

Liberalism, Patriarchy, and Development:

The Case for a Structural Analysis of Microfinance

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INTRODUCTION

Microfinance organizations (MFOs) have become a significant part of the development agenda in recent decades, principally due to the recognition by state and non-state actors of the important role women must play in development. In contrast to the gender-blind structural adjustment programs of the past, which often worsened conditions for women, many MFOs target women primarily or exclusively as a matter of policy. As a result, microfinance is often touted as a standard bearer for a progressive approach to development. However, gendered analyses of microfinance have been limited in scope and deal predominantly with the immediate or short-term effects of microfinance on households. Founded as it is on a neoliberal and patriarchal framework, microfinance poses severe challenges to any serious attempt to alter the status of women in societies. Surprisingly, structural analysis of microfinance has been quite rare; even discussions of MFOs based in feminist theories have been largely liberal in nature, focusing on equal rights and opportunities for women. It has been questioned whether microfinance has been effective or ineffective at achieving its goals. Moreover, the question of whether the goals themselves are beneficial or harmful to women – or indeed, to states as a whole – has been raised by a number of researchers.

Against the backdrop outlined above, gender development scholar Naila Kabeer observes that the ‘evangelism’ of microfinance institutions’ proponents might give one the impression that MFOs alone are the key to development. However, she asserts that “there are no magic bullets in the policy world, development or otherwise.”¹ Indeed, as the word ‘microfinance’ means substantially different things to different people, the effect that MFOs have on ‘development’ is not self-apparent.² Not all of the definitions of microfinance are compatible, so in determining the goals and effects of development policy, it is crucial to be cognizant of which definition is being used. The mainstream view of development – which, as Dhammika Herath notes, focuses on stable states and market economies – focuses on political and economic indicators of progress. Feminist researchers almost universally acknowledge such neoliberal approaches as disguising patriarchal relations. Alternative views of development, such as those espoused by Amartya Sen, often react by examining power hierarchies between and within societies, emphasizing social and cultural relations rather than political and economic factors. Unfortunately, as will be elaborated below, microfinance generally operates under the narrower mainstream view, leading to a reinforcement of neoliberal attitudes and structures that have typically originated in the Global North. Ultimately, a view of microfinance that *combines* social and cultural concerns with political and economic considerations would result in a more holistic and localized impression of the structures affected by MFOs and would better address the needs of women.

¹ Naila Kabeer, “Is Microfinance a ‘Magic Bullet’ for Women’s Empowerment? Analysis of Findings from South Asia,” *Economic and Political Weekly* 29 (2005): 4709.

² Dhammika Herath, “The Discourse of Development: Has it Reached Maturity?,” *Third World Quarterly* 30, no. 8 (2009): 1449.

THE NEOLIBERAL AND PATRIARCHAL NATURE OF MICROFINANCE

The very term microfinance – or microcredit, as it is also known – evokes comparisons to Western, post-Bretton Woods financial markets.³ Since the 1970s, conventional wisdom has held that, given appropriate levels of personal financing and personal responsibility, almost anyone can turn their circumstances around and achieve success in their lives. Implicit in this view is a definition of success based primarily on economic circumstances. Based on this view, a model of private financing was used for many years to fund large-scale, often state-sponsored projects in the Global South.⁴ Likewise, MFOs have often adopted a similar financial approach to development, with an additional gendered component. They believe that if women were provided with financial resources and given the training required to handle those resources responsibly, they could take charge of their own lives and break free of their dependence on men. Such a view has been reflected in much of the literature examining the impact of MFOs on the status of women.⁵ Indeed, empowerment of women and the mainstream view of economic development

have for decades been considered to go hand-in-hand.⁶

Microfinance and neoliberalism therefore share at least one fundamental assumption. Given feminist theorists' clear and generally consistent criticism of neoliberalism as oppressive and patriarchal, analyses of microfinance that leave out a discussion of neoliberalism may be ignoring a crucial element of the debate. The prevailing view, especially among American international relations (IR) theorists, is that the so-called 'neo-neo synthesis' marked the end of ideology through the consolidation of various paradigms. Many feminist scholars contend that the focus on 'ideology-free' analysis of IR only masks the fundamentally ideological nature of all policy.⁷ Thus, to determine whether microfinance is beneficial to women, a more in-depth examination of the foundations of microfinance and neoliberalism is warranted.

