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*Critique of Anthropology* 2004 24: 301

DOI: 10.1177/0308275X04045423

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# *Education for Credit*

## Development as Citizenship Project in Bolivia

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*Abstract* ■ This article investigates economic aspects of citizenship in El Alto, Bolivia, through an exploration of micro-credit NGOs working with female Aymara rural–urban migrants. Such NGOs operate from a basis of transnational discourses of citizenship conceived in an individualized neoliberal framework. Their activities can be understood as a set of citizenship projects which attempt to modify the ways in which individuals act as economic agents and view themselves. In recent years, the domain of the informal economy has become one of the key fields in which differing conceptions of individuality and citizenship are worked on by local people, the state and international agencies. The micro-credit NGOs' focus on entrepreneurial activity assumes a market-based economic rationality, and combines this with capacity-building in a 'human development' model. This combination reveals much about the kinds of female citizens that governments and development agencies seek to create in Bolivia: 'empowered' individual, entrepreneurial, active citizens, who will take responsibility for their own and their families' welfare, and who are prepared for the market rather than the state to provide for their social rights. This article will argue that these attempts to extend Liberal citizenship through debt are undermined in two ways: first, because the women's responses to the educational components are complex and not always accepting; and, second, because the NGOs themselves rely upon a collective, embedded economic rationality of kinship and social control to ensure the re-payment of loans.

*Keywords* ■ Bolivia ■ citizenship ■ development ■ El Alto ■ empowerment ■ microcredit ■ neoliberalism

This article investigates economic aspects of citizenship in El Alto, Bolivia through an exploration of microcredit NGOs working with female Aymara rural–urban migrants. Such NGOs operate from a basis of transnational discourses of citizenship conceived in an individualized neoliberal framework. Their activities can be viewed as a set of citizenship projects which attempt to modify the ways in which individuals act as economic agents. In recent years, the domain of the informal economy has become one of the key fields in which differing conceptions of individuality and citizenship are worked on by local people, the state and international agencies. In the last decade, microcredit NGOs for women have become one of the most important spaces where these projects of government operate (Rose, 1999,

2000). Their focus on entrepreneurial activity operates on the assumption of a market-based (or disembedded) economic rationality, and is combined with capacity-building in a 'human development' model. This combination tells us much about the kinds of female citizens that governments and development agencies seek to create, namely (crudely), 'empowered' individual, entrepreneurial, active citizens who will take responsibility for their own and their families' welfare, and who are prepared for the market rather than the state to provide for them.

I would argue that citizenship is best analysed as a dynamic and contested set of practices and projects, and that microcredit in Bolivia is an example of the meeting of development as a citizenship project from above with people's individual and collective economic strategies from below. In more normative anthropological terms, this meeting is an interaction between embedded and disembedded economic rationalities.<sup>1</sup> Citizenship has always had an important economic dimension, from the Liberal emphasis on property rights to Marshallian social rights (Marshall, 1983/1950). The end of the 20th century saw a shift in understandings of citizenship, nowhere more keenly than in the economic dimension. From economic citizenship based on a bottom line of social rights collectively respected, the global trend now is a return to the focus on civil rights and more individual entrepreneurial responsibilities. Microcredit is a form of development intervention perfectly in line with neoliberal philosophies of the entrepreneurial, individual citizen and the privatization of citizenship. The privatization of citizenship is not just illustrated by the issue of state responsibility for social welfare/rights, but also in the ways politics intervenes in what Foucault identified as the central issue for government, the 'conduct of conduct' (Rose, 1999) and the disciplining of bodies. In the case of microcredit, it is not the state that is trying to measure and thus fix a certain set of subjects/citizens; rather, the NGOs and donor agencies do this work in its stead.

### **Citizenship and the economy in 20th-century Bolivia**

Although Bolivia has never had anything that could be called a welfare state, there has been a shift in understandings of citizenship from one based upon collective social rights recognized by the state and delivered through corporatist mechanisms towards a more individualized focus (see Roberts, 1995, for a discussion of this for Latin America). From the 1980s, the economic crisis, precipitated in part by over-reliance on foreign debt, led to structural adjustment programmes that greatly reduced the role of the state in the provision of economic security, particularly in the city of El Alto.<sup>2</sup> The neoliberal restructuring of Decree 21060 in 1985 led to thousands of miners losing their jobs, or being 'relocalized', as the euphemism of the time put it. Many went to the Chapare region in the Department of

Cochabamba, to grow coca for cocaine; others went into commerce in El Alto. Between 1976 and 1992, the population of El Alto grew at a rate of 9.23 percent annually, to 405,492 in 1992, and in 2001 its population was 647,350 (Instituto Nacional de Estadísticas [INE], Bolivia). The dual imperatives of excess labour supply in the formal sector and increased amounts of drug money that needed laundering led to an explosion in commercial activity in the informal sector during the 1990s, which was focused particularly on El Alto.<sup>3</sup> The majority of the vendors in the street markets there are women, and most of the clients of microcredit organizations are female market-traders, shop-owners, or small-scale artisans.<sup>4</sup>

