account of expenditures. Additionally, it has introduced some new forms of social identity among rural women, such as women's weekly meetings where women collect and discuss loan proposals, the creation of a space where women can speak without men dominating the discourse. Grameen women are required to say their and their husbands' names publicly (Bangladeshi rural women do not speak their husbands names), women are taught to sign their names on contracts, and the Sixteen

Decisions of the Grameen Bank focus on social engineering (Hashemi, Schuler & Riley, 1996: 649).

Professor Yunus advocates this liberal doctrine for poor women. In many of his speeches, he claimed that, not only is capitalism good for the poor, 'the poor are good for capitalism'.¹⁵ Basing his claims on the 98 percent rate of return of his bank (a rate that rivals that of CitiBank), he argues that the poor are good investments for large banks, and the financial world should take notice of that fact. The chief contribution of the bank lies in proving to the development community that the poor are 'bankable', i.e. the poor repay their debt.

In my research, I found that micro-credit benefited several categories of women the most—the rural middle class, women with marketable skills, women whose husbands had marketable skills—or whose husbands had a regular employment and could thus pay the weekly installments—widows, divorced and abandoned women. In the majority of the cases, the husbands and male kin of the women used the loans. In most instances, their husbands were day laborers and this allowed them to repay the weekly installments on the loans.

The Grameen Bank model rests on the idea of the individual entrepreneur who, with the help of micro-credit, becomes self-employed, owns private property (the assets she builds with the loans), and sells her labor on the market. The out-of-the-home entrepreneur links seamlessly with the ideology of neoliberalism. She is an owner of petty capital. This production of the ownership ethic is against wage labor, overtime pay, retirement benefits and worker's compensation, i.e. against the very foundations of a welfare state.¹⁶ Failure to succeed now rests solely with the individual and not with the corporation/NGO/state.¹⁷ In this scenario, the state withdraws from the welfare of its citizens to the welfare of capital.

Interestingly, micro-credit policies have also shifted the discourse of poverty to a discourse of neoliberalism at the local level. Calling oneself poor¹⁸ is now seen as pejorative in rural Bangladesh. Prior to the mass mediation of rural relations through credit, the poor felt a claim on the wealth of the rich because they were in a patron–client relationship. Thus in times of hardship, the poor could forage on the lands and ponds of the rich for sustenance. Similarly, the rural rich would make claims on the free labor and adherence of the poor in exchange. This traditional patron–client relationship has weakened, and has been replaced by a neoliberal discourse of self-help and individual responsibility.

While the Grameen Bank and NGOs claim that poor women are the beneficiaries of these loans, it is the husbands of the women and other male members who really use the loans. Bangladeshi women are primarily the carriers of NGO loans; they are not their end users. In my research, I found

that men used 95 percent of the loans. Professor Yunus has conceded as much. Commenting on the long struggle of Grameen of loaning to women over their husbands, he says, 'Grameen has come a long way since then. Now Grameen lends money to husbands, but *only through the wives*. The principal borrower remains the wife' (Yunus and Jolis, 1998: 91; my emphasis). In my research area, rural men laughed when they were asked whether the money belonged to their wives. They pointedly remarked that 'since their wives belong to them, the money rightfully belongs to them'. Women also told me that, as a Bangladeshi woman, I should know that they would give the money to their husbands who labor outside the home.

NGO officers and researchers in Bangladesh connected with the micro-credit industry are aware that the men control the use of the money, but in their public scripts they censor this vital information. This silencing in public scripts of who really uses the money occurs for two reasons. On one level, it fulfills the western aid mandate of targeting women in development. NGOs can show to their western donors that women are participating in loan meetings, and the loans are given in the names of women. On another level, NGOs seek out women because they are seen as docile subjects who can be subjected to their codes and more easily manipulated than men. In the latter instance, local patriarchal norms, the status of rural women, are manipulated by the NGOs in their advancement of their economic goals.

Rural kinship structures are an important pillar of micro-credit operations. Based on gender, status, and age differentiations, kin members have varying levels of obligations to each other. Into this set of existing obligatory kin relationships, the micro-credit NGO has inserted the notion of collective responsibility alongside individual loans. That is, the group is both the enforcer and the guarantor of loans to the NGO. These two structures—kin obligations and collective responsibilities—are toxically synergistic, and coupled together they work to operate within an economy of shame.

