8-25-2005

Microfinance in Neoliberal Times: The Experience of an Egyptian NGO

Sarah A. Tobin
University of South Florida

Microfinance in Neoliberal Times: The Experience of an Egyptian NGO

by

Sarah A. Tobin

A thesis submitted in partial fulfillment
of the requirements for the degree of
Master of Arts
Department of Anthropology
College of Arts and Sciences
University of South Florida

Major Professor: Kevin A. Yelvington, Ph.D.
Nancy Romero-Daza, Ph.D.
E. Christian Wells, Ph.D.

Date of Approval:
August 25, 2005

Keywords: non-governmental organizations, economic development, social capital,
livelihood analysis, applied anthropology

Acknowledgements

I wish to thank my family, my mother Sally, my father Warren, my brothers Pat and Joe, and my sister Katie for their life-long love and encouragement; you all inspire me. I would like to thank my fellow students at the University of South Florida's Department of Anthropology for their reliable support, and for making me set aside the work and socialize once in awhile. I would like to thank my colleagues and friends in Egypt, especially Aubrey, Fahim, Ibrahim, Mark, Medhat and Nabil. A special thanks to Karen and Jennifer who helped coordinate the project from Washington, D.C. It is because of you that this document exists at all. A special thanks to Hala for translating hours upon hours of interviews. To Angie Reagan, Brenda Kuska, and everyone at the Institutional Review Board, I would like to give my thanks for all of your help. Finally, I wish to express my debt of gratitude, especially to Dr. Kevin Yelvington, and also to Dr. Nancy Romero-Daza and Dr. Christian Wells for making this thesis better, and along with Dr. Linda Whiteford and, most especially Dr. Jonathan Gayles, for making my graduate experience at the University of South Florida's Department of Anthropology a life-changing and most wonderful one.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF ACRONYMS

CDO:	Community Development Organization
EDO:	Egyptian Development Organization
GATT:	General Agreements on Free Trade
NGO:	Non-governmental Organization
PCUSA:	Presbyterian Church (USA)
UN:	United Nations

Microfinance in Neoliberal Times: The Experience of an Egyptian NGO

Sarah A. Tobin

ABSTRACT

Development non-governmental organizations (NGOs) are under immense pressure to adhere to the programs and methods put forth by external donors, particularly if the NGOs rely on the funding to sustain their own organizations. Those external donors that represent neoliberal ideologies and enforce neoliberal practices, particularly in the area of microfinance, maintain a power that most recipient NGOs cannot evade. This becomes a difficult position for the NGOs to navigate as they try to accomplish good work in their communities. This research project is a study into the experience of one NGO, the Egyptian Development Organization (EDO), as it implemented microfinance programs in rural Egypt.

The study revealed that EDO maintained an overall, structural orientation towards foreign donors and audiences, and employed discourses that appealed to neoliberal ideologies and practices. For the NGO, this orientation went beyond an accommodating "lip-service" and resulted in the institutionalization of "demand-driven" microfinance. Additionally, through decentralization EDO transferred risks and responsibilities to a more local level, and required the infusion of neoliberal ideologies into the practices and actions of microfinance borrowers even before their loans were disbursed.

This thesis argues that a point of disjuncture occurs as the context of neoliberalism, specifically the aims of material accumulation through the mechanism of microfinance, meets the program participants' practices of the development and preservation of social and human capital. This study found that microfinance program participants are both accepting and reproducing the rhetoric, often in ways that defy their own experiences within it. Their high rates of participation in microfinance, as evidenced by repeated and multiple loans, are pronounced considering that few have achieved the increased economic and financial gains promised by neoliberalism and microfinance. By conceptually conflating financial and non-financial capital gains, loan recipients were able to go beyond tolerating rhetoric that does not come to fruition, and justify continuous participation in the program. By perceiving investments into non-financial gains as valuable, the participants altered their livelihood strategies new ways that may or may not secure against vulnerabilities in the long run.

CHAPTER 1: INTRODUCTION

Development practitioners, economists, anthropologists, and others have long been trying to bridge the gap of inequality that exists between the poorest and richest in the world. As over one billion people live in food-insecure households with an income of less than $1 per day, the average U.S. citizen has the purchasing power to consume over 60 pounds of beef and nearly 50 pounds of pork per year (UNDP 2003, Robbins 2005). In the midst of abundant stories of development's failures to reach the poor and help improve their situations, finding encouraging possibilities for the alleviation of poverty is difficult. Microfinance, however, has provided that hope for both development practitioners and program participants alike. Its use is pervasive, and the program has been proclaimed "a 'veritable panacea' for poverty alleviation" (Rankin 2001:18).

The lack of access to capital has been cited as the primary obstacle to entrance into the worldwide market economy, to consumption, and – by extension – to poverty alleviation for the world's poor (Morduch 2000, Prahalad 2005, Robbins 2005). Microfinance programs provide small loans, primarily to groups of borrowers who lack the collateral required by traditional lending institutions. Microfinance, as opposed to microcredit, employs financial and non-financial skills training alongside the loan disbursements. In this way, microfinance programs target the marginalized and those that have been excluded from the formal banking sector and that lack access to other capital and financial resources.

This places the microfinance borrowers in a position where their hope for access to credit, the global economic system and poverty alleviation require initial, start-up funding from those in the Northern donor regions. By Northern, I mean those regions that have been typically characterized in the literature as the “developed North,” the “developed capitalist regions,” the “West” or the “First-World.” These donations generally come from areas that support neoliberalism, to a greater or lesser extent. Neoliberalism is typically characterized by a reduction in the role and influence of the state in both economic and social affairs, as well as by the growth and prominence of the market, which has impacts at all levels of society (Kalb 2000). The literature suggests that an overwhelming number of Northern and international NGOs rely on external aid from these sources for most of their programming and operational budgets (Atack 1999, Ebrahim 2003, Fisher 1996, Sullivan 1994). Not unsurprisingly, NGOs prioritize the requirements of these Northern funders and provide the accountability they require. Although donations have historically had conditions and requirements attached, this Northward orientation now contains requirements for funding that result in the growth of neoliberal ideologies and practices within the organization (Ebrahim 2003, Fisher 1997, Magazine 2003, Rankin 2001). Microfinance, in particular, provides an ideal mechanism for Northern funders to impose neoliberal ideologies, intertwined with capital, on the local borrowers (Lazar 2004).

One way to understand this phenomenon is through livelihood analysis. Livelihood analysis examines the conversion strategies of program participants with their material and non-material assets. It maintains an inclusive focus on financial and non-financial asset use and utilization, and provides a theoretical point of entry into the lived experiences of those participating in microfinance programs, the impacts of participation on their daily lives, and their perceptions and perspectives on it. Anthropologists, and applied anthropologists in particular, have a unique opportunity to study not only neoliberalism and the avenue of microfinance as they impact NGOs, but also as they impact the daily lives of the people involved in microfinance programs.

This research project represents an examination of these phenomena with an NGO, the Egyptian Development Organization (EDO). There are two primary sets of research questions that become apparent from this context and setting, and guide this research project. First, in what ways has neoliberalism come to characterize and influence EDO? What are the ways in which neoliberalism is accommodated by EDO, as it works to secure funding from Northern sources for the creation of microfinance programs, and in what ways is neoliberalism influencing the implementation of these programs? Second, what are the perspectives and perceptions of microfinance by the program participants? What practices do they employ with the loans during their participation? Specifically, what kinds of changes to their livelihoods do the microfinance program participants report as a result of their participation? What strategies do they report to have employed to safeguard against increased vulnerabilities and why? To what extent are the microfinance programs actually accomplishing what they promise, in the context of neoliberalism in microfinance? These research questions, along with the thesis objectives, are explained in detail in Chapter 2.

In this way, the research project takes on a small examination of the microprocesses of one NGO within the context of neoliberalism. It does not aim to challenge many of the assumptions of World Systems. It also departs from the arguments and issues of classical economic anthropological literature. For example, the research project neither engages the larger questions of the formalist-substantivist debate, nor does it take on some of the larger questions of the transferability of Western economic models to non-Western societies (Bohannan 1959, Cook 1966, Dalton 1961, Polanyi 1957). Rather, the research project assumes that the social and economic spheres are embedded within each other. That is, it assumes that there are a number of market and non-market institutions in which actors' livelihoods are embedded (Polanyi 1957). It takes inclusive view of the economy in order to understand the cultural logic that informs actions within the market. Conversely, understanding the cultural logic requires an inclusive view of the economy, which extends beyond financial matters. This research project is an examination of one response to one avenue whereby the "norms, attitudes, and behaviors of the Western market economy are rapidly being disseminated throughout the world's culture areas" (Cook 1966:337).

This master's thesis presents the results of the research I completed during the Summer term 2004 and the Spring semester 2005 as a graduate student at the University of South Florida's Department of Applied Anthropology. During this period I worked as an Intern at an Egyptian national development organization, which for the sake of confidentiality will be referred to as Egyptian Development Organization (EDO). EDO is one of Egypt's largest development organizations, which is a rare achievement for a Christian organization in a predominantly Muslim country. According to its website, EDO's organizational mission is "to promote the sanctity, equity and harmony of life… nurture moral and spiritual awareness, enhance a sense of belonging, promote respect for diversity, combat injustice, address conflict, and advance social justice for individuals and communities." EDO aims to accomplish this mission through three areas of work including comprehensive community development, information dissemination by their publishing house, and intercultural dialogue programs. EDO now has an annual budget of nearly $6.5 million. The history of EDO is explained in detail in Chapter 4.

I initially became acquainted with EDO in August, 2001, when I applied for, and received, a job to work for the organization as an International Relations Coordinator. I was set to move to Egypt to begin my employment on September 14, 2001. Following the events of September 11, 2001, we mutually decided to cancel the employment, out of concern for a continuously shifting environment for foreigners in Cairo, and my lack of knowledge of life in Egypt and the Arabic language. Instead, I was placed to work with a Washington D.C.-based NGO that works in close partnership with and on behalf of the EDO. Three years after my initial employment offer, I approached EDO with the proposal to complete my academic-requirement of the internship with them. I was warmly welcomed. Rather than a semester-long internship as the Department of Anthropology requires, EDO requested that I spend a semester and a summer with them. This master's thesis is the result of my nearly eight months of internship experience with the organization.

My work experience included researching, authoring and co-authoring grant proposals, concept papers, reports, case studies, webpages and sections of the 2004 Annual Review. I completed a series of interviews of microfinance program participants and staff for these publications. These work tasks provided me an opportunity to examine the neoliberal-friendly orientation of the organization's publications and policies, and to identify the disjuncture of neoliberal ideals and practices embedded within the organization and the microfinance programs, with the actual perceptions of and practices within the microfinance program by the participants.