By 1999, most people in El Alto were experiencing the consequent increased competition that made making a living very much more difficult than 'before'.<sup>5</sup> By 2003, the economic crisis had become even more acute, due to the global economic slowdown and the situation in Argentina from 2001 onwards. Frequently, people told me that life was especially hard, and complained that there were more vendors than consumers. The comment I heard most frequently from friends when talking about business was 'no hay venta' – there are no sales. In this context, setting up in economic activity is extremely difficult, and requires flexibility and the ability to adapt to many different means of earning a living. The informal market operates on a knife-edge. The unfettered operation of the laws of supply and demand, with no subsidies in place, as well as fierce competition, mean that profit margins are tiny, and those who operate in this sector are highly vulnerable to economic downturn or recession. They are what Nikolas Rose has called 'entrepreneurs of the self' (1999: 164). Unfortunately, for a large proportion of 'active, responsible' citizens in contemporary societies shaped by advanced liberalism, this enterprise relies upon a willingness to super-exploit themselves and their families (Rivera Cusicanqui, 2002), and the lack of state-provided safety nets is possible only because families and NGOs take up the slack. Kinship networks, in particular, play a vital role in the various economic strategies available to families, in terms of provision of credit, labour assistance and finding work. These networks are part of what is fashionably called the 'social capital' of the poor.<sup>6</sup> In the absence of state assistance, it is this 'social capital' that ensures that people do not become utterly destitute. In other words, the economic strategies available to the poor of El Alto today are necessarily embedded in social and kinship relations but also respond to more disembedded, market-based forms of allocating resources.

Worldwide, liberal (and neo-liberal) responses to the problems of poverty associated with advanced liberalism have been two-fold: deregulation of the informal sector and the provision of loans to 'microentrepreneurs' (see de Soto, 1989, 2000). From the late 1970s onwards, microfinance has been an increasingly important form of development intervention aimed particularly at women, following the success of the Grameen Bank in Bangladesh. Bolivia's microfinance industry is often held

up as a model for other parts of the world: a 'true development success story' according to Elizabeth Rhyne (2001). It incorporates a wide range of microfinance institutions, from development NGOs based closely on the Grameen bank model, to commercial institutions that are more like banks and which offer various financial services such as savings and current accounts. This article focuses on three institutions at the less commercial end of the sector, called ProMujer, Crecer and Diakonía, all of who target their efforts at the very poor. ProMujer and Crecer were both started by activists associated respectively with Acción and Freedom from Hunger, both American NGOs (Mosely, 2001; Rhyne, 2001). Their donors include USAID and the Inter-American Development Bank. Diakonía is run by an association of Norwegian Churches, and funded through them by NORAD (the Norwegian government development agency).

Although all three NGOs continue to operate on the 'village banking' model, they have had to become increasingly professional and efficient because of the rigour demanded by what Rhyne (2001) calls the dominant 'financial systems paradigm' of the more commercial bodies. The 'village banking' NGOs continue to focus their efforts on microcredit, with savings functioning principally as insurance against non-payment of the loans.<sup>7</sup> Advocates have argued that microcredit is a very effective form of poverty alleviation, and most effective if targeted at women. Some claim that it can also lead to women's empowerment (Berger and Buvinic, 1989), but it is probable that targeting women is less about female empowerment than about ensuring repayment of the loans, because of greater reliability on the part of women borrowers. There are, of course, significant debates about the effectiveness of microcredit in the alleviation of poverty and the empowerment of women (Hulme, 2000; Kabeer, 2001; Rogaly, 1996). Most scholars nowadays agree that microcredit can aid those near the poverty line, but that it does not alleviate extreme poverty. Nonetheless, development agencies such as the World Bank, DFID (Department for International Development, UK) and NORAD continue to view microcredit as a key part of their poverty alleviation strategies (Short, 2000; Strand, 2000; Wolfensohn, 2000).

### **Microcredit NGOs in Rosas Pampa and El Alto: navigating market-based and kinship-based economic rationalities**

Most of the material for this article comes from Rosas Pampa, a neighbourhood in the south of El Alto. Rosas Pampa has about 1000 households, and the majority of its adult residents are first- or second-generation Aymara-speaking migrants from the countryside of the Andean high plain. The first microcredit NGO to come to Rosas Pampa while I was there in 2000 was ProMujer. An educator came to the zone to run two weeks of training, which the women had to attend in order to get loans. During the

first week, the women learned basic business administration. The course covered topics such as calculation of capital, earnings and profit, as well as increasing competitiveness, quality of products and what to do when 'no hay venta'. Presented within an entrepreneurial framework, the stress was on maintaining a stable level of profit, so that the loan can be paid back. The second week covered the running of a Communal Association, and how their credit scheme ran, what the interest rates were and so on. Crecer did not conduct as much training prior to giving out the loans, but spent time on it throughout the first loan cycle.