In my research area, an older woman (a widow) was returning home with her loan from the Grameen Bank. On the way, her nephew hailed her as 'aunt'. He said that he knew that she had just received a loan from the bank, and as her nephew he was making a claim on her money to fund his own business. As this woman explained, as the aunt and as a woman (further complicated by the fact that she was widow), she was obligated to give him the money. If she did not, there would be pressure from her family to do so. Thus, obligation to give to a male kin was considered by her family to be her responsibility, a higher good, and more important than her need of that money.¹⁹

Given the profitability of microcredit operations from the perspective of NGOs and the donor agencies (the loans of the poor are recovered), one finds too many NGOs with too much cash chasing too few creditworthy members in the rural economy. Consequently, almost every female NGO member has

membership with multiple (seven to eight) NGOs. According to the Credit Development Forum in 1998 out of 1200 foreign-aided NGOs, 369 dealt specifically with credit. This has led to a routinization and simplification of NGO credit operations, from the earlier emphasis on social engineering to the newer role as credit provider. As a result women are now unwilling to spend time learning NGO rhetoric (the Grameen Bank's 16 Decisions, for example), and the loan officers are under pressure from headquarters to find additional creditworthy borrowers. In my research area, very few Grameen women knew of any of the 16 Decisions.²⁰ At the time of getting loans, women put down on paper various projects that they would undertake with the loans. However, because of the pressure on loan officers to recover money, officers seldom have the time to monitor what the borrowers do with the loans. As one borrower's husband said to me with a smile:

We took a cow loan. Fifty percent will be spent to pay off old debts, and another fifty percent will be invested in moneylending. If the manager comes to see our cow, we can easily borrow one from the neighbors.

From the perspective of the credit NGOs, what mattered was the maintenance of high recovery rates and not the skills training of individual borrowers. In fact, the emphasis on expanding micro-credit operations had reproduced usury at multiple levels of rural society.

Similarly, the availability of NGO money has encouraged many rich clients to enter the micro-credit market.²¹ In many instances, richer clients used poorer women as proxy members. That is, the rich client used the loan while the poor woman joined the NGO as a proxy member in exchange for a fee. If the rich client defaulted, it was still the poor proxy member who was held accountable by the NGO.

In analyzing the reasons why rural men allowed their women to become NGO members even though it brought their women in contact with non-kin men, one noticed a deep level of complicity between NGOs and rural men. Despite rural codes of honor/shame that dictated that women should not come in contact with non-kin men (and most NGOs, especially Grameen Bank, have male officers), rural men found it more useful to allow their women to join NGOs because they (rural men) work during the day. Poor men who lack physical collateral 'give' their women in membership to NGOs as economic reassurance. In reality, *the collateral that Grameen and all other NGOs extract from the poor is the Bangladeshi rural woman's honor and shame*. The poor give their honor embodied in their women to the NGOs in exchange for the loans. It is very important to note that *this* is the pivot on which the successes of the Grameen model of micro-credit hinges. However, rural men are ambivalent about the condition in which they find themselves. While they were more comfortable with micro-credit because their women could stay at home, they also felt vulnerable because home enterprises do

not necessarily guarantee a fixed income at the end of the month which they can count on. Many rural men I spoke with said that they preferred jobs from NGOs that would offer them a guaranteed income. That is, given a choice between entrepreneurship with its associated risks and regular employment, most people I surveyed preferred the latter.

Group versus Individual Responsibility

Group responsibility for individual loans is a fundamental organizing principle of the micro-credit model. The Grameen Bank operates on this model.²² Forty women form a Center, which is housed in a female member's house. The women elect a leader from the group who advocates the loan proposals in their weekly meetings. These forty women form eight smaller groups that include five women in each group. Each week, the women meet in the Center and hand over their weekly installments (*kisti* in Bengali) to the bank officer.