Miranda Joseph's discussion of patriarchy and personal finance was explicitly intended to fill a gap in the literature in the Global North, but her analysis still largely applies to the South. It contains an overview of the types of attitudes and structures that are developed and sustained by the institution of personal finance. This provides a strong indication of how femininity could be further marginalized in the South by the continued imposition of neoliberal values. Joseph identifies at least two components of neoliberalism that have direct relevance to

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³ The term "microfinance" has been preferred throughout this paper to emphasize that the dominant approach today is centred on the lending and repayment of liquid assets.

⁴ C. Randall Henning, "Political Economy of the Bretton Woods Institutions: Adapting to Financial Change," *The World Economy* 19, no. 2 (1996).

⁵ For example, see Fauzia Erfan Ahmed, "Microcredit, Men, and Masculinity," *NWSA Journal* 20, no. 2 (2008); and Govind Kelkar, Dev Nathan, and Rownok Jahan, "Redefining Women's 'Samman': Microcredit and Gender Relations in Rural Bangladesh," *Economic and Political Weekly* 39, no. 32 (2004).

⁶ Karabi Chaudhuri Bezboruah and Vijayan Pillai, "Assessing the Participation of Women in Microfinance Institutions: Evidence From a Multinational Study," *Journal of Social Service Research* 39 (2013): 616.

⁷ J. Ann Tickner, *Gendering World Politics: Issues and Approaches in the Post-Cold War Era* (New York: Columbia University Press, 2001): 65.

microfinance: personal responsibility and entrepreneurialism. Neoliberalism solicits and encourages the development of these personality traits in its subjects.⁸ It is reasonable to expect that MFOs, by their nature as debt-collecting organizations, would do the same.

Personal responsibility can be contrasted with other forms of responsibility, such as familial or community responsibility. The gendered implications are evident: Likewise, entrepreneurialism emphasizes agency, initiative, and risk-taking, and encourages women to establish their own businesses and engage in market economies.⁹ Training programs that seek to develop these skills are important priorities for many MFOs. By encouraging or requiring women to take part in these liberal skills programs, MFOs could be perpetuating femininity's lower societal status in the long run.

Joseph's arguments go still deeper. There is a general perception, she argues, that women are bad at finance.¹⁰ It is easy to see how patriarchy would cause such a perception to develop as everyday life becomes "financialized". Whereas women manage affairs *within* their households, financial matters are *extra*-household – ie. men's – concerns. Microfinance and neoliberalism therefore give women a very difficult choice: to feel like failures by remaining within the household, or to challenge this dichotomy by becoming responsible entrepreneurs. Joseph writes, "Moreover, as a statistically defined population, 'women' are explicitly pathologized, represented as displaying the symptoms of neoliberal depression as Ehrenberg describes it."¹¹ If being bad at finance is seen as a "disease", then the "cure" is to behave in a more masculine way.

⁸ Miranda Joseph, "Gender, Entrepreneurial Subjectivity, and Pathologies of Personal Finance," *Social Politics* 20, no. 2 (2013): 246.

⁹ *Ibid.*, 247.

¹⁰ *Ibid.*, 252.

¹¹ *Ibid.*, 254.

It also bears mentioning that when women become successful entrepreneurs with the assistance of MFOs, they often engage in the same activities as they would anyway, but in the public sphere rather than the domestic.¹² Microfinance programs rarely address the gendered division of labour. It is worth observing that this neoliberal approach presumes an essentially liberal feminist view of gender that does little to help women in general. By simply masculinizing some women, neoliberal development strategies not only ignore the underlying structures that cause oppressive gender relations to arise, but often exacerbate them.

If microcredit is to work for the long-term advantage of women, its programs and structures must be carefully planned to support women collectively, rather than simply rewarding women who have or acquire masculine traits. Kabeer builds on the work of Marguerite Robinson to distinguish between MFOs that are run on the debt-repayment model and those that depend on philanthropy or government funding to provide debt-free grants. The former fits within the neoliberal paradigm and its resources are largely directed toward recovering debts. In contrast, the donor model rightly sees the problem as structural and is more focused on training and social issues.¹³ Another advantage of the debt-free model is that it lends itself more readily to group loans with shared responsibility. These loan structures give women more agency to choose the people with whom they work. According to Kabeer, this type of loan is more effective at empowering women than individual loans, based on the distribution of decision-making in the household.¹⁴ Unfortunately, due to the debt-repayment model's underlying neoliberal nature, it has become hegemonic, meaning that the donor

¹² Kelkar, Nathan, and Jahan, "Redefining Women's 'Samman'," 3629.

¹³ Kabeer, "Magic Bullet," 4709.