The chapter to follow is a literature review that situates my research project within the anthropological discussions of neoliberalism, microfinance, non-governmental organizations (NGOs), and livelihood analysis, with an emphasis on the applications of social capital. Chapter 2 explains the concepts and implications of neoliberalism as both ideology and practice. The chapter also examines neoliberalism as it impacts microfinance and NGOs. It discusses some of the more salient studies on neoliberalism, microfinance, NGOs and livelihood studies, as well as how anthropology, particularly applied anthropology, is in a unique position to study these transnational phenomena and their local impacts.

Chapter 3 discusses the methodologies used in this research project. It explains the conditions of the fieldwork, the specific work tasks and duties I completed, the thesis objectives and research questions, as well as the political constraints on the methods that I encountered during the research. The chapter also situates this research into a growing body of anthropological research in dangerous fields. It describes the advantages and disadvantages of the research methods of archival research, participant observation, and interviews with staff and microfinance program participants.

Chapter 4 explains the history of the organization for which I interned as well as their history with microfinance. It explains the ways in which EDO's history and their programmatic experience with microfinance serve as an expression of, and a conduit for, neoliberalism. In particular, the chapter elucidates how large dependencies on external funding and the requirements of those funders render EDO especially susceptible to the influences of neoliberalism, as evidenced in both external publications and within the organization's microfinance policies. It also explains the responses to neoliberalism and microfinance by the program participants. In particular, it highlights their investments into social and human capital through the mechanism of microfinance.

The final chapter, Chapter 5, presents my conclusions of this internship research project and my recommendations for future research and applied work. This chapter summarizes the findings and results, and indicates how this research relates back to the literature. I suggest areas for future research that build on this research project, and discuss why applied research with NGOs is important and revealing, even as it is lacking in our discipline, and the unique position that we have to engage in it.

CHAPTER 2: LITERATURE REVIEW

Neoliberalism

In anthropological studies, neoliberalism is typically depicted as a phenomenon related to the growth of capital, the transnational flow of goods and ideas, and globalization that impacts all levels of society (Kalb 2000). At the socio-political level, neoliberalism is most often characterized by a reduction in the role and influence of the state and in both economic and social affairs. It includes the rapid expansion of trans- or multi-national organizations such as free trade zones or international non-governmental organizations (NGOs) with the growth of international markets and exchanges, deregulation and decentralization of political and economic affairs. Further, there is an increased commodification of cultural life. For organizations such as NGOs, neoliberalism may be reflected through reforms that require meeting cultural expectations for what were originally conceived as financial accounting principles, including “quality” and “accountability” in service provisions, as well as “institutional performance,” which is measured in accordance with Western management and financial systems (Kalb 2000). This cultivation of an “audit culture” polices the activities of those organizations that may be located outside the purview of the state, such as NGOs, and reduces all aspects of operations and professions into outcomes-based, quantifiable and “inspectable” models (Shore and Wright 1999). At the individual level, neoliberalism includes the cultivation of the “rational economic actor” who is logical, goal-oriented, and makes “strategic choices concerning a variety of directions, strategies, and tools with which to respond to the problems and challenges in his or her surroundings, and in ways that make intelligent use of existing resources" (Gordon 1991, McDonald 1999). Within the logic of neoliberalism, individuals, rather than the state, carry the risks and responsibilities to meet the changing demands put in place by the political economic shifts of financial deregulation and the growth of market-driven demands, and the concept of "choice" is valorized (McDonald 1999). That is, individuals are deemed "free" by the reduction of the state's socioeconomic safety nets of tariff barriers, price supports, and production subsidies to participate in the international, competitive markets and call upon their "enterprising" selves to use their own resources towards that end (McDonald 1999). This is a particularly tenuous position for most of the world's poor, as "the government's capitulation to neoliberalism has led to the elimination of state protection, thereby individualizing people already on the economic margins and exposing them to the ravages of global capitalism" (Magazine 2003:245). Through the growth and entrenchment of neoliberalism in all sectors of society, financial rationalization has come to replace state welfare and national development projects (McMichael 1995).

In this way, neoliberalism constitutes a multi-leveled agenda of both ideology and practice. More specifically, it references and encompasses both the ideology of "neoliberal*ism*" and the practice of "neoliberal*ization*" (Peck and Tickell 2002:383). The practice of neoliberalization transforms and creates a reality that the ideology suggests already exists, by constructing the very rules by which the activities are measured and the methods by which they are achieved (Peck and Tickell 2002). This transformation occurs via the avenues mentioned above, and more important to this study, through social projects (Larner and Craig 2005, Lazar 2004, Lemke 2002, Rankin 2001). The social projects may include developing social citizenship, attending to women's needs, and poverty alleviation, for example. However, neoliberalism also dictates the methods by which they are achieved, including requiring NGOs to incorporate market-led development initiatives and decentralize service provisions (Lazar 2004, McDonald 1999, Rankin 2001, Wittman and Geisler 2005). This may also occur through capacity-building measures, which include NGO training into Western accounting and management systems. With the marriage of ideology and practice through seemingly harmless social projects including the provisions of small loans intended to jumpstart the poor's self-employment, neoliberalism as ideology is reinforced through neoliberalization as practice. Therefore, it is not the ideology of neoliberalism *per se* that is causing these changes. Rather, it is the practices of neoliberalization by those who adhere to the ideology and rhetoric, typically those in power in the economic North, that act in ways to bring about its fulfillment. Neoliberalism, as both ideology and practice, has become the landscape and the context in which NGOs engaged in administering microfinance and individuals participating in it must respond.

Microfinance, or the lending of small, collateral-free loans alongside other development programs to the world's poor by national and international development organizations, banks, and governments alike, has become the primary strategy and the foremost means by which access into international markets becomes available. For the enterprising individual, financial and non-financial payoffs are promised. Its abundant use and reputation is staked on the promised "'fit' it produces between capitalist ideology and practice" (Ehlers and Main 1998:436). These great promises of success in the markets through microfinance participation remain despite a growing body of empirical evidence to the contrary (Ehlers and Main 1998, Kabeer 2001, Lazar 2004, Mahmud 2003, Milgram 2001, Pyle and Ward 2003, Rahman 1999, Rankin 2001).

The "Win-win" of Microfinance

The premise of microfinance is based upon the assumptions that capitalist market mechanisms and the promotion of economic growth can improve, what are referred to in the development literature, as private and public outcomes. Market-led economic development strategies such as microfinance increasingly rely upon the anticipated and sustainable contributions that the entrepreneurial poor can make towards economic growth in their low-income communities. Microfinance, as an extension of neoliberal practices, ensures commodity market participation by individuals, the growth of new markets and increased levels of consumption as individuals create the need and demand within their own communities. The assumption is that by engaging in self-employment or enterprising projects through the acquisition of credit, the microfinance participants will reap large economic rewards themselves (Dreze and Sen 1989) and achieve welfare objectives for their families via the rationality of the market (Rankin 2001). This has provided hope for both microfinance administrating institutions and program participants alike by upholding up a "win-win" solution in which everyone benefits (Morduch 1999).

With rhetoric that often resembles "get rich quick" schemes or an enterprising "self-help" model, a typical portrayal of a microfinance recipient includes a middle-aged female who desires to better provide for her poor family. She is given a small loan of, typically, a few hundred U.S. dollars or less. The depiction goes on to describe how, through her ambition, hard work, and a skills training course in sewing, weaving or another income-generating skill that is able to be conducted from or near her home, the entrepreneurial microfinance participant is delighted to find that all of the promises have been met. That is, her income increased, her family is healthier and stronger, and her increased economic power also empowered her in household management decisions. Even a cursory overview of development publications brings forth the impression that microfinance is the primary means by which families' incomes increase, financial independence from debt is achieved, and overall well-being is improved. These nuclear families profiled in the literature typically portray slightly dirty, yet happy children surrounding their valorized mother, who is fully encouraged by her caring husband (For examples, go to the websites of The Microcredit Summit Campaign: *http://www.microcreditsummit.org*, or the United Nations Year of Microcredit: *http://www.yearofmicrocredit.org*). In addition to heart-warming stories typical of that described above, microfinance legitimation has also occurred via the endorsements given by internationally notable names, including the United Nations and their declaration of 2005 as the "The Year of Microfinance," the World Bank's prodigious literature on the subject, and Hillary Clinton's speech at the Microcredit Summit, among others.

The promises of the "win-win" of microfinance place the borrowers in a position where their hope for access to credit, entrance to the global economic system, higher incomes and poverty alleviation require at least an initial start-up cost from a donor, typically located in the North. The structural advantages for these subsidizing governments and organizations in the world economy – maintaining the power to decide who enters the world economy, how and when they enter it, and in what capacity – means that even the most progressive, local microfinance programs must meet external desires, typically an adherence to the capitalist ethic of the maximizing individual and neoliberal logic of unregulated, free and competitive markets, in order to receive funding (Ebrahim 2003). These lending organizations, such as non-governmental organizations (NGOs), must both accept the values in place by those who donate and try to translate them into an effective tool for meeting community-wide objectives. However, the "conditionality of funds," or the stipulations in place in order to receive the external funds, is the primary mechanism by which the international ideologies and practices are transmitted to local realms (Ebrahim 2003). In areas where subsidies are funding more than microfinance programs, including community development initiatives such as literacy classes, health campaigns, and agricultural assistance, the ideologies of the North in all of these spheres can become prominent in aspects of the programs' designs and implementation, or may even serve as the precursors for the economic agendas themselves (Fisher 1997). This socioeconomic determinism diffuses the adherence to neoliberalism by the donors into transformations of the borrowers' lives and their communities' conditions, for better and for worse.

Microfinance, in this most common form, links the international and the local, and the formal and the informal into one coherent structure. In doing so, this financial engineering has brought international ideologies – neoliberal ideologies in particular – into the forefront of local communities through the re-scaling of international systems of power into the smallest corners of rural communities engaged in the microfinance agenda. It is within the context of these global forces that local microfinance programs occur. With varying experiences and degrees of success, microfinance participants – the people who are ultimately both the recipients of, and a force behind, microfinance programs' perpetuation – are the people compelled to participate for a variety of reasons and in differing types and levels. Within this framework, local microfinance lending institutions become the "perfect" conduit through which international neoliberal ideologies are transmitted, alongside capital, to the local borrowers (Lazar 2004).