The director of one of the El Alto branches of ProMujer said in an interview with me that she thought that women who progress through the loan cycles to the point where they have loans of US \$1000 are extremely good future clients of ordinary banks; as she said, it is impressive that they pay US \$150 a fortnight without fail and punctually. She thought it important to create a 'credit culture', i.e. one where recipients of credit know that they have to pay it back on time and responsibly:

At the national level, there isn't much of a credit culture, people aren't responsible. Here, I think that the majority of people think that you're clever if you swindle the bank; and you're a fool if you're honest.<sup>8</sup>

However, ProMujer's position is somewhat disingenuous. They are not really training women for access to formal credit, since formal financial institutions do not have such demanding repayment terms. It is also a rather patronizing position, since there is already a perfectly vibrant credit culture in Rosas Pampa. As Hernando de Soto (2000) points out, one of the most important ways in which the poor bank the assets they have is through making loans to friends, neighbours and family, often at high rates of interest. I knew of people who lent out money on the basis of the collateral of title deeds to houses or cars. At interest rates of around 5 percent per month, this was the best way to invest any large sums of money they received, such as redundancy payments. Most people I knew borrowed from family members, to set up a small shop or to cover general living expenses. It is also common to sell building materials, food and other provisions on credit. The issue is not whether there exists a credit culture but whether it is regulated by government and/or large private financial institutions, and whether that credit culture is inside, or on the edges, of the formal economy.

People managed extremely delicate webs of credit, but as they were very private I was only allowed a glimpse of a small part of them. Micro-credit NGOs are just another available resource, with lower interest rates than neighbours might charge, but more onerous repayment arrangements, and less flexibility than family. Often, women would borrow from family members to make the loan repayments to the NGO. Given all these resources to tap into, the relatively low levels of loans meant that some women decided that it was not worth the trouble for them.<sup>9</sup> Others I knew

thought it might be a convenient source for money to enable them to spread payment for their children's dental work, or their military service; what one might term embedded use of economic resources.<sup>10</sup> And others did actually spend it on their businesses, as they were supposed to. Women's responses therefore varied, from 'misuse' of the money to using it 'correctly', although members of each solidarity group (see below) usually had no idea of what exactly individual women spent the money on. This despite the NGOs' request that the women monitor how they all spent their loan money.

*The use of networks and self-regulation to enforce repayment*

Despite a rhetorical insistence on the market-based, instrumental rationality of individual entrepreneurship and accumulation of capital, the microcredit NGOs are constructed and understood using cultural codes that are very familiar to the women involved. Principally, they rely upon the women's existing networks of family and friends, and associated cultural understandings and obligations, in order to ensure loan repayment. As with the women themselves, the microcredit NGOs navigate effectively between disembedded and embedded economic rationalities. All three organizations discussed here function more or less on the model of the Grameen bank: the NGO lends to the 'association', a group of about 20 women from the same neighbourhood or village, which is split into small solidarity groups of 4–8 women who know each other very well.<sup>11</sup> If one member of a solidarity group does not pay, then her fellow group members are in the first place responsible. The leadership committee will help the solidarity group chase up an errant member, and the whole association may help with payment. If one solidarity group does not pay, the association must cover their payment. The facilitator from the third microcredit NGO to operate in Rosas Pampa, Diakonía, frequently said that the repayment quotas for the Diakonía loans were 'sacred'. There was a little more flexibility with paying back money loaned from the association's savings, as long as the weekly payment to the bank was covered.

Repayment rates for schemes such as this are legendarily high, given the supposed high-risk nature of loans to those without a great deal of material collateral. This probably has much to do with the rather egregious terms of repayment, what the ProMujer Director called their 'credit technology'. All of the organizations operating in Rosas Pampa demanded weekly repayment meetings during the first loan cycle, which became fortnightly thereafter. At the beginning, these meetings were held at lunchtime, when the women have family responsibilities. If they were one minute late, they had to pay a small fine. I found it hard arranging my time so that I could go to the meetings each week, and a number of the women had other clashing commitments, quite apart from the responsibility to feed their husbands and to get their children ready for afternoon school. For example, one woman had to go on a demonstration with her union at

the time of two payment meetings. Since both organizations would have fined her for non-attendance, she had to weigh up which fine to pay. As the groups became more established, they changed the meeting times so that they were more convenient, but the meetings continued to last several hours each fortnight.

Repayment is also enforced through the use of the women's existing social networks, based on, for example, *compadrazgo*,<sup>12</sup> marriage, economic relationships (such as that between landlady and tenant), occupational friendships and being neighbours. More generally, being '*conocida*', or 'known', was extremely important for the women of Rosas Pampa. If someone is *conocida*, it means that they can be placed through their connection to others via various types of important relationships. Its importance was demonstrated in the first meeting of the ProMujer Credit Committee, which consisted of the leaders of each solidarity group. They met with the director to discuss confidentially the amount each woman would get as a loan. This involved considerable bargaining, as the group leaders were generally unwilling to allow the director to lower the amount of loan available to each woman. For them, the criteria for credit-worthiness were whether someone was *conocida*, whereas the director's criteria were more business-oriented. Where someone was not a homeowner, she was unwilling to lend large amounts, whereas the leaders of the solidarity groups were far more ready to defend requests for large loans from women who were *conocidas*. Even if they did not know someone personally, if someone they did know could place her in a kinship network then that was *conocida* enough for them. The ProMujer director later told me that the women become more active in controlling the credit as the loan cycles progress. They become more wary of allowing new women into the group, even if they are *conocidas*, and police non-payment more strictly. I heard that by the meeting of the Credit Committee at the beginning of the second loan cycle, the group leaders had become much stricter, and gave a friend of mine a smaller loan than she had applied for. So, in addition to the NGO workers hectoring any non-payers, in theory the women eventually self-regulate as a group in order to achieve the NGO's goals of reliable repayment of credit, and the structures gradually function more efficiently, as the less reliable women are weeded out over the loan cycle.