The loans, usually between \$100 and \$200, are given for a year on a fixed interest rate of 16 percent, that came to 32 percent in effective or actual interest (1999 figures). The borrowers paid the interest on the original principal through the life of the loan. That is, the interest paid was not adjusted as the principal was paid off. What the borrower actually ended up paying was much higher because these loans contained many hidden costs (entrance fees, cancellation fees, late fees, mandatory savings, and often product tie-ins with loans) that raised the rate to 50–60 percent.²³

It should be borne in mind though, that this number is still much lower than the rate charged by the rural moneylender (120 percent). Thus, in a landscape of loans that the poor could actually access, the borrowers were better off paying 60 percent to the NGOs rather than 120 percent to the rural moneylender.

All these women were jointly held responsible for the repayment of individual loans. Thus each woman was responsible for the repayment of all the other loans in the Center. When a default occurred, the bank (or the NGO) withheld money from the other members, forcing them to either pay up or lose access to future loans. The bank tied individual responsibility to group responsibility, using that as a mechanism to (a) maintain tight fiscal control over repayments; (b) police women borrowers' financial conduct after they received a loan; and (c) enforce payment through collective punishment for individual defaults.

The bank monitored its members through tight fiscal control. This close surveillance of its women members²⁴ allowed the bank officers to forestall any impending default. It was the women borrowers who did the surveillance on behalf of the bank (or the NGO). Fearing potential defaults, women informed

their managers about misuse of the loans by borrowers. This surveillance of conduct resulted in the daily strife that I witnessed in these group relations. Since these women and their families were linked together through loans, it was not only the women but also the community that had become part of this surveillance mechanism.

The surveillance of women already exists in rural Bangladesh, especially in the regulation of rural women's sexuality and comportment. The micro-credit NGO (the Grameen Bank and other NGOs) appropriated and routinized this form of surveillance as part of its credit operating structure. NGO managers routinely told their women clients: 'You are responsible for the loan and you have to make sure that no one defaults.' This transference of responsibility from the NGO to the women reduced the operating costs for the NGOs (they do not have to hire additional people to monitor the borrowers) and at the same time, it created a very effective policing system whereby rural people reported to the NGOs for fear of financial loss. Thus, poor women police other poor women, evicting poorer members from the group in fear of losing future income. NGO officers could also withdraw from taking any responsibility for actions that the community took to enforce payments.

The picture gets complicated when one realizes that the most widespread and profitable business from micro-credit is the practice of usury by women. Moneylending allows women to conduct business without leaving their homes. Women who do not possess marketable skills have opted for moneylending as a profitable alternative. Women adopt the norms of the traditional moneylender and loan money at 120 percent rate of return. This notion of 120 percent interest is a form of implicit social knowledge. Rural women do not make exact calculations on these loans. In their universe of social knowledge, two interest rates are known, the rate charged by the NGO and that by the rural moneylender. As rational economic agents, they opt for the higher number of the traditional moneylender. Usury creates a chain of dependencies that involves kin and non-kin alike, and ties multiple NGOs together. A loans to B who loans to C who loans to D, and so on. The failure on the part of a distant person on this chain has a ripple effect in rural society, affecting a sum much larger than one or two people or one or two NGOs.

During my research, I saw that credit-related strife amongst members and their families were routine occurrences. Women would march off together to scold the defaulting woman, shame her or her husband in a public place, and when she could not pay the full amount of the installment, go through her possessions and take away whatever they could sell off to recover the defaulted sum. In circumstances when the woman failed to pay the sum, which happened several times a month in the NGOs I studied, the group members would repossess the capital that the woman had built with her loans. This ranged from taking away her gold nose-ring (a symbol of marital status for

rural women, and removing it symbolically marks the 'divorcing/widowing' of a woman) to cows and chicks to trees that had been planted to be sold as timber to collecting rice and grains that the family had accumulated as food, very often leaving the family with no food whatsoever. The women who committed these acts did so at the exhortations of NGO officers, but they also considered these acts to be 'protecting their investments', and the defaulting woman as someone who had 'broken faith with the community'. These acts were committed with the full knowledge of NGO officers, but the officers did not participate in these collective acts of aggression. Instead, they threatened to withhold future loans unless the defaulted money was recovered.