Non-Governmental Organizations (NGOs)

The tripartite separation of societies into the state, business and private sector, and civil society places non-governmental organizations (NGOs) into the growing body of non-state, non-business entities. Often defined by what they are not, NGOs have gained strong reputations as a prominent part of civil society, demonstrating virtues such as altruism, innovation, and effectiveness in service delivery that have been well-documented (Ebrahim 2003, Fisher 1997, Magazine 2003). NGOs have not only risen in numbers and scale with the liberalization of worldwide financial markets and investments in non-state strategies for development, but also in their functions and roles in societies, generating much enthusiasm and large amounts of literature on the subject (Ebrahim 2003, Meyer 1995, Pfeiffer 2004, Rankin 2001). Despite the prodigious literature on the macro-level NGO revolution, very few studies, particularly ethnographic studies, on the micro-processes and discourses employed by NGOs in order to create knowledge, negotiate conflicting agendas, and legitimate actions have been developed. Despite the unique role that anthropologists, particularly applied anthropologists considering many of their employment placements within NGOs, can contribute to this conversation, they have remained surprisingly silent (Fisher 1996, Fisher 1997, Markowitz 2001).

Some of the greatest challenges confronting anthropologists in this area are the fragmented, multi-local sites that characterize many international NGOs (Fisher 1997). Simply finding staff to interview may prove difficult as rates of turnover amongst locals may be high, and as those employed elites achieve their personal ends of emigration (Sampson 2002). Further, expatriate staff "have the annoying habit of returning to, say, Canada or Switzerland at the end of their tours" (Markowitz 2001:43). Beyond questions of interviews, studying NGOs may require international travel, access to seminars and conferences in a variety of settings, the ability to "follow the project" from the donor to the field when projects themselves may only be six months or one-year long in term. Other challenges may include access to development elites, and the successful employment of cultural and linguistic competency in each of these settings (Abramson 1999, Markowitz 2001). Completing research within this context is difficult given the fluidity in relationships, flows of money, and variability in settings for practice. Studying NGOs is an unconventional type of research. It is this distinctive mix of theoretical and methodological approaches that explains both the dearth of information on the microprocesses of NGOs and provides a unique opportunity for anthropologists to utilize ethnography, particularly participant observation, in unconventional settings.

The imperative for anthropologists to engage in research in this context has never been greater, as NGOs' role as mediators of the global and the local is undeniable. NGOs have been shown to work effectively on behalf of those at the local level; they have advocated for protest and mobilized collective action, particularly those NGOs working in environmentalism (Brosius 1999, Diani 1992, Escobar 1995, Meyer 1995). At the same time, however, NGOs' interests in attending to local needs come under pressure by governments and program funders or donors. The literature suggests that an overwhelming number of Northern and international NGOs rely on external aid for most of their programming and operational budgets (Atack 1999). With the very existence of the NGO riding upon a consistent stream of funding from external sources, the attention to priorities adjust accordingly, and NGOs' accountability aims towards especially large Northern funders and donors, whose contributions will sustain the organization. This Northern orientation more closely resembles business relationships, and results in the growth of neoliberal ideologies within the organizations (Ebrahim 2003, Fisher 1997, Magazine 2003, Rankin 2001). Through this "corporatization of NGOs", NGOs "become contractors, constituencies become customers, and members become clients" (Fisher 1997:454, Lazar 2004).

With such kind of donor-based orientations of accountability and priorities, it is not a surprise to find NGOs using a "both-and" approach. That is, NGOs may orient their local involvement in such a way that makes them both attentive to the needs of the local communities and also to those needs that the international funders are interested in supporting. For Fisher (1997), NGO legitimacy rests on this point; they must be able to articulate one to the other effectively. However, power rests securely with the donors of capital, and the NGO discourse with funders becomes, in this way, "You want microenterprise? We got microenterprise" (Markowitz 2001:42). In fact, so much donor funding is now ear-marked for microfinance that NGOs that have criticized the program in the past have since adopted these programs in their development agendas (Fernando 1997, Litherland 1997, Rankin 2001). This process renders the NGOs little more than “public service contractors,” simply NGOs contracted to provide the services the funders desire (Korten 1990:103).

Further, the process of donor determination goes beyond programs and their designs and into their methods as well. With the current stress on local participation by donors, NGOs may find themselves pushing so hard to employ participant-oriented methods, that a “fetishization of participation” results which often attributes actual outcomes to levels of participation (Abramson 1999). In other words, the funders see quantitative outcomes, such as the number of participants, a sufficient measure for qualitative outcomes, such as “empowerment.” “Empowerment and training are reduced to target figures for those attending courses, meetings, capacity-building sessions and talks” (Lazar 2004:313). The “fetishization of participation” does not ask about how and in what areas people are participating as much as it asks about participation by numbers of people in numbers of communities. That is, quantitative outcomes override qualitative outcomes. In this way, NGOs must meet the “quantitative targets set by the donors or they lose their funding” (Lazar 2004:313). By serving the donors’ interests in the creation of microfinance programs and utilizing participatory methodologies that aim to improve local conditions, NGOs become the intermediary point between the global and the local. This position may bring benefits to the local communities such as improved health care, but it also brings new burdens and new requirements, specifically the adherence to neoliberal ideologies and practices (Fisher 1997, Magazine 2003).

One salient anthropological study features these global-local links and negotiations in the area of microcredit. Lazar (2004) highlights the ways in which NGOs working with women in microcredit programs in Bolivia become a mediating force. The

NGO translates the individualized, neoliberal discourses that the donors and development agencies, as well as the implementing NGO itself, want to see Bolivian women become as a series of social projects in citizenship. The microcredit program, as one of these citizen projects, extends small loans to women in order to facilitate the creation of "'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" (Lazar 2004:302). In this study, the assumptions of market-based economic rationality and the privatization of the citizen are inculcated to the program participants through the microcredit programs. Thereby, a new mediated "local" was created that ultimately served to compete against and exploit the collective identities of borrowers. This occurred, to a large degree, because the NGO relied upon the borrower's preexisting collective resources to both help guarantee their "successful" navigation of microcredit repayment, as well as sustain the NGOs' receipt of international donations.

Livelihood Analysis and Microfinance

Another way in which the "mediated local" in the global-local link has been examined and understood is through livelihood analysis. There are, unarguably, variations in the local responses to global capitalism (Mintz 1977). Livelihood analysis comprises one of the ways by which we can understand some of them. Livelihood definitions vary, yet all definitions seem to involve the capabilities, material and non-material assets, and activities that are required to make a living, recover from stresses and shocks, maintain or enhance those capabilities and assets, and decrease insecurities and vulnerabilities in light of economic change (Huq 2004). Livelihood expresses the idea of actors "striving to make a living, attempting to meet their various consumption and economic necessities, coping with uncertainties, responding to new opportunities, and choosing between different value positions" (Long 1997:11). Therefore, it "implies more than just making a living. It encompasses ways and styles of living" (Long 1997:50).

Although livelihood studies may focus on cash income as well as other economic activities such as income in-kind or productive diversification for sustaining livelihoods, recent livelihood studies have often gone "beyond incomes" to the other sources of financial and non-financial assets that people command and utilize as they make a living and respond to the variables that affect it (Huq 2004, Lont and Hospes 2004, McCabe 2003, Rahman 2004) Further, we do know that people utilize non-financial resources in efforts to secure or enhance their financial security (Purcell 2000). In this way, the possibility emerges for convertibility and exchange between financial and non-financial assets. Non-financial assets gain influence in their positionality and use by actors for both financial and non-financial ends by actors through their "sequencing, substitution, clustering, access, trade-offs and trends" (Scoones 1998:8). This convertibility and exchange of non-financial and financial resources becomes salient in livelihood examinations of microfinance.

The first major anthropological effort to link microfinance and livelihoods in the literature are a series of essays in the book *Livelihood and Microfinance: Anthropological and Sociological Perspectives on Savings and Debt* (Lont and Hospes 2004). In the book, this inclusive perspective is brought to bear on studies of microfinance program participants and lending institutions throughout Africa, Asia, and North America. Unlike a majority of the microfinance literature that focuses heavily on the mechanics and the methods of microfinance, the livelihood analyses included in the book shift the focus back onto the program participants and their experiences (Lont and Hospes 2004). The studies all assume that microfinance transactions are more than economic exchange; they stand for a whole host of monetary and non-monetary transitions, which are socially regulated and imply the use of a combination of different types of capital (Lont and Hospes 2004). Both the articles in this book and this research project, aim to understand the context for actions that involve material and symbolic capital, which play a crucial role in microfinance programs. That is, they aim to understand the sources and locations of material capital, which includes money and financial power. Similarly, they aim to understand symbolic capital, which includes honor, prestige, authority and legitimacy. It is the configurations of symbolic resource use and utilization by those in power, particularly through powerful discourses and ideologies, which legitimates their authority and actions in economic, cultural, social realms. In particular, Bebbington (1999) suggests that the primary form of capital, both in terms of access to and utilization of other forms of capital, becomes social capital.

Social Capital and Microfinance

More and more microfinance lenders are recognizing that there is a social dimension to economics. The development literature often indicates that they believe the key to higher levels of financial capital within microfinance programs is achieved by institutionalizing, enforcing, or enacting social capital. Social capital, in the microfinance literature, is typically defined as “the institutions, relationships, and norms that shape the quality and quantity of a society’s social interactions” (World Bank 2001, as cited in Rankin 2002:4, for example). This definition derives from Pierre Bourdieu’s definition of social capital as, "the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition" (1986:248). Both definitions stress the importance of relationships and networks, which provide a context for economic and non-economic exchange. The World Bank’s definition focuses primarily on relationships and networks. Bourdieu’s definition, however, prioritizes the resources that lend themselves to the networks and relationships. The development literature indicates that economic development in general, and microfinance in particular, now assume that social capital is an effective mechanism by which individuals, particularly through participation in civil society, can overcome structural oppression and domination, and enhance their economic and social positions (Quinones and Seibel 2000, Rankin 2002, World Bank 2001). Development institutions and interventions are increasingly reliant upon social capital in microfinance in order to promote sustainability and economic growth, particularly through group-based lending mechanisms (Rankin 2002). However, neoliberal reconstructions of social capital within development schemas have more often focused on uncritically increasing the quantity of social capital, as the networks and relationships for exchange in developing countries and transitional economies, without addressing the power issues that inhere in social capital. This is most often proxied by numbers of, and memberships in, civil society organizations.

Those in support of the neoliberal logic and market-led development initiatives have often praised the role of social capital in fostering successful microfinance programs. Without ever defining how they construct social capital, Quinones and Seibel (2000), for example, utilize social capital discourse in the strictest economic terms. In their study, the need to disburse cheap credit to the poor is “obvious” (Quinones and Seibel 2000:195). Use of government funds through rural banks in microfinance projects is criticized, as governments have moved from economic policies characterized as “repressed,” to the pro-reform, pro-poor freedom in deregulation. For Quinones and Seibel (2000) the greatest obstacle to poverty alleviation is making microfinance lending affordable to the poor, so that individual agents might benefit from having the opportunity to utilize their social capital. Their “add loans and stir” formula for poverty alleviation assumes that at any time actors’ social capital is ready to be formed, invested, reinvested, consumed, replicated and transferred for economic gain.