¹⁴ *Ibid.*, 4713.

model is rarely implemented.¹⁵ Karabi Chaudhuri Bezboruah and Vijayan Pillai echo this sentiment: "In short, since their initiation as nonprofit and cooperative small credit-making entities designed to address poverty, [MFOs] have grown and evolved to formal, profit-making, and regulated commercial financial enterprises."¹⁶

Kabeer asserts that the donor model, as an alternative to the conventional debt-repayment model rooted in a neoliberal understanding of development, would be more effective at empowering women:

What is needed instead [of a purely financial approach] is a more holistic understanding of the nature of inequality and a more comprehensive approach to tackling it. 'Poverty lending' in the way it is characterised by its detractors does not provide this alternative: charity, patronage, welfarism, and subsidies have little to offer poor people except the perpetuation of their dependency status. A more viable alternative is represented by organisations which combine financial services with other forms of support and which use group-based strategies to build organisational capacity of the poor. Such organisations are not indifferent to issues of sustainability but define it in terms of the capacity of poor people to sustain themselves over time through integration into mainstream markets and service provision rather than in terms of the capacity of the organisation to reproduce itself over time.¹⁷

MFOS AND STRUCTURAL VIOLENCE

To date, MFOs have had mixed success at achieving their goals of empowerment and poverty alleviation.¹⁸ For example, while they have undoubtedly increased the financial well-being of some areas, there is very little evidence to suggest that they actually *remove* people from poverty; rather, they may just make poor households *less* poor (though it is important to note that household wellbeing is not necessarily synonymous with women's wellbeing). Additionally, the extreme poor are almost universally excluded from MFO programs.¹⁹ Other metrics of success also show mixed results. While some studies indicate that domestic violence increases for women who stand up to their husbands by acquiring agency, others suggest that financially-capable women become more respected within their families and violence is thus reduced.²⁰ In Kabeer's view, mixed results are to be expected with a purely financial approach.²¹ This assessment is in concordance with a modern feminist analysis, and with the above discussion of neoliberalism and masculinity: if women are superficially 'empowered' through masculinization while the structural causes of violence remain unexamined, violence will not simply disappear. Rather, "[i]ntrafamilial violence is simply an expression of the way in which gender relations are structured; the society, not the family, is the setting."²²

The focus on domestic violence as a metric of MFO success is prudent. Not only is domestic violence a horrific reality for many women, including in countries where MFOs operate, but as Fauzia Erfan Ahmed suggests, domestic violence draws from and feeds into other

¹⁵ Ibid., 4710.

¹⁶ Bezboruah and Pillai, "Assessing Participation," 617.

¹⁷ Kabeer, "Magic Bullet," 4717.

¹⁸ Ibid.

¹⁹ Ibid., 4711.

²⁰ Ahmed, "Microcredit, Men, and Masculinity."

²¹ Kabeer, "Magic Bullet," 4718.

²² Ahmed, "Microcredit, Men, and Masculinity."

systems of power and violence. Crucially, a strong case can be made that oppressive gender structures contribute significantly to war. Some feminists, such as Cynthia Cockburn, even consider them to be the root cause of war by encouraging men to act violently towards women.²³ Thus, weakening the structures of violence could potentially have far-reaching implications for the developing world.

Gendered structures of violence can be linked conceptually to state structures. The imposition of the European state system upon the Global South has not always been successful: arbitrarily defined borders, European governance, exploitation, and other colonial practices are widely considered to have led, directly or indirectly, to the lack of security – in the traditional, military sense of the word – present in some of these states.²⁴ Even if Western standards consider the European state model a success, it is not apparent that this is the best way to measure the success of a state. Though he was writing specifically about ethnic violence, Stuart Murray's comments below seem equally applicable to the kind of gendered violence that is exacerbated by neoliberalism:

The fear has been that, in utilizing the model of the nation, the postcolonial structure will become locked into the European paradigm, capable of reproducing only the structures and vocabulary of a nationalism founded during the colonial relationship.²⁵

²³ Cynthia Cockburn, "Gender Relations as Causal in Militarization and War," *International Feminist Journal of Politics* 12, no. 2 (2010).

²⁴ For example, see E.C. Ejiogu, "The Roots of Political Instability in an Artificial 'Nation-State': The Case of Nigeria," *International Journal of Comparative Sociology* 42, no. 3 (2001); and Darryl C. Thomas, "Africa's Post-Cold War Demilitarization: Domestic and Global Causes," *Journal of International Affairs* 46, no. 1 (2002).