In instances where everything had been repossessed because of a large default, members would sell off the defaulting member's house. This is known as house-breaking (*ghar bhanga*) and has a long history in rural society. It is considered as the ultimate shame of dishonor in rural society. In other words, serious defaults led to homelessness of the families concerned. In my research area, house-breaking occurred several (six to seven) times, whereas smaller forms of public shaming occurred every week. There were several incidents of suicide committed by men who had been shamed by their inability to protect the honor of their families. But these instances were rare, and were often the result of multiple causes, such as flooding in low-lying areas. What is important to note though is how these pre-existing coercive norms, of house-breaking for example, have become institutionalized as part of the NGO technologies of loan recovery.

The NGOs also used the apparatuses of the state, such as the police and courts, to harass these poor women to pay up. NGOs often filed cases against individual women who would be taken into police custody and kept as criminals (*ashami*) until the family repaid the defaulted sum. In Bangladesh where discourses of shame and modesty predominate, if a woman is held in police custody overnight not only had she brought shame on her husband as a criminal, she had also lost her virtue. When loan recovery techniques became entangled in existing social attitudes toward women, women who came into their affinal homes through marriage were often isolated as 'outsiders', and blamed for bringing shame to their husbands and their families. I met with several of these women who were divorced by their husbands because they had 'disgraced' their families by going to jail.²⁵ Husbands blamed their wives for shaming them and their families, although the husbands were the beneficiaries of these loans. Thus, micro-credit loans and women borrowers do not operate outside of local patriarchy but within it.

The question of rural women's complicity and dissent are important facets of how this technology works in rural life. Women do try to increase the wealth of their family by monitoring other women. Bring a provider of loans secures the woman's status within the family as long as she can forestall

defaults and not shame her family. Women also try to manipulate the NGOs by borrowing from multiple sources without letting their NGO managers know. To forestall overlapping, NGOs demand that their borrowers remain faithful to one institution. Women sometimes travel to neighboring villages to borrow from different NGOs. Women will make their loan officer wait for when they are unwilling to return the money. NGO association has given women some limited forms of practical freedom. Rural women have more reasons to be seen around town. They can take some time off from their housework. If one carefully analyzes these small acts of resistance, the poor women are firmly inside an interlocking system of debt where they are in debt to multiple NGOs, kin, fellow borrowers, and traditional moneylenders. The more they expand their circulation in these overlapping maps of credit, the more indebted they become.

With the spread of micro-credit operations in rural economy, NGO managers face tremendous pressure from NGO headquarters to operate smooth loan programs. Failure on their part to collect the money from the women borrowers results in the NGOs withholding money from their paychecks. Too many defaults in their area will result in their getting fired or never being promoted. Thus, NGO managers manipulate money from the women through cancellation and late fees that would form a safety net in the event of a default. These charges do not show up on paper, and could only be accessed by creating trust with the women.

The NGOs are fully cognizant of the negative consequences on women from their actions to recover the money.²⁶ Yet they are unwilling to replace the notion of collective contracts with individual contracts. Weakening the tight fiscal control of loan recovery would make them lose profit. When I mentioned some of my reservations to a manager of the Grameen Bank, she pointedly said: 'Why are you surprised? Grameen Bank is a business and not a charity.'

The Making of a Neoliberal Subjectivity: The Female Petty Moneylender

Contrary to the claims of the Grameen Bank and other NGOs that they have reduced traditional moneylending through micro-credit NGOs, what we find instead is the reproduction of usury at multiple levels of society, and the normalization of that activity within a new group of actors: poor, Muslim women.²⁷ Through membership in NGO loan programs, the formerly assetless poor have been able to accumulate some assets which now make them creditworthy in the estimation of the moneylender. Thus, the net of usury is cast much wider, bringing all sorts of formerly poor and assetless people

inside its web. In my research area, the traditional moneylenders often boasted that their business was better due to NGO loans. The neoliberal subject that has emerged out of this encounter between micro-credit and rural social relations is the figure of the female petty moneylender.

Jahanara's Story

Moneylending is prevalent in villages that are close to markets, for the obvious reason that traders seek out the women borrowers for loans. In my research area, this village was Krishnonagar, which was located next to the main market of the town. In an informal survey of Krishnonagar, 100 households out of 230 NGO beneficiary households were engaged in moneylending.