In practice, this can be quite a stressful process. The Diakonía group went through a small crisis when three borrowers (one man and two women) defaulted at the end of the group's third loan cycle. The group had been going for one and a half years, and the Diakonía facilitators had left the group to regulate itself. The chair ('Don Pablo') had allowed people, including himself, to borrow rather large internal loans<sup>13</sup> on the basis of only one guarantor. One woman in particular ('Doña Maria') had over-committed herself and was unable to pay. She also owed money to the Crecer group in the neighbourhood. She (and others) didn't turn up to the meeting when the repayment was due, so the group faced the prospect



of not being able to pay their full quota to the bank. The facilitator said that they would have to go into '*mora*', an official status meaning defaulter, but the other women objected to this because they wanted their next loan. So they agreed to pay the amount lacking from the group's quota themselves. Some began to grumble that they had known that Doña Maria wasn't entirely trustworthy, and a number of people had said that she shouldn't join their group. However, the Diakonía facilitator had said that they should go ahead and let her join. For her part, the facilitator was unhappy that they had approved such large internal loans, and on the basis of only one guarantor. There were recriminations on both sides, but eventually a small group of people, led by the guarantors of the defaulters and the members of their solidarity group, went to the defaulters' houses. Doña Maria was not in, but they went to her mother's house and her mother came to the meeting, to face the group. Her presence appeased the women somewhat. They felt that even if you couldn't pay, you should come and explain yourself: 'She has to confront the situation, you can't just disappear.'<sup>14</sup>

Over the next couple of weeks, the commissions tracked down Doña Maria and Don Pablo and managed to persuade them to come to a meeting and explain their situation, so that the group and the facilitator could remonstrate with them. They were all very angry, and the arguments went on for hours, as the defaulters tried to defend their position and find a way to delay payment. Don Pablo left a TV and radio to prove his intention to pay, but Doña Maria had nothing worth leaving. Eventually, the defaulters were permitted by the other women to withdraw a new loan from Diakonía in order to pay back their internal loans little by little, a process development scholars call 'debt recycling', and certainly not what the loans are meant to be used for (Rahman, 1999). The capital from that new loan was added to the group's savings and earnings (from interest on the internal loans) to pay the final quota to the bank. The group did not therefore enter into defaulter status, but at the end of that loan cycle, the women earned no dividend on their loans and had no savings returned to them.

The strategy of getting the defaulters to face the group was central to enforcing their responsibility to pay. In what F.G. Bailey (1971) called the 'small politics' of reputation, this publicized their action and emphasized the attendant social disapproval. The facilitator said to Doña Maria that 'our husband's prestige depends on us – if we behave wrongly, it reflects badly on him',<sup>15</sup> and exhorted her 'come on, let's not make a scandal out of this'. She also told her mother that she would 'come and paint [Doña Maria's] house', referring to a practice common to informal lenders: I once saw large letters painted on someone's house saying 'Marco C—, pay back your debt'. When groups went to defaulters' houses, they demonstrated that they knew where they lived, and would be able to create problems for them with their landlords or family. Rahman calls this kind of organized pressure from other group members 'social collateral', and

points out its deleterious effects on group cohesion and solidarity, because loan group members cannot pay defaulters' debts easily. He argues that:

The failure in building mutual trust and support with each other in loan centers compels peer loan group borrowers and the bank workers to impose certain forms of repayment discipline – coercion and even debt recycling [i.e. using a new loan to pay off a previous loan] – that contradict the social objectives of generating trust, mutual support, and solidarity. (Rahman, 1999: 149)

Microfinance institutions maintain that difficulties in repaying loans are overcome by 'social support' from other members of the group, but in fact it is a very stressful situation for all concerned. In some parts of the world, debtors have been arrested by the police, threatened with physical violence and have even reportedly committed suicide as a result of being unable to repay their loans (Hulme, 2000).

In Bolivia, it is unclear whether the involvement of microcredit NGOs in the small-scale money lending 'market' has intensified the stresses that are part of money lending more generally. The social tensions associated with the inability to make loan payments may have been exacerbated by the greater availability of credit. On the other hand, the economic crisis of the last few years has increased defaults on all kinds of loans. This has even led to the development of an increasingly volatile protest movement of 'small debtors' of the more commercial microfinance institutions, raising the prospect of wider social instability. Although the situation was stressful, the women in the Diakonía credit group were able to understand the defaulters and reach a settlement with them. Perhaps of more concern is the underlying stress for those women who worry that they might not be able to pay back their loans, either because of a change in their personal situation or because they over-committed themselves in the first place. What we can say is that microcredit is not the panacea for poverty that many of its advocates assume.