²⁵ Stuart Murray, "Introduction," in *Not On Any Map: Essays on Postcoloniality and Cultural*

Feminists such as Cynthia Cockburn argue that the distinction between macroscopic and microscopic violence is illusory; one leads necessarily to the other. Not only could Western-style states lead to direct violence against women by instituting their own form of patriarchy, but they could also lead to seemingly gender-agnostic, violent situations that result in oppressive behavior. Ultimately, gender cannot be extricated from violence.²⁶ The corollary to this is that by choosing policies that reduce neoliberal and violent influences, these self-reinforcing processes can be reversed.

Kabeer proposes that MFOs should attempt not only to help women meet their short-term survival needs but also to reduce their vulnerability to poverty and physical and social violence in the long run.²⁷ Thus, by increasing the security of women – in the feminist sense of liberating them from oppressive structures – these so-called 'failed

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states' could see a return to peace and prosperity. This is one of the ostensible aims of MFOs; by helping women to become self-sufficient, it is hoped that peace and prosperity will 'trickle up' and impact the state and society as a whole. However, it seems unlikely that the continued entrenchment of neoliberal attitudes, structures, and practices through present-day MFOs will achieve this goal. A truly successful project must allow women to contribute to the development of their own societies. If it is true that the Westphalian, neoliberal state has not

Nationalism, ed. Stuart Murray (University of Exeter Press, Exeter, 1997), 7.

²⁶ Cockburn, "Gender Relations as Causal," 151.

²⁷ Kabeer, "Magic Bullet," 4710.

taken root in some parts of the developing world, then this could offer an unprecedented opportunity for something feminists often wish for: the opportunity to build states (or some other form of political organization) that are beneficial to women from the ground-up. In short, MFOs must broaden their perspective to take into consideration structural sources of violence and discard the facile view that women must simply become more entrepreneurial.

MFOS AND MEN

Thus far, this analysis has focused almost exclusively on women, except where the masculinity of neoliberalism is concerned. This reflects the status of the literature on masculinity and microfinance, which “is strikingly absent in the vast literature on microcredit, the cornerstone of gender empowerment programs worldwide.”²⁸ Indeed, Ahmed notes that even where men have been considered, they have been conceptualized as the ‘universal man’. Just as all women are not the same, all men are not the same. In Ahmed’s view, this must be recognized for MFOs to have any hope of societal transformation. As Robert Connell points out:

[It is] clear that the questions politicians classify as ‘women’s issues’ are also issues about men. Men are gendered too. Once this is acknowledged, hard questions arise about how men become gendered, how masculinity is related to gender inequality, and how men can become part of the solution rather than part of the problem.²⁹

Ahmed learned that this view is shared by the very women targeted by MFOs, who feel that

targeting men is also an essential part of altering gender relations:

Sharecropper women repeatedly told me that they cannot reach their full potential and help their families climb out of poverty unless their male relatives also transform their attitudes and practices. The everyday existence of poor women is embedded in multiple spheres of extended family and village community; it is inextricably interwoven with that of their male kin. Women want these different contexts to be included in the formulation and implementation of microcredit and poverty alleviation strategies.³⁰

In Bangladesh, one of the most patriarchal societies targeted by MFOs, men invariably control the assets that are essential to women running their largely agricultural businesses, such as capital and land.³¹ For women to gain access to these assets, it is therefore essential to have the cooperation of men. Though feminist theorists and the affected women themselves agree that men cannot be ignored in microfinance programs, MFOs have not made much attempt to engage with men.³²

Ahmed identifies four different types of masculinities that characterize Bangladeshi husbands (other countries might have analogous but different manifestations of masculinity). One type is characterized by its complete deference, at least in private, to the will of the wife. Two others are differentiated by lesser or greater degrees of domestic violence and domination. The last – the ‘high-minded’ man – sees his spouse as an equal partner.³³ Ahmed proposes

²⁸ Ahmed, “Microcredit, Men, and Masculinity.”

²⁹ R. W. Connell, “Gender Politics for Men,” *The International Journal of Sociology and Social Policy* 17, no. 1, (1997): 63.

³⁰ Ahmed, “Microcredit, Men, and Masculinity.”

³¹ Kelkar, Nathan, and Jahan, “Redefining Women’s ‘Samman,’” 3628.

³² Ahmed, “Microcredit, Men, and Masculinity.”

³³ Ibid.

that MFOs promote high-mindedness by recruiting high-minded men to speak to and organize workshops for other men.