As a result of the proximity to the market, the women of this village were visible in public spaces. Compared to women living in the interior villages, these women possessed a higher degree of physical mobility. Women in Krishnonagar had more access to non-kin men because of the location of their village, and it was acceptable for them to talk to non-kin men. NGO-related activities had added to that mobility and had created some new pathways for these women to interact with the larger community. Grameen Bank, BRAC, Proshika, and ASA offices were spread through the town, and access to these offices meant a trek through town. The women of Krishnonagar told me that they had access to the market prior to joining these NGOs. Many of them had to walk through the market to get to other places. As they pointed out, NGO membership did not necessarily make them into more 'mobile subjects', but it did give them more reasons to be seen around town without people necessarily casting aspersions on their moral character.

One morning in December 1998, I went with my research assistant in search of female petty moneylenders in Krishnonagar. I was told that Jahanara Begum was the most famous moneylender in this area. She had over 350,000 takas (\$7446) invested in moneylending.²⁸ What did it mean, I had wondered, for a woman to have amassed so much money? How did she get to become such a successful moneylender?

Jahanara's husband operated a tea-shop with her money. Her husband was considered a 'weak' man by villagers because his wife was so successful. Jahanara had two sons and two daughters. Her eldest daughter had studied up to grade seven and she was training to be a moneylender. However, none of the younger children was enrolled in school. In her words, 'What can they do with an education? Better to learn moneylending at a young age.'

When we arrived, Jahanara came forward to meet us. She was dressed in a red sari and wore substantial amounts of gold on her person (nose ring, bangles, and a chain) for a rural person. A striking woman, Jahanara looked

confident and well fed. She had already notified several of her neighbors that an elder sister from abroad was going to write about her in a book that would be read by many people, and soon a group of women gathered around us. They all look up to Jahanara, and soon it was clear that they were all in debt to her.

Jahanara invested her money in four categories: short-term business, small businesses in the market, middle-level farmers, and NGO borrowers. Of this, the majority of the money was invested in short-term business, usually the profits were repaid after three to six months. The money was lent to traders who would buy local produce such as paddy, betel leaves, jute, timber, and take them by boat to other parts of the country where they fetched higher prices. Then they returned with produce from other parts of the country to sell it in their local market. People consider it a safe form of investment. They do not lose the money unless the boat capsizes with the goods, which, from what I was told, was a rare event.

Jahanara's day was not typical for a rural woman. She did not stay at home to do housework. Most of her time was spent collecting money from traders. She also spent considerable time going to NGO meetings to pay her dues or to collect new loans. When I asked Jahanara about her success, she began to share this with me:

I have also taken out loans in my daughter's name and in the names of other people. I am teaching my daughter my trade. I take loans out by proxy. I pay these women Tk. 100 (approx. \$2) each for letting me take the loan. Now all the NGOs give me the highest loans possible. If they do not want to give me the kind of loan I want, I say to them, I will cross out my name and go elsewhere. There are so many NGOs, another NGO will give me money. (*Here she pauses and laughs.*) They need me more than I need them. They do not want me to leave. I am a good investment. I have money so I always pay my installments on time . . .

This is how Jahanara described her success:

One has to run. If you sit around, nothing will happen. I go with the members to the NGO office when we have to get the loan. I get the money and leave. I don't stay in their office long. When I give money to NGO women borrowers, I have to be careful. These women are so needy. You cannot give them too much money; Tk. 1000 or 2000 [between \$21 and \$43] is about the maximum amount. If I give them too much money, then I have to walk around empty-handed later. They will not be able to pay back. I give them loans when they cannot pay their *kistis* or when there is an emergency . . .

At the end of our conversation, Jahanara said that she didn't think that other women could become like her. According to her,

They do not understand anything except their husbands. If I gave my earnings to my husband, he would use it all up. And I just invest my money in business. In the beginning, I never thought of getting food, clothes for my children. I was very careful with my money. If you go to the homes of these women on the day they get a loan from an NGO, you will find that for the next seven days they spend the money on fish and meat. My husband is also not like other men. He lets me have my way . . .