Microcredit NGOs use the cultural and embedded nature of economic relationships to enhance their success in market-oriented terms of profit, repayment of loans and accumulation of capital. All over the world, they have created structures whereby women's social networks can even eventually make a profit for those lending to the women. Their talk of lending on the basis of 'trust' is somewhat misleading, as they rely on their clients to do the trusting, and to enforce their trust through social disapproval and pressure. This is an illustration of one of the ways in which 'social capital' grounds success in the market.

### **'La parte social' – human development education**

As the above section shows, the microcredit NGOs under discussion here considered it their role to educate the women in 'credit culture', but

ProMujer and Crecer's educational goals went further. As if the repayment terms were not onerous enough, a further requirement was added to the weekly or fortnightly sessions, in the form of 'capacity-building' for the women. These NGOs are a complicated hybrid of business logic and education in what I call a 'human development model'. I use this to refer to training sessions on family planning, nutrition, infant health, women's sexual health, women's health, women's rights, self-esteem and other issues. These sessions are a necessary complement to the economic citizenship project described above, because they attempt to get the women to work on their bodies in order to construct themselves as particular kinds of gendered citizens.

The whole package combines to form a fairly conservative take on women's empowerment. From the earliest days of the fashion for women's empowerment as a development goal, it has meant different things to different people (Kabeer, 1999). One position sees female empowerment as residing essentially in access to markets (Ackerly, in Kabeer, 2001), a position with which most feminist and/or women's organizations in Latin America would certainly disagree. Activists in the Latin American women's movement tend to see empowerment as a complex range of changes in women's self-perceptions and in their abilities to be involved in decisions that affect them, at all sorts of levels. This is the essence of full citizenship for women as demanded by the women's movement in Latin America since the run-up to the Beijing Conference of 1995 (Molyneux and Lazar, 2003). Obstacles to empowerment range from structural issues such as inequitable wealth distribution to more intimate questions of self-esteem. Different women's NGOs have different ways of approaching empowerment, but few ignore them. Hence the social programmes of ProMujer and Crecer.

The administrators of both ProMujer and Crecer highlighted the educational function of their credit schemes to me in interviews. Crecer maintain that they provide 'credit with education' and have even applied to trademark the phrase (Rhyne, 2001). In the first cycle, they conduct sessions on vaccinating children, and in later cycles they work on themes such as infant nutrition, family planning, women's health and self-esteem. ProMujer in El Alto moved from providing business training for women into credit provision, and later incorporated the '*parte social*' ('social part'), namely training in healthcare as well as healthcare service provision. According to the director there, they brought the '*parte social*' into their credit programmes to 'make their institution more attractive to clients in a competitive market'. In the long run, she plans to jettison the training and provision of healthcare services and become a bank, on the basis that the funding for their social programmes won't last forever. In this, she is probably being very astute: two of her principal donors are USAID and the IDB, both of whom favour promoting sustainability in NGOs. 'Sustainability' tends to mean that users of NGOs should pay for their services, and social programmes in this context will inevitably suffer.

One might argue that the social programmes are mainly there to enable donor agencies to justify the subsidy they give to microcredit NGOs. The mantra that microcredit for the poor is good business, although often repeated, is widely known to be a fiction. As Ben Rogaly (1996) points out, if it were so profitable then the big banks and commercial financial institutions would have moved in a long time ago. A number of the larger private microfinance institutions in Bolivia are profitable, but they do not target the poor. When BancoSol moved from being a microcredit NGO to become a self-sustaining financial institution, its interest rates doubled in order to cover administrative costs (Rivera Cusicanqui, 2002).

### *Reproduction, empowerment and women's citizenship*

Social programmes also enable the NGOs to say that they are empowering women, and thus they can gain access to development agency funds set aside for that purpose. International donor agencies may also have other unstated goals that are fulfilled by many 'women's empowerment' and training sessions. For example, in women's training there is often a strong emphasis on healthy but not excessive reproduction. In practice, family planning is stressed by a number of agencies, especially USAID, ostensibly because it empowers women to control the size of their families and therefore their lives. It is positively correlated with other indicators generally held to denote development (such as income, maternal mortality, infant mortality, infant nutritional levels and education). There is also a clear demand from many women for access to family planning. However, the emphasis placed upon it by NGOs in their training sessions seemed to me disproportionate. I was struck when the ProMujer director said to me and to health representatives for each Communal Association that 'we must get them [i.e. the ordinary members] to stop reproducing'. I could not help wondering if the contemporary focus on family planning in part reflects earlier eugenicist population control ideas (Stepan, 1991). This may at first sound far-fetched, but the recent scandal of forced sterilizations in rural Peru during the 1990s attests to the persistence of some rather unpleasant Malthusian approaches to women's 'health'.<sup>16</sup> Mayra Buvinic (1989) argues that the prime aim for donors of most 'women in development' projects has been to control female fertility.