Though Ahmed correctly identifies men as essential to a successful MFO strategy, the specifics of her analysis are critically flawed. From the beginning, she derides MFOs that treat all men as members of a single, homogeneous class. Her resolution to this is to divide men into four homogeneous classes and, crucially, to attempt to transform all men into members of a single one of these classes. This hardly addresses the fundamental problem, which is that individuals can diverge so far from the 'universal' conception of men that any attempt to target them collectively, even with separate classifications, is doomed to fail. A more complete analysis would perhaps include individualized – or at least localized – programs that worked with men individually or in small groups, similarly to how MFOs operate with women.

On an even more fundamental level, it becomes clear that Ahmed's analysis is very limited in scope. It is important to note that her conceptions of masculinity are fundamentally differentiated by how men perceive the husband-wife relationship. She uncritically accepts for her analysis the familial household as the fundamental unit of society. This is almost disturbing in its similarity to neoliberalism, which is also centered on the household.³⁴ While this focus simplifies the analysis by distinguishing between the 'domestic' and 'public' spheres, a focus on the familial unit may mask gender violence. It is conceivable that patriarchal gender relations, such as the gendered division of labour, are so ingrained in society that they escape the notice of those who live them. Thus, even when men

and women self-report equality within the household, one must be cognizant of the structural factors at play. While the abolishment of gendered societal organization remains a gray area, failing to acknowledge structural gender issues renders Ahmed's conclusions, if not her theoretical contributions, unhelpful, inapplicable, and even problematic.

RETHINKING APPROACHES TO MICROFINANCE

Through the use of a feminist lens, it becomes evident that MFOs in their current form are not effective vehicles of poverty alleviation, development, and women's empowerment. While it is debatable whether microfinance is effective in the short run, it is clear that MFOs are actively, if unintentionally, working against the aforementioned goals in the long run. Conceived as it was during the last third of the 20th century, it should come as no surprise that microfinance depends on and promotes neoliberal attitudes, practices, and modes of organization. This fundamentally patriarchal ideology is incompatible with the modern feminist movement that seeks to eliminate oppressive gender relations rather than simply redefine them. Thus, microfinance must undergo significant changes before it can truly help women in the Global South. We can make use of the above discussion of microfinance's faults to inform our view of MFOs and to recommend changes to the current model and stated goals of microfinance programs.

Perhaps the most common and well-defined goal of MFOs is poverty alleviation, which is admirable if done in conjunction with other initiatives aimed at reducing vulnerability. Following Kabeer's observation that poverty and vulnerability are separate but related issues, it is apparent that MFOs should not only provide women with the resources required to meet their present needs (food, shelter, healthcare, education, et cetera), but should do so in a

³⁴ Ryan Patrick Murphy, "United Airlines is For Lovers? Flight Attendant Activism and the Family Values Economy in the 1990s," *Radical History Review* 112 (2012): 100.

manner that allows women to meet their needs in the event of unexpected shortfalls. MFOs can achieve this by refusing to subscribe to the neoliberal rhetoric of personal responsibility. As previously mentioned, the vast majority of microfinance loans are used for agricultural purposes.³⁵ Thus, it is reasonable to expect that the economic vulnerabilities faced by borrowers would be, in at least some cases, similar to those faced by other farmers.

MFOs would be well served by examining the institutions and protections offered to other small-scale farmers and adapting them to the needs of their debtors. In other words, rather than force women to

become entirely responsible for their own fates, MFOs should plan for the inevitable misfortunes and construct new – or better yet, build on existing – frameworks of community and social responsibility.

Kabeer's research provides guidance in this regard. She finds that MFOs using donated funds provide more sustainable, long-term solutions to poverty and vulnerability by emphasizing the community aspect of development. Thus, eliminating the almost ubiquitous focus on debt collection found in today's MFOs would serve the dual purpose of providing more effective solutions and reducing the influence of neoliberalism on development policy. Through careful planning, organizations may be able to restructure their loaning model without incurring significant costs or depending too heavily on continuous donations from third parties. This possibility presents an intriguing topic for future research.