The following week, we met Jahanara at the Grameen Bank meeting. She was the Center leader of the Grameen Group in that village. Grameen Bank officers only collect the installments after everyone has assembled and paid up every single penny owed to Grameen. If any woman was missing (as usually happened when she did not have the money), then all the other women in the group had to wait. This coercive technique deployed by bank officers creates a lot of friction among the women as they were forced to remain at the Center instead of returning home and doing their housework.

At this meeting one woman called Kashai Bou (butcher's wife) was not present. Kashai Bou lived several villages away and the Grameen Bank officer took Jahanara as Center leader with him to collect the money from her. We went along with them. On the way to Kashai Bou's house, Jahanara proudly told us that she had broken many houses when members could not pay. 'We know when they cannot pay, so we take a carpenter with us to break the house.'

When I asked Jahanara, 'Why do you break the houses of kin?' Jahanara became indignant at first. Her initial comment was 'Why shouldn't we? They have breached their trust with us. If they cannot pay, then we will have to pay. Why should I pay for them?' Then she became quiet and said after a while:

It is not good to break someone's house, but we are forced to do it. This is how we get loans from Grameen Bank and other NGOs. They put pressure on us to recover the money, then we all get together and force the defaulting member to give us the money. We don't care how we do it.

Neutralizing Dissent: Power/Knowledge in Development

"The texts of development have always been avowedly strategic and tactical—promoting, licensing, and justifying certain interventions and practices, delegitimizing others . . . What do the texts of development not say? What do they suppress? Who do they silence—and why?" (Crush, 1995: 5).

Why is it that what I have written in these pages is not legible as a public discourse? The answer to that question is that the critiques are *silenced* in NGO-dominated research spaces. Knowledge is power, but power also legitimizes what counts as knowledge, and NGOs are powerful institutions in Bangladesh. The hagiographic transcripts of the Grameen Bank have to be apprehended at the crux of power/knowledge in the context of Bangladesh. In Bangladesh, there is only one academic English publishing house, called University Press Limited (UPL). The editor of UPL declined to publish Aminur Rahman's critical assessment of the Grameen Bank, *Women and Micro-Credit in Bangladesh* (1999), stating that a prominent economist had advised against its publication.²⁹ Interestingly, although Rahman's book was published by Westview Press in the US, his critique of the Grameen Bank lending practices

was silenced in Bangladesh through the lack of alternative academic publishing institutions.

Similarly, in the absence of a responsible state or a progressive social movement, the rural poor have to rely on the goodwill of the NGOs.³⁰ Villagers critique NGOs with the qualifier that NGOs offer them services that they need, but that they want the terms of these loans to be more humane. NGO officials in their private scripts admit that development cannot take place solely through micro-credit but they censor this in their public scripts for fear of jeopardizing their jobs (Pereira, 1998). The fragmented political left continues to talk about this but since the 1990s they have lost legitimacy as a political voice. The role of feminists is complicated in this scenario because feminists find it more important to focus on other violent forms of aggression against women, such acid burnings and rape, and to keep a united NGO voice against the tyranny of the clergy.

The vernacular press is a rich source of these critiques but western donors and researchers do not access them. In NGO-dominated research spaces where donors and western researchers gather, the medium of communication is English and that precludes the majority of Bangladeshis who cannot communicate in English. In fact, the use of English in NGO research spaces is ostensibly to accommodate the western donors, but in reality it regulates who can be heard in these spaces.

On 22 August 1998 a conference was held in Dhaka entitled 'Yunusonomics', organized by a local professor. The intent of the conference was to offer micro-credit as the new panacea in development economics. The conference papers were presented in English. When the floor was opened for questions, the first speaker was an angry retired doctor who said that he had expected the discussion to be carried on in a language that was accessible to him. He added that he would speak his opinions in Bengali. He often went to his village and found that most people were becoming poorer after several years of membership with Grameen Bank. He had calculated the interest charged by Grameen to be over 50 percent. He asked, 'How could they claim that this was a new paradigm to be followed? How was this high interest helping the poor?' Yet not a single person among the speakers engaged with the doctor, an ordinary citizen who had come to the conference to engage in a dialogue. There were some donor representatives present at the conference but it was unclear if they understood what the doctor was saying. Thus, critique expressed in vernacular language is neutralized within NGO-dominated research spaces that are sustained by western agencies in the aid of their policies.