What Quinones and Seibel miss, however, is that social capital was never intended to be a value-positive glue that only needs to be primed for use. Social capital is more complex. It is a locus of power negotiations that the assumptions of neoliberals overlook. Rankin (2002) illuminates the ways in which Bourdieu (1977) highlights that social capital is not engendered by individuals, but rather inheres in social structures and cultural logic. In other words, individual participation in microfinance does not simply guarantee an increase in social capital, nor does non-participation constitute squandering it. Rather, individuals can accumulate obligations, opportunities, and resources to participate by virtue of social position. Bourdieu (1977) saw the distinctions between economic and social spheres as arbitrary, and conceptualized the spheres as embedded both within each other. Because of the embedded nature of economics in social structures, social capital becomes a location where inequalities, for example, become emergent and influential, and can be reproduced. Microfinance is comprised of participants whose lives are characterized by inequalities. There are varying degrees of poor and non-poor borrowers, men and women, and values for undertaking a certain project. The loan types, amounts taken, and social positions of the borrowers may become an area of power contestations due to the conflicting nature of these relationships and the social capital that inheres in them. Studying microfinance at the level of social capital, as revealed through livelihood analysis, reveals much about the discursive entrenchment of neoliberal ideologies. It illuminates the implications of prioritizing market-led approaches to development over, and at the expense of, state-sponsored social welfare, as well as the strategies employed by the program participants in the "mediated local" to adjust to a swiftly shifting cultural and economic climate.

Ultimately neoliberalism, as both ideology and practice, serves as an important, if not the most important, driving force behind the use and growth of microfinance. Microfinance, as a social project befitting neoliberalism, requires the international flow of both capital and ideas in order to "succeed" according to donor standards, and the burden to achieve that is placed upon the implementing NGOs. This renders NGOs the mediator, working to link the global forces and local needs in ways that are meaningful for both, if NGOs expect to survive. That is, for the NGO to acquire donations for operations and institutional needs, they must have the at least a sufficient amount of participation for the donors to justify continued financing. As microfinance program participants become exposed to ideologies and programs from the North through the NGO, their assets and vulnerabilities in financial and non-financial areas come to the fore. This raises the question of how NGOs are responding to those two contrasting, and often contradictory forces – the global and the local. Given the difficulties in studying NGOs on this topic, it is not surprising that anthropologists have few contributions towards this answer, despite their unique abilities to do so. Markowitz (2001) indicates that ethnography, the bulwark of anthropological methods, is an ideal way to understand how NGOs connect with other aspects of society including “the state, municipalities, families, production and exchange systems, and cultural institutions” (Markowitz 2001:40). Anthropologists’ placements within NGOs provide a unique avenue for studying elites and those in power by “studying up” (Nader 1972).

Thesis Objectives and Research Questions

This thesis incorporates the context of neoliberalism as both powerful ideology and practice, and examines the responses to that context by an NGO that is taking on microfinance programs. This thesis argues that a point of disjuncture occurs as the context of neoliberalism, specifically the aims of material accumulation through the mechanism of microfinance, meets the program participants’ practices of the development and preservation of social and human capital.

My primary objectives are to identify this disjuncture of neoliberal ideals embedded in EDO with the actual perceptions and practices of the microfinance loan program by the participants, and to understand the experience of EDO as it negotiates this point of disjuncture. Because of the overall limitations on both access and methods, as described in Chapter 3, this research project should be considered exploratory in nature, and subject to further additions and revisions with more thorough and in-depth research.

There are two primary research topics and questions that are important in the contributions to anthropological literature and provide a comprehensive theoretical framework for the organization of this study. They include exploring:

1. In what ways has neoliberalism come to characterize and influence EDO? What are the ways in which neoliberalism is accommodated by EDO, as it works to secure funding from Northern sources for the creation of microfinance programs, and in what ways is neoliberalism influencing the implementation of the microfinance programs?

This first set of questions aims to explicate the degree to which neoliberalism has come to define EDO in their two primary roles: first, as an internationally-recognized NGO involved in international fundraising in order to sustain day-to-day operations, and second, EDO as an NGO that implements development programs in Egypt, namely microfinance.

2. What are the perspectives and perceptions of microfinance by the microfinance participants, and what are the actions and practices they engage in during their participation? Specifically, how do the participants in microfinance programs report changes to their livelihoods as a result of their participation? What strategies do the program participants report to have employed to safeguard against increased vulnerabilities and why? To what extent are the microfinance programs actually accomplishing what they promise, in the context of neoliberalism in microfinance?

These sets of questions, together, elicit the credit practices of the loan recipients, the perceptions and rationales for those practices, and the perceived benefits of the loan programs. When they are studied together, a more complete revealing of the experiences of microfinance program participants occurs. Perspectives and perceptions are useful to study in their own right. They explain why people do what they do, “irrespective of whether their perceptions actually conform to reality” (Mazzucato and Niemeijer 2004:155). For example, understanding the perspectives and perceptions of microloan program participants may help us to gain insight into why people may act in ways that are “non-rational” according to neoliberal ethos and ideals. That is, they may undertake endeavors that defy the rationality of the market and do not lead to financial gains. This is an important topic given the prevalence of such definitions of, and the superiority often attributed to, “the rational economic actor.” Studying perceptions and perspectives offers an opportunity for a more complete understanding of the lived experiences of the microfinance program participants; it is an aspect of participation that is not readily available from studying the practices alone. It is, however, by studying the practices of microfinance program participants that we gain knowledge about the points at which the program’s promises and rhetoric compare to the actual experiences that participants have with the loan programs. Studying the practices may reveal the answer to the “what” question, that is, “What is different about microfinance program participants’ experiences from the promises of neoliberalism and microfinance?” However, studying the perceptions and perspectives of microfinance program participants may reveal the “why;” “Why are the lived experiences of microfinance program participants different or similar to the promises of neoliberalism?”

Answering these research questions is important as a contribution to the minimal amount of anthropological studies of neoliberalism, NGOs, microfinance, and livelihood studies in general. The results of this study also can contribute to the growing body of literature that aims to understand and explain the lived realities of microfinance program participants in the communities in which these phenomena occur. Together, the research questions bring forth the points at which the global forces of neoliberalism and its influence on microfinance program implementation meet the lived realities of people who participate in the program. Furthermore, as an applied anthropological study, this research project provides a unique opportunity to supply information on these processes back to the organizations for which we work. There are precious few opportunities that anthropologists have to provide their studies directly to program planners and policy-makers, and this study represents one of those unique occasions.

CHAPTER 3: METHODS

Introduction

This chapter will outline the overall fieldwork and research project, the methodologies employed and the rationale behind their selection, and will critique their effectiveness in my research project. There are five different, yet complementary, types of methodologies employed in this research given the constraints. Together, they provided both a complementary approach for the results and served to effectively bring forth the data for analysis.

Conditions of the Fieldwork

In accordance with the requirements of the University of South Florida's Department of Anthropology, I embarked upon an eight month-long internship experience, upon which this Master's Thesis is based. For purposes of my academic requirements, I approached a national development NGO in Egypt that I was familiar with, the Egyptian Development Organization (EDO), in order to coordinate this internship experience. At the request of a partner NGO for confidentiality I changed names and identifiers; this is explained in detail later in this chapter.

The internship was paid in Egyptian Pounds (E£) at a local salary rate (E£3,000 per month; at the time of research, $1.00 = E£6.0) and my airfare was included. My housing was initially arranged by EDO at a local girls' school, and later another female, non-Egyptian colleague and I found our own apartment, although I paid the monthly rent from my salary. Transportation to and from the Cairo office (there is another office in the southern city of Minia) was provided on a mini-bus for me, as well as to all employees residing within close proximity to the Cairo office. The work weeks were consistent with a typical U.S. schedule, as we worked from 8:00am to 4:45pm with a half-hour lunch break, Monday through Friday. Friday is typically a day-off in Egypt, as the Muslim holy day. However EDO closed Saturdays and Sundays in accordance with the demands of large amounts of interaction and exchange with Northern offices instead. There were over 150 Egyptians employed in the EDO Cairo office, and all of them were required to punch in and out on a timeclock. However, the five foreigners employed by EDO, like myself, all work in the International Relations Department in the Cairo office, and were not required to punch in and out on the timeclock. This is, at least, partly explainable by the unique circumstances that brought each of us to EDO. Only one was employed as a full-time EDO staff person and paid by EDO. The others were either short-term or part-time interns or volunteers. I was provided an office setup similar to that of my Egyptian co-workers; I had a new computer with internet, a telephone and a printer. Each department has its own fax machine, and long-distance and international calls were made with the approval of a department manager.

All EDO employees I came into contact within the Cairo office were self-described as Orthodox Coptic, Catholic, Protestant – namely Presbyterian, or "non-religious." As a Protestant and Presbyterian myself, my religious beliefs were consistent with those of most of my co-workers. That is, we were interested in pursuing social justice through development as a result of our faith-orientation. Proselytizing is illegal in Egypt, and there is a general mistrust of the aggressive evangelism that characterizes many Protestant denominations in the United States. Therefore, a majority of us had adopted a belief that our work and actions were the representation of our faith. We refrained from discussing our faith with non-EDO employees unless asked, and instead committed ourselves to working for social justice rather than simply discussing the religious roots for it. Likewise, my political affiliations were similar to those of my co-workers, that is, both a “liberal” and a “democratic” according to the U.S. political categories. For example, I voted for Senator John Kerry in the 2004 Presidential elections, and a majority of my co-workers indicated that they would have voted in a similar fashion.

Cultural practices of dress and comportment were very similar to those in an office-setting in the U.S., and required no adjustments from what I would wear in a U.S. office. I dressed “business casual.” By “business casual,” I mean that I refrained from wearing tank-tops or other sleeveless styles, wore long skirts or pants, and even the occasional pair of jeans. No female EDO staff wore head-scarves, and all donned cosmetics; I did the same. Men and women interacted casually and openly, and most of the EDO employees in the Cairo office spoke English at an intermediate or higher level. Even drivers and janitorial staff had picked up some English without formal education on the topic over their years of work in an English-laden environment.

All of these seemingly small or unrelated issues impacted my daily life in three primary ways. First, I learned much about the strong orientation of EDO towards Western business practices through this. For example, I was fully expected to be on time if I intended to take the bus to work in the morning or home at the end of the workday, or I would simply miss it. Further, while my non-EDO friends – both Christian and Muslim –

had Fridays off, I was required to work. Second, my sincere affiliations with the Protestant church, social justice, and liberal politics helped build rapport with my coworkers. Third, the dress and comportment provided me with a relatively familiar and comfortable working atmosphere. These areas of life and work created an office environment that was very familiar to me. Working at EDO was, quite surprisingly, not so foreign. In this way, the work environment contributed a relatively easy point for entrance into this research. This is in strong contrast to the political constraints and access limitations described later in this chapter.