The content of the 'capacity-building' sessions provided by ProMujer and Crecer was based around a particular image of womanhood that may or may not have been consonant with the women's actual lived experience. That image was overwhelmingly one of monogamy (usually), responsibility for family, fearfulness, ignorance and abnegation. We can see examples of this in the ways the ProMujer trainer explained cancer susceptibility. She said that single women and nuns often get breast cancer because 'they did not make these organs function. God created us with these, not to have curves, but to feed children'; and she implicitly presented womb cancer as a punishment for many abortions/miscarriages, promiscuity and having

had lots of children. More generally, she aimed to encourage the women to take an interest in their own health, to look after themselves and not to feel shame; and a slogan I often heard was 'If we don't look after our health, who else is going to?' This responds to a generalized feminist consensus that women tend to disregard their health in favour of that of their families.

Encouraging women to look after their health is not something that most people would object to, but for both ProMujer and Crecer, this meant that the women should go regularly to a doctor. *Curanderos* (traditional healers) or home-based remedies were never advocated in any capacity-building session I attended, despite the fact that they are one of the most common types of healthcare for residents of El Alto. For example, ProMujer runs a system where each Communal Association appoints a Popular Health Representative (PHR). Her responsibility is to advise the women on health problems, accompany them to the doctor and, on occasion, give talks. I went along to their training session, which ran over five days at the office. Throughout the course, the emphasis was on attending formal, 'modern' healthcare services, despite the often bitter complaints made by participants and trainers about the quality of care provided in the health centres. One nurse was particularly dismissive of 'traditional remedies', saying:

We're going to think here, we'll be logical. I apply x, and I get better. But it's only thanks to God that it healed. Or it's actually advancing on the inside.<sup>17</sup>

Her paranoia was a further feature of the training. She maintained that the common remedies of putting dog hair or burnt material on a graze might cause serious bone disease in the future, for example. She did not discount the appropriateness of 'household medicine' for small things, but was much more in favour of hospital treatment. The Rosas Pampa PHR agreed, saying 'it's good to know. Sometimes we make very serious mistakes.'<sup>18</sup> Nonetheless, many of the women remained sceptical of the vehement condemnation of traditional medicine. One former auxiliary nurse present, who had previously been very dismissive of the ignorance of indigenous women, asked at the final course evaluation for more teaching about herbal remedies.

The PHR training responded to donor agencies' demands for quantitative measurement of NGO activity, an example of the 'audit culture' (Shore and Wright, 1999) operating in the NGO sector. The stated aim of the training was that each one could then be a health promoter and give talks to her loan group. However, they received no training in how to teach, so it is not surprising that factors such as age, force of personality, numbers of people and even the acoustics in the room made the difference between whether people listened or not to their talks. In fact, the NGO was more concerned about having trained the PHRs than about whether the women listened to them later. During the last day of the training session, we were

told that the external evaluators wanted ProMujer to train more health promoters. Our centre was behind other ProMujer ones, such as Alto Lima, where of the 60 different loan groups, all the PHRs are trained. In ours there were 58 loan groups, but only 22 PHRs came for their training sessions. Since not all 22 PHRs in my session were actually effectively trained, I assume that the same is true for the 60 in Alto Lima. Nonetheless, ProMujer is able to say that they have trained these numbers of health promoters, because they attended the classes and passed the exams, which were brief and certainly did not require 100 percent correct answers in order to pass. The women have their certificates, and everyone is happy. Empowerment and training are reduced to target figures for those attending courses, meetings, capacity-building sessions and talks. This is by no means exceptional: charities and NGOs all over the world have to respond to quantitative targets set by donors or they lose their funding. This 'audit culture' is the form of government to which they are subject; the way in which politics regulates the provision of what used to be public services (Rose, 1999; Shore and Wright, 1999).

Although charities/NGOs are not profit-making outfits in the sense of providing dividends to shareholders, when they reach a certain size, other profit-making motives may come into play. Funding may become necessary for its own sake: rather than growth allowing the charity to provide a better service to more beneficiaries, more services to more beneficiaries become the means to justify growth. This 'corporatization' of charities/NGOs is perhaps inevitable, if not intentional. It means that it is probably incorrect to ask whether organizations such as ProMujer and Crecer are empowering women, since although that is their aim, it is not the way in which they measure, or are forced to measure, their performance. Maia Green (2003) makes the point with regard to DFID, using the project-based logframe as an example: regardless of 'higher' development aims, each project has to be defined in terms of achievable objectives, which are then met, because they are essentially self-fulfilling. Whether meeting those particular objectives leads to the 'higher aims' is functionally irrelevant, because this is simply how accountability works.