Finally, on a more significant level, for middle class Bangladeshis the Grameen Bank operates as a source of symbolic capital. For the first time, we, the people of Bangladesh — Henry Kissinger's 'bottomless basket' — have given a gift to the western development community. Now visitors, from former US

President Bill and Senator Hillary Clinton to Queen Sophia of Spain, come to Bangladesh to study a development phenomenon. It is a source of tremendous national pride for many Bangladeshis, which makes it all the more difficult to critique the Grameen Bank, or for that critique to be taken seriously. In fact, speaking out against the Grameen Bank makes one into a 'traitor within'.³¹ In this scenario, Grameen Bank's latest triumph in winning the 2006 Nobel Peace Prize, operates as a form of governmentality and authorizes what can be said about the Grameen Bank. In the absence of a robust social movement in Bangladesh, it makes it all the more difficult for a radical critique against micro-credit policies to be heard. The Nobel Peace Prize signals Bangladesh's arrival onto the modern landscape as equals with the West. Consequently, the Grameen Bank gains more power and authority both locally and globally by enmeshing profit with poor people's empowerment to create 'brave new worlds'.

NOTES

1. The other three NGOs are Bangladesh Rural Advancement Committee (BRAC), Proshika Human Development Forum, and Association for Social Advancement (ASA). All of these NGOs work with slight variations on the Grameen Bank model. They all have millions of subscribers, and cover more than eighty percent of the rural population. The Grameen Bank is officially registered as a bank under the Bangladesh Bank Ordinance (1983) but conceptually it is a non-governmental organization. Therefore, in my analysis, I treat it as such.
2. According to the websites of these NGOs: www.grameen.com, www.brac.net, www.asabd.org, www.proshika.org.
3. In Bangladesh, western aid organizations channel most of their aid through the NGO sector, which they helped to create in the 1970s. In 1997, the EU channeled 25% of its aid through the NGO sector.
4. This point will not necessarily hold for smaller NGOs in Latin American countries that have a long tradition of social movements.
5. James Scott (2006) analyzed the high modernist goals of 'well-intended' socialist engineering. NGOs, such as the Grameen Bank, also seek to bring about high modernist values, coupled with the incentives of a market-driven economy, to rural constituencies. To facilitate that, they also undertake information gathering on diet, health, education, and consumption, similar to the modern state.
6. Globalization and the need for cheap labor from 'third world' countries has resulted in the out-migration of rural people as labor overseas, first to the Middle East in the 1970s and 1980s, and to East Asian countries in the 1990s. It has led to remittances of wages, and a flow of ideas from Muslim societies. One of the consequences of this new networked society of Muslims is the increase in Islamic seminaries (madrassahs). It has increased wealth and brought communication technologies to rural areas (TV, cell phones, internet and Bollywood movies).