A second common goal of MFOs is 'development'. As discussed previously, there is no universal definition of this term. Mainstream

views often focus on political and economic aspects while ignoring societal and cultural perspectives. This focus falls short of the standards set by feminist theorists, who have observed that the interrelations between politics, economics, society, and culture are so complex that any attempt to separate them is misguided. A purely financial approach is insufficient. Rather than simply addressing symptoms –

individual manifestations of poverty and vulnerability –, MFOs should also aim to counter the deeply-rooted societal problems that manifest as individual struggles. In this regard, MFOs stand to learn much from feminist

theorists, who have made tremendous progress at identifying such causes over the last few decades. Addressing such research is beyond the scope of this paper, but it is apparent that MFOs must conduct extensive and continuous consultation with feminist theorists when reforming their approach to microfinance.

Perhaps the most vaguely defined goal by MFOs is the empowerment of women. There are numerous issues related to this goal. First, the biggest concern is the neoliberal foundations of current microfinancial operations. As discussed previously, it is unlikely that the entrenchment of neoliberalism globally will work for the benefit of women in the long term, even if it may work to benefit individual women in the short term. Thus, MFOs must move away from the various forms of the debt-collection model and begin to provide debt-free grants subsidized by governments or NGOs. Without such a change in approach, it seems that MFOs will be ineffective, if not outright oppressive. After all, training women to fulfill masculine gender ideals is not empowerment. A second concern is the link between microfinance and domestic violence. The literature to date has reached conflicting conclusions. If it is true that MFOs

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³⁵ Kelkar, Nathan, and Jahan, "Redefining Women's 'Samman'," 3628.

and domestic violence are indeed positively correlated, then it is imperative that we discover why, not only for the sake of the direct victims but also for the security (against war) of recipient states as a whole.

Finally, much of the current literature concerning women's empowerment and MFOs centres on the effects of loans on intra-household decision-making.³⁶ This metric of empowerment seems to assume the largely critiqued public-private dichotomy. Though the ability of women to make their voices heard within their home is critical to empowerment, so too are other forms of power, such as respect within one's community and the ability to speak one's mind in public. If women cannot, for instance, drive or own property, then even if personal autonomy is asserted in the home, patriarchal values remain dominant. The focus on domestic affairs inevitably overlooks broader indicators of empowerment, and thus empowerment must be redefined at all levels.

CONCLUSION

A theme consistent throughout this paper is the poor state of the literature concerning microfinance. Despite the gendered nature of MFOs, analyses that focus primarily on gender are rare. Among the studies that consider gender relations, most fail to consider feminist methodologies or epistemologies. Thus, the effect of MFOs on the status of women is rather unclear. In order to reach definitive conclusions on how to appropriately approach the gendered problems MFOs seek to address, considerably more research – both practical and theoretical – must be performed. Moreover, microfinance organizations themselves must conduct full reviews of their operations and structure to determine that they are, indeed, meeting their goals. These should entail extensive consultation with feminists, who specialize on the impact of structural and societal issues on individual

wellbeing. In fact, MFOs would be well advised to keep a large number of feminist executives, managers, and advisors employed full time. Only after this research has been done can we fully appreciate the true impacts that microfinance organizations have on women.

As neoliberalism is dependent on patriarchal modes of social and economic organization, a neoliberal approach to microfinance cannot succeed at empowering women. MFOs that wish to disrupt the power hierarchy must find alternate methods of distributing aid to women. These can include the provision of grants, training, workshops, and community or group work to encourage and enable women to work together toward common goals. Furthermore, MFOs must reach out to men and determine how to provide men with the will and skills required to adjust their relationships with women. Providing services only to women is insufficient to truly transform gender relations.

Finally, MFOs should critically reexamine their goals. Modern-day notions of empowerment, development, and poverty are heavily based on neoliberal ideals of personal responsibility and a reduction in state activity. One must consider whether institutions that seek to accomplish these aims inadvertently liberalize the communities in which they operate, even when they switch to donor models. MFOs should consider their roles and their means to determine what is realistically within their means, and whether the long-term benefits of those actions are positive or negative. If women had the ability and the resources to participate fully in their own communities, a revolutionary societal transformation could take place. MFOs should defer more to the knowledge of the women themselves. Instead of deciding alone what workshops and loan structures women need, MFOs should simply ask them.

Despite the growing excitement surrounding MFOs, it is evident that they suffer from

³⁶ Kabeer, "Magic Bullet," 4713.

significant challenges. A lack of information, an uncritical ideological approach, and often poorly-considered programs and structures have meant that in their current form they are unlikely to help elevate private and public autonomy of women in the long term. MFOs must overcome a number of institutional difficulties and consult

with feminist in order to restructure their organizations to better meet the needs of women. Until and unless microfinancial organizations become more introspective and critically examine their methods and impacts, it is doubtful that they can make real progress at improving the status of women.