My primary objectives at EDO were two-fold, in accordance with the internship agreement. I was to work as a regular, paid International Relations staff person, fulfilling my duties as requested for all departmental needs. These work duties included authoring and co-authoring grant proposals and concept papers, sections of the 2004 Annual Review, program reports and webpages for the EDO website, special correspondence for the EDO Director including English-language speeches and papers, and editing documents translated from Arabic into English by my Egyptian co-workers into native-level English language text. I was also asked to complete a series of case studies for a partner non-governmental organization, Homes 'R Us. Homes 'R Us is a U.S.-based, international non-profit. Its sole objective is to enable the building of simple and safe homes through microloan programs. Similar to EDO, Homes 'R Us maintains a Christian identity, yet aims to make its programs available to all residents as part of its organizational mission. Initially under the legal and organizational umbrella of EDO in Egypt, Homes 'R Us primarily uses EDO community development organizations to implement their housing loans, rendering most of Homes ‘R Us’s implementing organizations the same as EDO’s.

Homes ‘R Us has requested confidentiality in their involvement with my research due to the critical nature of NGOs and microfinance involved in this study. In order to honor that request all names of organizations, including EDO’s, the communities in which I worked, the names of interviewees, and other markers that I believe could point to Homes ‘R Us have been changed.

The second objective was to complete the research that I needed for this Master’s Thesis. This study was originally designed to utilize archival research and non-invasive observation. However, the completion of work-related tasks, i.e. interviews of EDO and Homes ‘R Us staff and program participants for non-research purposes like case studies for Homes ‘R Us publications and interviews for the EDO website, have become nice supplements to this thesis project. Because the interviews and data were obtained for non-research purposes, the Institutional Review Board’s requirements for approval were met. Initially an archival and observation-based study, the thesis is now inclusive of interviews of those involved in EDO and Homes ‘R Us’s microfinance programs. This changes the research objectives and questions to a more inclusive focus on neoliberalism in the multiple levels of the microfinance program design, implementation, and participation. This latter objective is explained in detail below.

Political Constraints on the Methodologies

The current political climate in Egypt was the primary factor influencing which methodologies could be employed. There are four primary aspects of the current political environment in Egypt that influenced my research. First, even a cursory view of media reports indicates that anti-U.S. citizen (hereafter referred to as “American”), sentiment is pervasive throughout the Middle East. Egypt, with its large tourist industry, has typically been known as one of the safer countries in the region, although this may be changing. Despite Egypt’s reputation, I did experience some anti-American sentiment. Beyond brief statements that were yelled at me on the streets from time to time (most often statements such as "Crazy American"), the most glaring anti-American sentiment that I encountered was a denial of an apartment I wanted to rent. The landlord offered the place. However when he learned that I am from the United States, he withdrew his offer stating, "I would rather rent the flat to a prostitute than an American murderer."

Second, during my time in Egypt as well as during the write-up of this thesis, there was a rise in violence aimed at Americans, Israelis, and other Westerners. In early October, 2004, over 29 people were killed when a Hilton hotel just inside the Egyptian border with Israel was bombed; one of my American EDO co-workers and her son were injured in the bombing. At nearly the same time, two additional sets of bombs went off further south at camping sites popular with Israelis. These were the first major terrorist attacks against tourists in Egypt since 1997. Later during my stay in Egypt, on April 7, 2005, and then again on April 30, 2005, a total of three attacks killed six people and wounded 25, including 15 Americans. The largest, and most recent attack, occurred on July 23, 2005, at a resort town popular with tourists. During the coordinated bombings of Sharm el Sheik over 200 people were wounded and 84 were killed, at least eight of whom were non-Egyptians.

Not unexpectedly, the rise in violence and violent sentiments against foreigners was an impetus for limited access and mobility. When I asked about access to the field and the perception of pervasive anti-American sentiment along with the rise in violence, the Director of EDO was quick to point out that although anti-American sentiment was not an issue that weighed strongly on his mind, it was something that could not be ignored, “It is out there, you know.” The combination of the perception of pervasive anti-American sentiment, my experiences with anti-American sentiment, and the rise in violence prompted the Director of EDO to disallow any types of work where my exposure to communities was regular and predictable in its timing. For example, I was unable to observe or conduct intensive interviews in communities several times per week or month. Furthermore, long-term research where my potential exposure to these threats occurred over the course of many months was also disallowed. This eliminated any possibility for extensive participant observation or intensive interviews at a local community development organization that makes decisions on microfinance applications and implements the programs.

Third, some of the areas of Upper Egypt (Northern Egypt) in which EDO works are home to Islamic Fundamentalists that have been known to exhibit violence against foreigners. In fact, the government has restricted travel to many areas of Upper Egypt for foreigners completely. When access is granted to foreigners in Upper Egypt, both secret and visibly armed military police accompany them throughout both rural and urban areas; the tourist police wait outside office buildings, hotels, and even the homes of friends for the foreigners to re-emerge. During my time in Upper Egypt, I was provided with vehicle escorts with armed guards at every field visit and stop, as well as armed military escorts throughout the village visits. The tourist police waited outside the hotel where I stayed, the EDO office in which I worked, and even accompanied me on my time off, including evening walks along the Nile and visits to Egyptian friends' homes. It is, therefore, not surprising that the presence of weapons and the military in program recipients' homes and communities prevented access to some program recipients, as well as to entire communities. One community in which I was able to complete interviews has prided itself on now being free from the presence of Islamic Fundamentalists and terrorists of the 1990s. It is, in this example, only because of the shift to a "terror-free" community that I was able to enter at all. Likewise, the specific homes and program recipients' that I was able to visit and interview rested upon their reputations of being congenial and open to foreigners and specifically Americans.

Finally, the government's restrictions on academic research further complicated matters. Egypt has a long history of limiting academic freedoms, and aggressively pursing those who are critical of the government. Most famously are the repeated imprisonments of academics including Saad Eddin Ibrahim, among other social scientists, as well as the recent closing of academic centers of research such as the Ibn Khaldun Center for Development Studies. I was told by a professor at a prominent U.S. anthropology program that the restrictions on academic research in Egypt had grown so stringent that she was putting all plans for research on hold. I was told by the EDO Director of Development that my spending large amounts of time in the field would render EDO subject to increased government scrutiny. The individual gave several examples of how the government has prevented EDO from completing comprehensive program evaluations in the past, and the tenuous balance that EDO must strike in order to obtain information for programs, while honoring the governments' restrictions on "research." The EDO Director of Development explained that formal surveys were illegal without government approval, thereby rendering any attempts at large-scale, survey-based information collection in Egyptian communities impossible. Further, I was unable to write up or print out a formal list of questions for my interviews. As the EDO Director of Development informed me, a simple form of that nature had prevented EDO from completing a program evaluation of the housing microloan program just three years prior. The list of questions had been confiscated by local police, who witnessed the interviews. EDO was then ordered to discontinue the program evaluation. Because of time limitations in this eight-month internship, and the potential threats that increased government scrutiny could have upon EDO's daily affairs in Egypt, I did not seek to complete research that would require government approval for my work. All of the tasks I completed are included in this thesis were completed to fulfill work-related needs. This arrangement kept my internship-oriented work within the bounds of EDO's daily affairs.

These events and situations place this research project into a growing body of anthropological studies in "dangerous fields" (Kovats-Bernat 2002). In these dangerous fields, anthropologists' work and lives are formed by the realities of fear, threat of force, and violence in situations where more customary approaches to fieldwork are "insufficient, irrelevant, inapplicable, imprudent, or simply naïve" (Kovats-Bernat 2002:1-2). With Nancy Howell's influential study (1988) of anthropologists' self-reported exposure to risks and hazards, more attention has been paid to not only what kinds of hazards exist, but also their impacts upon anthropologists' fieldwork, methodologies, and write-ups. Most notably among those that have written about their experiences are Philippe Bourgois (1990, 1995), Allen Feldman (1991, 1995), Patrick Peritore (1990), and Jeffrey Sluka (1990, 1995), among others. Kovats-Bernat (2002) describes the vital process of developing a "localized ethic," where he utilized the knowledge of the local population as a guiding force in his methodologies, including their advice and recommendations that informed his levels of exposure to violence to an "acceptable" amount, his knowledge of questions that were too dangerous to ask, and his patterns of behavior that were important to follow to ensure his safety and the safety of those around him.

In my research project also, these events and situations coalesced into severe limitations on my access, mobility, and methodologies. My own localized ethic was guided by EDO. As the organization responsible for my care during the internship period, they responded to the public events and circumstances with both caution and concern for my well-being, as well as in the interest of continuing their daily affairs without complication. It is because of these restrictions that the methodologies employed are limited to archival research, participant observation within the EDO office in Cairo, interviews with a limited number of EDO staff and the distribution of a survey to them (intra-office surveys are not subject to government approval), as well as limited interviews with program recipients with very specific requirements. The rest of the chapter will highlight those methodologies in greater detail.

Archival Research

Archival research was one of the first methods that I was able to utilize. This provided the greatest source of historical data on the use of microfinance at EDO, as well as the information about larger national and global occurrences explaining its use and growth in Egypt. Furthermore, archival research significantly contributed to my understanding of EDO, its mission and history, strategies for economic development programs like microfinance, as well as other development programs and activities that are being used alongside microfinance. Most useful to me were the old grant proposals, program evaluations and reports, and concept papers written on microfinance at EDO. Over the course of the eight months in Egypt, I was able to collect 17 grant proposals, six program evaluations and reports, three concept papers, and six Annual Reviews. They were easy to access, as they were housed in my own office. What they contribute to the understanding of neoliberalism and microfinance in Egypt is explored in Chapter 4.

Participant Observation

Although I was unable to become a participant observer with a local community development organization implementing microfinance, I was able to both observe and participate in the crafting of the messages and images of economic development at EDO in general, and microfinance in particular. My eight month, 40+ hour per week internship as an International Relations Intern provided many opportunities to both listen to and learn from those working in economic development and microfinance programs at EDO, in order to fulfill my internship duties to further promote their efforts to foreign audiences and potential donors.