The end result is that capacity-building sessions are not tailored to the women's needs, essentially because they are conceived of as chats or programmes that are delivered to a large number of listeners. This tends to respond not only to quantitative measurement of activity, but also to a transmissive notion of education still dominant in Bolivia (Luykx, 1999). Furthermore, the NGOs appear to think that the women do not get this knowledge from anywhere else, and thus begin from a position of complete ignorance. In addition, or as a result, the women were not particularly interested in learning the often overly technical and irrelevant information, for example the name of the TB bacteria, which was one of the main focuses of a Crecer session on the vaccination of children. The majority of women paid only polite attention to the training, and forgot the

details very quickly. This was illustrated when the ProMujer group were 'trained' in 'women's health' twice, but did not realize that they had already covered that topic until well into the second session. Nonetheless, these projects are an example of government that attempts to operate in very intimate spheres. Through them, the women are encouraged to work on their selves within a particular image of womanhood linked to responsible reproduction. Empowerment and citizenship are thus, in practice, available to them only on certain terms.

Microcredit NGOs exploit women's sociability through making them come to so many meetings in order to ensure repayment of loans; and to be the subjects of capacity-building sessions that in turn gain the NGO funding from donor agencies. However, it is important not to overstate the case against these NGOs. Although the meetings are sometimes inconvenient, on the whole, the women enjoyed getting together every so often, away from their home or market stall. My abiding memories of the meetings are not the training sessions, but of everyone talking about how their babies were growing and developing, of women knitting, dozing, catching up with friends, gossiping, talking about illnesses, about pregnancies, problems, hangovers. The training and paying were in many ways background to the real business of the day for the majority of women there, including myself. Doña Emiliana once said to me that she really enjoyed the meetings, because the women get together and laugh and talk. They are also important business opportunities, as members of both Diakonía and Crecer would cook and sell lunch or supper, along with drinks and other snacks. Selling food during the meetings draws on an important cultural link between commensality and solidarity in Andean societies (Harris, 1982), and is one of the ways in which the women themselves mould the microcredit NGOs into collective enterprises.

In practice, this is one of the ways in which women from El Alto gather together and reinforce a collective sense of self through maintaining their social networks. A collective sense of agency and political subjectivity is important for citizenship more generally in El Alto because the relationship between citizens and the state is mediated through membership in collective entities such as neighbourhood associations and trade unions (Lazar, 2002). So, in a general sense, the experience of being part of a microcredit group does reinforce the women's vision of their identity as based upon collective organization. In a slightly different sphere (that of the more commercial microcredit institutions), this has even been translated into a political movement of small debtors who are demanding lower interest on their loans. However, it is true that the kinds of collective organization encouraged by microcredit groups are on the whole extremely depoliticized when compared with others, such as the trade unions of street traders. They are perhaps evidence of the development of what Nikolas Rose calls 'networks of allegiance' (1999: 177), that is a neoliberal model of collectivity that complements individual active citizenship.

The feminist project of the empowerment of women viewed as a crucial precondition for effective political participation is diluted into depoliticized and temporary collectivities based upon common interest and the regulation of credit. So, while the dominant 'citizenship project' of the microcredit NGOs encourages a self-reliant and individualized approach to economic success, this sits alongside competing notions of collectivity, which are played out in the everyday dramas of debt repayments and collective meetings.

## Conclusions

Microcredit is a complex issue, and not as uncomplicatedly good and efficient as it is sometimes made out to be by the 'microcredit evangelicals' (Rogaly, 1996). The dual strategy of provision of credit and credit education alongside human development education is an attempt to create gendered citizens who are 'empowered' to access formal markets on certain terms, and who do not expect the state to provide them with social rights. They should also, ideally, monitor their own health and reproduction and learn to discipline their own bodies by subjecting them to the modern healthcare system. Development scholars debate whether microcredit fulfils its promise of empowerment and poverty alleviation (Hulme, 2000; Kabeer, 2001; Mayoux, 1998; Mosely, 2001; Rahman, 1999; Rhyne, 2001; Rogaly, 1996), but often fail to address the question of whether it is appropriate to exploit women's resources in order to fulfil the NGOs' own development targets, such as sustainability (or profit) and the ability to attract further funds from development agencies. The demand that exists may in fact be for money rather than specifically for credit, but whichever it is, that demand is rather exploited, and there are plenty of women who do not consider it worth their while. The NGOs are not only exploiting women's social networks and pressures to conform, but they also exploit the women's time, patience and, ultimately, their inability to get credit from other private financial institutions.

Nonetheless, the women subject to these 'citizenship projects' respond to them in different ways. They may, for example, use the loans for 'incorrect' purposes that do not aid the accumulation of capital, such as paying for dental work for their children; or they may lend to other people or default on their payments. Most ignore or imperfectly understand the content of the 'human development' training sessions, and only a very few use the loans for their intended purpose and listen carefully in the capacity-building sessions. In this article I have discussed microcredit NGOs in order to explore how some of the citizenship projects devised by international development agencies and favoured by government policy operate in practice. I wanted to show the mix of their attempts at creating the women as particular kinds of agents alongside education in a specific version of



womanhood. The women's patchy responses to such projects mean that they are only partially successful in meeting their explicit aims. Their success in other terms, specifically ensuring repayment of loans, has much to do with their contradictory reliance upon the embedded economic rationalities that, on the surface, they seek to modify.