7. I maintain that ethnography yields very different conclusions from survey research and focus-group interviews, the methodological tools of development economists. Ethnography requires a sustained amount of time with a community, building their trust, and observing what people do as opposed to what people say they do when they are asked questions in a survey.
8. URL (accessed June 2007): <http://www.grameen-info.org>
9. During 1975–90, Bangladesh was under military dictatorship.
10. Transparency International (TI) routinely lists Bangladesh as one of the most corrupt countries in the world.
11. The development NGOs do not support the Jamaat-I-Islami and other Islamist parties which espouse a non-modernist role for women. If they sided with the Islamists, they would lose their western aid.
12. 'Prof. Yunus plans to form a political party in Bangladesh', 11 Feb. 2007. URL (accessed June 2007): <http://muhammadyunus.org/content/view/83/1/lang,en/>
13. Since the rural population is largely illiterate, voters are taught the symbols of different political parties (fish, a spring of wheat, the scales of justice, etc. that are the signs for various political parties) as identifiers of which political party they will vote for.
14. This topic is a paper in itself. But I do want to make the point that the NGO sector in Bangladesh signals a new kind of state formation for the 21st century, one that is a cross between private capital and welfarism.
15. URL (assessed June 2007): <http://www.muhammadyunus.org/>
16. From its inception Bangladesh was not a welfare state. I argue that countries like Bangladesh that came into being in the environment of globalization and neoliberalism, and are closely tied to western aid, can only be a proto-capitalist state.
17. In my research I found that NGO managers blamed the borrowers and their husbands for failures. For example, when 50% of breeder chickens died within a week of getting a loan and setting up operations, the NGO (BRAC in this instance) managers would speak of the failure as a fault of the 'poor, illiterate village women', and not as BRAC's fault in targeting people who didn't have the wherewithal (the training, the facilities, etc.) to run a chicken farm from a tin-shed in their house.
18. The NGO definition of poor is a family of four with less than 0.5 acre of arable land and living below the level of poverty in Bangladesh.
19. Giving to kin has a double bind. It is expected that kin members will intercede and prevent a potential default in order to save the honor of the family. However, if a serious default occurs, then the family usually sides with the defaulting male member and asks the woman to find other means (borrow at 120%) to pay off the loan.
20. The leading NGOs have model villages, usually close to the capital Dhaka, to showcase to international donors.
21. In my area, the local headmistress of a school, the wife of a lawyer, and wives of some of the richest merchants in town were members of micro-credit NGOs. NGOs prefer richer female members because they will not default. As high-status

people in rural society, they can coerce poorer members to pay up. However, rich male members just do the opposite. When ASA began to target richer clients in my area, the collection became a problem with the rich clients threatening 'they will not pay back'. The situation was mediated by several prominent politicians, and finally, a payment schedule was worked out. Thus, local politicians became involved in NGO loan recovery.

22. All the NGOs I studied mimicked this basic structure, group responsibility of individual loans, strict recovery through weekly (ASA and Grameen) or bi-weekly meetings (BRAC) and monthly meetings (Proshika), and product tie-ins with loans (hybrid seeds with agricultural loans, breeder chickens for BRAC loanees).
23. At the time of my research, the Grameen Bank had decided to lower the payment schedule from fifty-two weeks to fifty weeks, which would mean an additional rise in the weekly amount (kisti) paid by the borrowers. For poor people, a weekly rise of a few takas (the unit of currency) is a tremendous hardship.
24. In development jargon this is euphemistically known as peer monitoring.
25. In my area, the NGO Proshika had filed 74 cases against its women members and many of them were taken into custody.
26. These incidents were happening in front of NGO officers. They would exhort the women to 'collect the money or else ...' I brought several such incidents to the attention of NGO workers in my area, but they would dismiss my concerns by saying, 'These are the work of illiterate people. We (the NGO) do not encourage this. Did you see us present at the event?' Interestingly, officers in NGO headquarters in Dhaka get incensed if you report such incidents to them. I was literally thrown out of one of the leading NGO offices when I brought such activities to the attention of senior officials.
27. Moneylending in Bengal was traditionally handled by a caste of Hindu moneylenders. In some instances, Hindu widows often participated in small-time moneylending. With the creation of Pakistan in 1947, and with different waves of migration of Hindus from Bangladesh (formerly East Pakistan), Muslim male moneylenders have emerged. Often Muslims give up moneylending after performing the Hajj. However, the entrance of poor Muslim women into the institution of moneylending is a new phenomenon.
28. Calculated at Taka 47 (1998 rate) to 1 USD.
29. Personal communication to author by scholars from Bangladesh.
30. *Gonogebeshona* (People's Research) is a new concept developed by a professor of economics, Dr. Amisur Rahman of Bangladesh. It is a participatory form of research where the researcher and the targeted group work together to find solutions to problems. This research could offer an alternative to the existing model of top-down research conducted by highly paid consultants. For more information, consult the website: http://www.rib_bangladesh.org/.
31. During my research, local NGO researchers often reminded me that I was looking at the negative side of micro-credit. Instead, as a feminist scholar I should focus on the positive side of micro-credit such as rural women's ability to handle money, sign, and speak their names in public.

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