Over the course of my internship, I authored and co-authored grant proposals and concept papers, sections of the 2004 Annual Review, program reports and webpages for the EDO website, and edited a variety of other documents, speeches, and videos. I authored two grant proposals totaling $1.8 million dollars, which included microloans as part of larger community development efforts. One proposal, which was coordinated with a Danish development agency and funded by the Danish government, included the use of microloans as part of capacity-building efforts and advocacy training for over 75 local community development organizations throughout Egypt. The other proposal, which was coordinated and funded by the Ford Foundation, included the use of microloans for business establishment and expansion for disabled community members as part of a plan for growth in the scope of rehabilitation services available. I authored two sections of the 2004 Annual Review. In addition to the Director General's message, which highlighted overall economic development achievements and strategies, I composed the official report of the Small and Micro Enterprise Institute at EDO. This section of the Annual Review included both statements of growth and achievements, as well as methodologies. I also composed the webpages for 14 different development projects, three of which were specifically related to economic development and two of those on microloans specifically. Of the remaining 11 webpages, all five of the agricultural programs and two of the environmental programs have explicitly economic aims or use microloans in their methodologies. The remaining tasks and activities I engaged in as a participant observer are neither related to EDO's economic development activities or plans, nor utilize microloans in their methodologies. My work as a participant observer brought forth much information about the ways in which EDO is characterized by neoliberalism, and accommodates this discourse in their external publications for the acquirement of foreign donations, as well as the processes by which this occurs. The results from my work as a participant observer in this capacity are explored in Chapter 4.

Interviews with Staff

Archival research and participant observation provided much of the context and groundwork for understanding the ways neoliberalism characterizes EDO and EDO's publications. They also brought forth information on the growth of microfinance and its use in development projects. However, it was the interviews with staff that provided the crux of information on the influence of neoliberalism in the microfinance programs' design and implementation.

I had opportunities to interview a total of five EDO staff members and three Homes 'R Us staff who have worked both with microfinance program recipients and in the policy planning and trouble-shooting of the programs, as part of the work-related tasks described above. They all have between one and 20 years of experience working in economic development and with microloans used in housing, businesses, and agriculture programs. The staff members were selected for me by the EDO Development Manager of Upper Egypt, at the request of the EDO Director of Development. Three of the five EDO staff I interviewed twice, the other two I interviewed more than three times each. I interviewed two of the Homes 'R Us staff once, and one more than three times. Each interview lasted an average of one hour; the data come from over 17 hours of interviews. The interviews were completed in both English and Arabic with a professional translator, when necessary. Notes were taken on paper and typed directly into the computer. Tape recording of the interviews was not preferred in the busy office settings. There was no set, formal protocol. The first interviews were completed in an effort to understand general conceptual understandings of the role and practices of microfinance within larger economic development strategies and in the context of neoliberalism. Later interviews focused on each individual's perceptions of the use of microfinance and the practices they have seen employed by program participants, including the benefits and disadvantages of the loan programs, as well as their personal feelings about the effectiveness of the programs. The results of these interviews are explored in the next chapter on results.

The interviewing of five EDO staff members and three Homes 'R Us staff members was a compromise struck by EDO, and designed by the EDO Director and EDO Director of Development. This agreement was established in an effort to provide me with information about the use of microfinance that is not available in the EDO literature, including perceptions of, and practices with, the microloans, and also to minimize the time that I would need out of the office and in the field collecting this information. It was also effective at soliciting information about the staff's perspectives on the microloan programs. The greatest assets to this section of interviews were the ways in which it provided a context for the interviews I had with housing, business, and agricultural loan recipients, as well as defining the most salient aspects of the loan programs before, during, and after I went into the field interviewing program participants.

Survey and Community Profile

In lieu of gaining information myself and enumerating the levels of participation in microloan programs and the accompanying community development programs within several communities, I was given the opportunity to use the above-mentioned EDO staff in the information collection process. I developed a 4-page survey for them to complete, which aimed to elicit and enumerate patterns of participation in microloan and accompanying community development programs for statistical analysis, for my work-related tasks. The survey is attached as Appendix A: Survey and Community Profile.

There were, however, several problems with this method. First, there was no professional translator available to translate the form from English to written Arabic. Without someone available, the completion of the form was reliant upon the five EDO staff's English abilities. My own Arabic skills are not as well developed as a few of the EDO staff's English abilities. Furthermore, although the survey asked for simple enumeration of the community members' participation levels, the information was not as readily available as both the EDO staff and I anticipated it to be. A few of the five EDO staff had some of the information, but had to ask the local community development organizations if they had the remaining information. More than one month passed after the deadline by which I requested these forms be returned to me. At that point, I asked about them again. Two EDO staff returned the forms, one of which was only complete in part. The remaining three staff never returned the forms to me.

This methodology was highly ineffective at bringing forth information on microcredit practices and participation. I was able to receive only two completed copies of the survey back from the EDO staff after the final interviews. Because I did not receive these before the final interviews with the staff members, I was unable to ask any questions about even the two completed copies I received. The completed forms do not, therefore, bring forth enough information to synthesize into cohesive results. The results are not included in Chapter 4.

Group and Individual Interviews of Implementing Organizations and Program Recipients

Selecting and interviewing program participants proved the most difficult method to employ. Despite the political restrictions mentioned above, I was asked to interview 25 agricultural loan and business loan recipients in order to complete the text for webpages and a series of case studies for the EDO website. In addition, I volunteered to complete a series of 26 individual interviews for promotional case studies with Homes ‘R Us.

In order to interview the loan program administrators and participants, the interviews required that I elicit information that foreign audiences and potential donors may be interested reading, including how loan program recipients' lives and families have changed as a result of participation in the microloan program. Because of this donor-focused aim, and out of a concern that responses would be *Kulu haga kwayesa* (everything is good), specific time was set aside both with each implementing community development organization (CDO) and the beginning of each of the 51 interviews to explain that I was interested in learning about the problems the loan recipients encountered as well as the benefits that they had experienced in the loan programs. Additionally, although my objectives as a EDO employee and Homes ‘R Us Volunteer, as well as identification as an anthropology student for purposes of full disclosure with the interviewees, were explained in introductions at the beginning of interviews, some of the interviewees brought up their personal concerns with their individual cases, as well as their hopes or fears for what my influence may bring upon their individual cases. Such conversations, however, were quickly curbed by the CDO, EDO, or Homes ‘R Us staff persons when they were present, or by myself and the translator when they were not.

When statements made by the interviewees were particularly oriented towards an "everything is good" response, we would re-question the interviewee about the loan disadvantages they perceived in a number of different ways, and remind them that I was not in a position to influence their future with the loan program. Directly addressing these issues helped significantly in bringing forth more complete responses from the loan recipients. It is still possible, however, that the reported perceptions of the loan programs are oriented in a more positive light than they actually believe. Likewise, loan practices may have been couched in terms that promoted the activities as more beneficial than they really were. As discussed earlier, the severe limitations on access and on methodologies renders this study an exploratory study; only further fieldwork will evaluate whether or not this is the case. Additionally, questions that were culturally inappropriate for a one-time interview and visit – for example, asking about the monthly income of very poor farmers, or how their families managed to relieve themselves or shower without a bathroom or latrine – were excluded from those asked.

Even though these interviews and samples were selected and arranged by EDO, Homes 'R Us, and the local community development organizations, I did work to ensure that program recipients were given the option to not answer the questions or to leave if they did not choose to participate. Several program recipients chose both. For example, my visit to the village of Neglah (again, all identifying names have been changed) occurred on the eve of the Prophet Mohammed's birthday. Because of the demands on women in preparation for the holiday, many of them opted to leave early without completing an interview. Many also asked to prioritize their interviews in order to complete the interview more quickly, giving them more time to prepare for the holiday.

Furthermore, because of the public nature of these case studies and donor-oriented materials such as the website, I was unable to guarantee confidentiality. My roles as an EDO staff member and intern and Homes 'R Us volunteer were made clear. Confidentiality, however, could not be promised the respondents.

However, I do not believe that this kind of involved or committed anthropology with multiple and simultaneous obligations renders the results inaccurate, ineffective or unusable in this thesis project. This kind of anthropological research is consistent with that found within, amongst other examples, anthropologists working with and studying non-governmental organizations (Markowitz 2001) companies (Kanter 1977, Burns 1975) and government agencies (Diers 2001, Ledford 1975). In the words of Shokeid (1971:1-2), with the existence of multiple attachments to the field "there exists a possible bias, as well as a possible advantage." Specifically, within my own work, I too see a dualistic occurrence of both bias and advantage. The biases were discussed above. However the advantage is that asking questions about the loan recipients' perspectives on loans and their credit practices are consistent with questions that would be asked of interviewees in a context other than the development of case studies for publication and fundraising. Although the context is different, including the umbrella of the Egyptian NGOs, the questions asked were similar and – because of the interest in appearing in publications and fundraising materials – may have provided more information than a strictly academic endeavor may have brought forth. Regrettably, however, this significantly limited my sample. For example, my sample does not include anyone who had applied for a loan and been denied. This is my primary critique of the sample. Overall I, like many other anthropologists, carried out this research project as conscientiously as I could, given the constraints and opportunities of multiple and simultaneous commitments and those of professional norms and ethics (Shokeid 1992).

Through this process, I was able to interview 26 housing microloan recipients individually, 17 business microloan recipients in groups, and eight agricultural microloan recipients in groups. I was also able to interview seven housing, business and agricultural committees from local, implementing CDOs. Each individual interview and interview with the CDOs lasted approximately one hour. Each group interview lasted approximately three hours; this represents approximately 40 hours of interviews.

Ultimately, the interviews successfully elicited the credit practices of the loan recipients, the perceptions of microfinance as well as their practices, and the perceived benefits of the loan programs as they relate to their livelihood strategies. These are explained in detail in Chapter 4.

CHAPTER 4: RESULTS

Introduction

As discussed in Chapter 3, this exploratory research project utilized several different methods in order to best understand the perspectives on and practices of microfinance in light of EDO's policies and the influence of neoliberalism. This chapter will present, analyze, and discuss the results relevant to my research questions. The results are organized in accordance with the research questions, followed by analysis, and summary and discussion.

The History of EDO

EDO began in the early 1950s with a $50 donation from the Presbyterian Church USA's (PCUSA) denominational office in the United States to a pastor of a Protestant church in Minia, Egypt. Initially, the funds were earmarked for literacy programs, but through additional donations, assistance quickly grew to include social services provisions in the areas of home economics, health, agriculture, education, training, publishing, and disability services. The initial methods for administering the integrated programs included the placement of a staff person in a village or urban neighborhood. These staff workers lived in the communities and became working residents who networked with local churches, mosques, and other service providers to cooperatively mobilize resources for more effective social service provisions.

In 1983, EDO's publications indicate that the focus changed to implementing integrated, comprehensive community development, rather than simply fostering an environment of social service provisions. In this new strategy, EDO's primary aim became enabling communities to identify and define their own needs and problems, as well as to mobilize resources for these actions themselves. It is with the new focus on community-level action and networking that EDO publications define the communities as a whole as "partners" in their development through the collaborative functions of existing institutions including churches and mosques, rather than the hosts of a EDO field staff developer. Between 1984 and 1991, EDO partnered with 14 communities and assisted these communities undertake 367 Community-Owned Projects (EDO 1992:7,10).