In this sense, the microcredit NGOs discussed here reflect two aspects of a wider process of alteration of the terms of economic citizenship at the beginning of the 21st century. First, the individual–collective tension is playing itself out in development such that the rhetoric of individual citizen responsibility is moving towards a greater focus on 'social capital' and collective responsibility for social welfare, but a collective responsibility not channelled through the state. The privatization of citizenship in Latin America is not solely an individualizing process but, as with microcredit NGOs, draws upon deeply rooted collective traditions of organization, community and kinship for its strength. Second, although the *state* has abdicated responsibility for social welfare, the 'human development education' described here is an example of a process through which *government* extends to very intimate spheres, as, in the name of capacity-building, parastatal organizations such as NGOs and donor agencies seek to create and 'empower' gendered citizens through the disciplining of their bodies within a particular image of womanhood.

## Notes

- 1 This distinction refers back to the formalist–substantivist debate of the mid-20th century, where formalists argued that in non-market economies it was possible to identify 'economic' behaviour based on the rational maximization of resources and the assumption of scarcity. The substantivists argued that such rationalities only applied in market-based societies, where the economy appears disembodied from other social relations, and the market is the means of allocating resources by reference to impersonal and not social criteria. See Polanyi (1957/1944) and Dalton (1971). Newer economic anthropology tends to work, as I do, from the premise that the market is never quite as disembodied from social relations and culture as was once thought; conversely, in non-market economies there is often more instrumental action than anthropologists are willing to concede (Granovetter, 1992/1985).
- 2 El Alto lies on the Andean high plain at 4100 m above sea level. It began in the early 20th century as a suburb of the city of La Paz, but became a city in its own right in 1985.
- 3 Here I am using a broad definition of the 'informal economy' as characterized by small-scale commerce, production or transport that is unregulated and untaxed by government, with people mostly self-employed rather than receiving a wage. I acknowledge that it is difficult to define precisely; and that there is no clear distinction between 'formal' and 'informal' sectors, since they rely so much upon each other. See Rivera Cusicanqui (2002) and Ypeij (1999).
- 4 Silvia Escobar (1989) shows that, in 1983, women were the majority (71

- percent) of those engaged in small-scale commerce in La Paz. See also Rivera Cusicanqui (2002).
- 5 Other factors were the currency devaluation in Brazil, the tightening of customs procedures, the success of the government's coca-eradication programme, and the knock-on effects of the rise in oil prices.
  - 6 See Fine (2001) and Molyneux (2002) for critical studies of social capital theorizing and the use of the concept by development agencies.
  - 7 I use the term 'microcredit' because it is the term the NGOs themselves used, although I am sympathetic with the scholars who argue that it would be more honest to speak of 'microdebt'. See Hulme (2000).
  - 8 'Al nivel nacional, no hay mucha cultura crediticia, no son responsables. Aquí, creo que es la idea primero, no, de la mayoría de la gente, eres vivo si le engañas al banco; y eres un tonto si eres honesta.'
  - 9 Robyn Eversole (2003) documents a similar situation among businesspeople in Sucre, Bolivia, where her informants complained about the high interest rates charged by informal money lenders, but also about the repayment terms for microcredit NGOs and the size of the loans.
  - 10 This kind of 'misuse' of microcredit loans is not peculiar to Bolivia. Aminur Rahman (1999) found that a number of Bangladeshi women used their loans from the Grameen bank to pay dowries for their daughters, even though the '16 Principles' of the Grameen bank, which they have in theory all signed up to, explicitly prohibit dowry payment, let alone allowing loans to be used for that purpose.
  - 11 See Otero (1989) for a discussion of the theory behind this mode of lending.
  - 12 *Compadrazgo* is the relationship between parents of a child and the child's godparents. It is a very common means of formalizing a friendship between adults.
  - 13 These are extra loans drawn from the group's savings. The 'internal bank' from which these loans are drawn grows through the weekly amount that each woman is obliged to save, and also from accumulated interest charged on the internal loans. At the end of each loan cycle, Diakonía distributes the earnings of this 'internal bank' as dividends to each member of the group.
  - 14 'Tiene que enfrentar, no es perderse nomás.' Having said that, one woman who was very vocal about the need to present oneself at the meeting even if one could not pay failed to turn up herself at the following meeting when her payment was due.
  - 15 'El prestigio del esposo depende de nosotras – si andamos mal, al esposo tambien le queda mal.'
  - 16 See BBC News Wednesday, 24 July 2002, 11:33 GMT 12:33 UK, 'Mass sterilisation scandal shocks Peru'. <http://news.bbc.co.uk/1/hi/world/americas/2148793.stm>. This is not the only recent scandal of its kind in Latin America: there have been reports from Recife, Brazil of the mass sterilization of girls as young as 17 (Laura Tavares Soares, personal communication).
  - 17 'Vamos a pensar, vamos a usar la lógica. Yo pongo x, y me sano. Pero gracias a Dios se ha sanado. O puede ser que está avanzando adentro.' She was seemingly unaware of the irony in advocating a form of rational, logical thinking which ascribes coincidence to the work of God.
  - 18 'Es bueno saber. A veces cometemos graves errores.'

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