In 1991, EDO reported undergoing another strategic shift in its approach to development. This time, the aim was to further enhance the implementation of integrated community development through the active restructuring of local networks and systems in partner communities with a "self-help model," which is still used today (EDO nd1:6). This orientation towards developing more grass-roots structures and giving space to local concerns has evolved into the late 1990s and early 2000s as "capacity-building." By either working with existing community development organizations (CDOs) or by establishing them in partner communities, EDO worked to enhance the capacities of CDOs to take on the comprehensive development endeavor within their own communities. EDO provided assistance in the form of training in NGO management and start-up financial support. The initial inputs in financial capital and NGO training were completed with the belief that effective work on the front end will ultimately limit external inputs in the long-term and, thereby, promote sustainable development. By

January 2000, 184 CDOs were either already working with EDO or asking for capacity-building measures with their organizations (EDO nd2:30-40).

In the near future, EDO aims to, again, adjust their strategies for development. By capitalizing on regional events such as democratic elections in the Middle East and regional economic shifts such as General Agreements on Free Trade (GATTs), EDO aims to solicit additional funds from foreign donors to enable an environment of advocacy. Capacity-building measures, EDO reports, will foster the development of an “active citizenry” that will be enabled to advocate for local democratization efforts and “activate the rights given to them by law” (interview with EDO Director on February 25, 2005); rights such as adequate infrastructure including water and electricity, an address system of house and street numbers, voters’ rights, and enforcement of gender-equity in the distribution of state welfare benefits to the general populace (EDO 2004a).

As of 2004, EDO has worked in nearly 200 communities, and has an annual budget of E£38,689,762 (at the time of research, $1.00 = E£6.0). This annual budget of nearly $6.5 million pays the salaries of hundreds of employees, the operational costs of two main offices as well as over 14 CDOs’ offices, and the development efforts affecting directly over 225,000 Egyptians per year.

EDO’s evolution from a social service provider, to a promoter of self-reliance, to a facilitator of capacity-building, and to an enabler of political advocacy is characteristic of the historical progression of Northern-based development NGOs in general (Atack 1999, Korten 1990). Korten (1987, 1990) argues that the patterns of evolution of these NGOs are similar because many NGOs start out as a response to a human catastrophe or crisis or some other “incidental” catalyst, for example the small donation to EDO by

PCUSA. However, as NGOs become more sophisticated in their understandings of the complexities of development issues, they transform and progress through these "generations" of development strategies and institutional organization (Atack 1999).

It is interesting to note, however, that while EDO experienced the same transformation as Northern-based development NGOs it is not a Northern-based development NGO. EDO is an Egyptian national development organization in the sense that it is fully operational only in Egypt and overwhelmingly by Egyptians. Senior management are all Egyptian, as are field staff and program implementers. Foreign staff, that is foreigners paid as staff persons by EDO, have never exceeded five or six in number at any given time, and have worked primarily in the International Relations Department. Other Egyptian NGOs are more often financially characterized by dues-paying membership or subscription, fees for services, or support from the Egyptian government, rather than the international aid and private donations that characterize EDO (Sullivan 1994). Rather, what links EDO and Northern-based development NGOs are the large dependencies that they each share with Northern-based funders. The EDO 2004 Annual Review, for example, reports that 55% of the revenue came from foreign donors. In this way, EDO is a neither/nor organization; it is neither characteristic of most Northern-based NGOs, nor is it a typical Egyptian NGO. In the words of an Egyptian development specialist, "It is Egyptian, yet Westernized. It is an 'intermediary' PVO [private voluntary organization] – not local but not international… It is run by Egyptians but relies heavily on Western expertise, technical assistance and financial aid. It has connections, money – so it doesn't matter what it's called!" (as quoted in Sullivan 1994:86). Furthermore, the donations come from more than three foundations and corporations, 37 NGOs and religious organizations, 18 multilateral agencies and governments including four United Nations agencies and the World Bank, and numerous unnamed private donors. This secures EDO's position as not only heavily reliant upon foreign aid, but foreign development assistance from some of the most notable names in international aid.

The faith that Northern donors have in EDO, as evidenced by large amounts of funding, is a belief that EDO is effectively implementing comprehensive community development programs – transferring skills and training in order for communities to effectively participate in markets, providing welfare to those marginalized by society, and contributing to the growth of civil society – in order to successfully bring about neoliberal economic policies (Fisher 1997:444). For some sincere policy-makers, comprehensive community development programs can also promote democratic ideals, which EDO reports hoping to grow and accomplish with the latest strategic shifts. Such a high level of dependency upon foreign aid by EDO renders it unsurprising that there is an influence from the neoliberal ideals of the donors; the logic of the system requires that EDO say and do things that are compatible with the political economic ethos of the Northern donors. With the precursors of community development also underway, microfinance becomes a development tool that enables the growth of neoliberalism for the donors and EDO.

The History of Microfinance with EDO

In response to the nationalized economic system devised by President Gamel Abdel Nasser in the 1950s and the "Open-Door Economic Policy" of President Anwar

Sadat, the economic reform and structural adjustment programs in Egypt by the International Monetary Fund (IMF), World Bank and funders including the United States encouraged President Hosni Mubarak to liberalize the Egyptian economy in exchange for the promise of a cancellation of a substantial amount of Egypt's large external debt (Ibrahim 2003). Consistent with other structural adjustment programs, subsidies were reduced, interest rates and inflation rose, and the private sector's space and prominence grew. Egypt has traditionally been rather conservative in the liberalization of the economy and has not experienced the same degree of inflation and speed of liberalization as parts of Latin America and Turkey (The World Bank 2004:13). Nonetheless, the effects upon EDO's microfinance programs were remarkable.

EDO characterizes the development of microfinance in the organization as a reaction to these national economic events in their documentation. According to EDO's literature, Egypt is not a country with large numbers of informal moneylenders that are commonly found in many other developing countries. With the reduction of the government's provisions to the populace and the limited availability of credit, EDO's literature indicates that there was a compelling need for more financial capital in the hands of individuals. This capital was needed for the purchase of goods that were previously available at a reduced cost or free, as well as for the growth of small enterprise. EDO began promoting the growth of small and microenterprises in order to fill the income-expense gap (EDO nd3). In this way, EDO is consistent with other international NGOs that were searching for innovative approaches to poverty alleviation that were both politically and economically feasible. That is, they would ensure that economic development programs did not run counter to the economic objectives of the state; “in other words, these agencies were interested in political economic regimes that embraced the imperatives of … liberal economic reforms” (Fernando 1997:158). EDO’s economic harm-reduction strategies for microfinance programs grew out of, responded to, and helped foster and smooth the transition into a liberalized economy in Egypt.

In 1983, EDO began its first microloan program. The “Loans for Development” program offered credit and technical assistance for the support of individually-owned income-generating activities. For the first 10 years of the program, the average loan size for these 1,512 recipients was less than E£300. From 1993 to 1996, however, the number of loans given was around 2,400, and the average loan size grew to E£2,887.

All of the archival documents from the first fifteen years of microfinance are rife with these portrayals of EDO, in light of the structural adjustment, in a position to capitalize on the economic climate to assist Egyptians that are in need of poverty alleviation. EDO is portrayed as a compassionate organization, yet fully committed to preserving its obligations to the requirements of donors for institutional performance. For example, in program evaluations and reports, the growth of the microloan programs is often attributed to the “flexibility shown by EDO in allowing delayed repayments from clients suddenly faced with unanticipated burdens” (EDO 1993a:3). Quickly, however, such praise is tempered by statements that this is not a reason for concern for the overall performance of the program as “EDO also recognizes that such flexibility and genuine concern for the welfare of its loan clients must not be misinterpreted as agency ambivalence concerning the obligations of such clients” (EDO 1993a:3). EDO is promoted in its literature for potential donors as a favorable NGO to work with because of its compassion for those that are “faced with unanticipated burdens,” and primarily because such kind of compassion does not compromise or undermine its commitment to institutional performance and the appeasement of the donors.

As the loan programs grew, however, EDO was pushed to change the ways in which they administered the loans, and underwent a significant decentralization of services. Initially, all loans were fully administered, collected, monitored and evaluated out of the EDO offices. However, according to their own literature, the increased demand on time and resources of EDO staff and administrative systems became too burdensome for the NGO. Another source pushing for the decentralization of microloan provisions and services to the CDOs in partner communities was written in a microfinance program evaluation. It indicated that “Because there are limited ideas for small projects, and the number of clients is greater than the new ideas, most cannot manage a new project because of the repetition of projects in a community and the lack of enterprising” (EDO 1993b:11-12). In neoliberal terms, this demonstrated that the “entrepreneurial spirit” amongst microfinance participants was missing. That is, individuals were unable to take on the risks given her and successfully become competitive in the market. This meant that additional precautions had to be taken at a more local level to ensure that markets were not overly developing in one area, and to facilitate greater market integration. In the eyes of the donors, these obstacles to the growth of neoliberalism had to be removed. By 1995, the strain on EDO’s staff and systems as well as the obstacle of propensities towards duplication of projects was met by small loan (less that E£1,000) administration in local, partner institutions. Institutions such as CDOs were deemed by EDO as better equipped to monitor the choices of projects that were undertaken by the participants, and to take on the risks and responsibilities that accompany microfinance program administration (EDO 1995:7). By 2001, all administration of microloans in the Development Sector were moved to the CDOs.

Introducing revolving loans became another benefit of decentralizing the loan program in the mid-1990s. The decentralization of the microloan programs and use of revolving loans contained a better guarantee of achieving the donors' criteria for success, which included high repayment rates and low duplication of projects. Shifting risk to CDOs became a smart financial investment for EDO at an uncertain economic time. Decentralization proved an effective strategy when soliciting foreign funds and partnerships, and growing microfinance programs further. In 2000, Homes 'R Us (a pseudonym), one of the world's largest housing microloan programs, started funding revolving loans for "safe and decent housing" through EDO's CDO partners, thereby adding another level of name recognition, donor support, and another avenue for the growth of neoliberalism. These aims toward expansionism are consistent with other microfinance organizations, as are EDO's methods of "safeguarding their own existence" (Huq 2004:49).

In 2001, EDO's microloan programs began a large separation into two different directions. EDO initiated the administration of microloan programs from their offices again, this time utilizing group-lending methodologies. At this time, EDO began the process of re-institutionalizing new microloan programs for purposes of becoming a sustainable microfinance lending institution. As of 2005, the loans under the newly created Small and Micro Enterprise (SME) division are now administered directly by EDO through both individual and group lending methodologies. Their demands have grown significantly over the last four years; 2,852 loans were administered in 2001 and

12,123 in 2004. Estimates are that 2005 will see 20,000 loans administered (Interview with Director SME division, February 16, 2005). Within three years, EDO's SME division achieved financial sustainability (2004b). This achievement of institutional "success," according to international donor standards, is promoted throughout their most recent literature (EDO 2004b).

At the same time, integrated, comprehensive development is still a central component to EDO's development strategies, and EDO began incorporating microloans into every community development and capacity-building endeavor. Because of the explicit focus on comprehensive community development, rather than merely microloan administration and business-related outcomes, and due to the access issues discussed in the Chapter 3, the remainder of my results all focus on the loan programs administered by the CDOs in comprehensive community development programs within the Development Sector. Between 2001 and 2004, there were 14 CDOs involved in the administration of microloans as part of their integrated community development agendas. From those 14 CDOs, 3,510 loans were administered totaling E£2,136,194 (at the time of research, \$1.00 = E£6.0). Women constituted 68% of borrowers. These loans are all individual loans with a guarantor, and constitute the lending methodology in all of my interviews. By "lending methodology," I am referring to the means by which the loans are applied for, approved, and disbursed.

Based upon what is reported in its own publications, over the last 50 years, EDO has reacted to the prevalence of neoliberal logic and ideals of the donors by ensuring their own long-term institutional economic viability. They have accomplished this through measures that include investing in the growth of microfinance through partnerships with notable organizations such as Homes ‘R Us, promoting neoliberalism in strategies such as decentralization, and responding to external pressure for “sustainable development” by reinvesting in institutional-level lending. The growth of EDO from literacy classes and social service provisions, into one of the largest Egyptian development organization in the country has further confirmed EDO’s successful navigation of the global growth of neoliberalism for the organization’s benefit.

A Typical Microloan Process

In an effort to best understand the microfinance programs that EDO is promoting in its literature and investing resources into growing, here I explain the typical microloan process. Unfortunately, with my limited time in the field, I observed few of these processes first-hand. This information derives from my work as a participant observer in the EDO office, and from my interviews of EDO and Homes ‘R Us staff, CDOs and loan committees, and loan program participants.

The loans can be broadly divided into three major categories: 1. housing loans, which are funded by Homes ‘R Us, and implemented primarily through EDO’s partner CDOs; 2. business loans, which are earmarked for business growth and expansion (they are also used for start-up costs associated with developing a business, however most loans go out for the purposes of business growth and expansion); and 3. agricultural loans, which are used for the costs associated with farming, including seeds and fertilizers or household needs that relate to agricultural endeavors. All business and agricultural loans must have an income-generating or household expense-reducing component and constitute what I see as “direct income-generating” programs. That is, the income-generating component is an explicit and a primary component of the loan program that is anticipated to provide direct financial returns to the borrower. As for the housing loans, they constitute what I see as “indirect income-generating” programs. That is, the income-generating component is not always explicit, yet there are still anticipated financial returns to the borrower. For example, there is still a strong neoliberal requirement for the commoditizing and monetizing of local labor in the construction and building work, thereby providing higher rates of wage labor in the communities. For those who take out the loan the neoliberal assumptions prevail, and there is a pervasive belief that a home is an asset that increases in value over time and becomes a stronger financial asset should the homeowner sell or rent the home. Further, the increased structural capacities of new and renovated homes constitute an additional space that can be used for new or enlarged at-home enterprises. Loans for consumptive needs, emergency needs such as healthcare, or large expenses including weddings or funerals are not available according to both EDO and Homes ‘R Us’ policies, nor did I meet anyone who had obtained a loan for these purposes.

If a CDO is interested in acquiring capital funds for microloans in their communities, they must present a proposal to EDO. Following EDO’s completion of a feasibility study and Participatory Rapid Appraisal (PRA), the CDO then undergoes capacity-building and skills training in order to take on the tasks associated with administering microloan projects. These technical skills trainings and socialization to Western business methods typically includes the formation of a committee from both the CDO and the community that is responsible for implementing the loan programs. They are also responsible for developing accounting skills in accordance with Western styles of business and finance. Further, they learn how to establish the criteria for the approval of microloan applications, and prioritize projects and populations for microloans that are most salient to each community. The projects that the CDO and committees may select vary from community to community are tailored to their local needs. They may include projects such as microenterprise for female-headed households or stable modifications that utilize the livestock waste in local organic farming endeavors. For projects that are not specifically aimed at female recipients, their participation is not discouraged. In fact, CDOs and committees are encouraged to enhance levels of female participation to boost their loan portfolios and participation rates. Loan committees and the CDOs promote the loan programs around the community, and also talk about them in other community development programs such as literacy classes. This is the first step in bringing neoliberal ethics to the communities. The CDO is only able to participate in the microloan administration if they submit to training and socialization in the rational, Western business ethics of accountability and transparency, and to implement an "audit culture" incorporating these mechanisms of institutional performance (Shore and Wright 1999).

Either the CDO and loan committee will go to someone in the community that they believe would benefit from participating in the loan program, or the residents come to the CDO for the application. Consistent with Western banking practices, the loan committee and CDO make a decision and notify the applicants within one or two weeks of the receipt of their applications. In-kind materials, such as the bricks or cement for building or items for inventory from local merchants, are available thereafter. All loans are disbursed in-kind, rather than in cash. There is a pervasive belief by EDO staff that this limits a redirection of loan funds away from the approved project and into other immediate cash needs. In this way, the CDO fosters the cultivation of the "rational economic actor." The mistrust of community borrowers to complete successfully the purchase of the goods they require for their projects is pervasive. However, such a belief is not without justification. Other studies in microfinance indicate that borrowers frequently find that priorities and needs other than the original project plans arise for which the loan money is spent (Fernando 1997, Huq 2004, Rahman 1999). Loan recipients I interviewed themselves reported that receiving their loans as in-kind rather than as cash disbursements help them to "organize themselves" into goal-oriented individuals successfully navigating their way as rational economic actors through the microloan program.

Business and agricultural loans are repaid in accordance with the applicants' employment. For example, self-employed or government workers are required to pay monthly as they are paid monthly. Farmers or agricultural day laborers are required to either pay quarterly or bi-annually, in accordance with local harvests. Repayment schedules are arranged by each individual with the loan committee. Typically loan repayments were complete within one year, however those who had bi-annual repayment terms had 18 months to repay. Housing loans are paid monthly regardless of employment, and varied in repayment schedules from one to four years, depending on the amount borrowed; larger amounts typically had a longer repayment schedule. All repayment terms, however, are designed to minimize the monthly repayment amount; monthly installments of the participants that I talked to from all of the programs never exceeded E£155, and typically were below E£100. Interest rates for all loans are, in official documents referred to as "adjustments for inflation" or "administrative fees."

However, in all the interviews they were discussed as “interest rates.” As one EDO staff person explained, they are called “interest rates” in discussion. However, because they are officially labeled “adjustments for inflation” or “administrative fees” in accordance with Islamic law, it made the “interest rate” acceptable. For the program participants, lexically there are interest rates, but conceptually interest rates are legitimated by official discourse as “adjustments for inflation” or “administrative fees.” Regardless of how it is termed, all loans contain 10% of the principal added on and equally divided into each of the monthly repayments. Individuals either bring the installments into the CDO, or members of the CDO and loan committee go into the community to receive them; this varies from community to community. New loans are given, and often times in higher amounts, to program participants who complete their monthly payments on-time for the duration of the repayment schedule for the previous loan. This appears to limit the amount of “debt-recycling” or using new microloans to pay off the old ones still owed to the loaning organization. I did not meet anyone who had done this, nor was it ever addressed as a concern by staff or program participants.

At the time of the research, loan repayment rates in each of the communities I visited were between 92% and 100%. On an individual level, when loans are not repaid within 30 days, two members of the committee go to the home of the borrower to discuss their potential loan default. After 60 days of non-payment, a letter is sent to the home of the borrower and to the guarantor explaining that the courts will become involved should the borrower default. After 90 days, a claim is made in the local courts for the loan money. Homes ‘R Us has a policy that if loan repayment rates drop below 93%, they suspend the program in the community and disallow further borrowing. Routinely, however, I found that individuals reported that when they asked for a month forbearance from the CDO and loan committee due to emergency circumstances such as illness or death of a family member, they received it.

There are seven different reasons that loan applicants would be turned down by the committees for the loans. First, in lieu of credit history, local communities rely upon reputation as the best historical marker of individual economic performance. According to one EDO staff person, “It is the whole committee that turns them down, but if this [bad reputation] is the reason, they don’t reveal that. They say, ‘Oh, we don’t have enough money’ instead. Telling people they have a bad reputation or telling the truth will cause problems in the community between families. They are all connected. But everyone knows the reasons this person with a bad reputation got turned down.” Second, the project the applicant proposes does not have a clear aim or has too many goals that may be unachievable. Third, the project does not have a clear work plan to achieve the goals. Fourth, the project is not profitable enough [this is not a criteria with the housing loans]. Fifth, the project is a repeat of other, similar projects already in the community. Sixth, in lieu of collateral or group-lending methodologies, all loans are required to have a co-signer or guarantor. The lack of co-signer is grounds to be turned down for the loan. Seventh, the applicants have access to institutional sources of large amounts of financial capital, such as loans from the local banks. Loans from family and friends that were generally available to all were not considered sufficient grounds to turn down someone for this reason. The assumption for the business and agricultural loans is that the project, presuming that the goals, work plan, and environment are sound, should be able to cover the costs of the loans. For the housing loans, applicants must demonstrate an ability to repay from their work income.

All of these criteria for entrance to the loan programs presuppose a level of neoliberal attachment. The loan participants must be goal-oriented, they must be interested in attaining higher levels of financial capital and able to manage the tasks associated with it, and they must contribute to overall integration and diversification of the local market. It is through the loan program development, requirements, and terms of implementation that Northern donor ethics and ideals become part of the establishment and development of microfinance in these communities.

The loan program participants in this study are typical of EDO's and Homes 'R Us's microfinance participants. The loan amounts for the housing program participants range from E£1,200 to E£5,000 (at the time of research, $1.00 = E£6.0). The business loans range from E£300 to E£1,500. Agricultural loans vary from E£300 to E£4,000. These all represent the minimum and maximum amounts received by program participants in each of their respective loan programs. Women constituted 30 of the 51, or 59%, of the interviews. This is a slightly lower percentage than the organization-wide number of female borrowers reported by EDO at 68%. Because all of the interviewees reside within small towns or villages, we can assume that agriculture comprises a portion of either their income base or their labor considerations. This is also true for business loan participants. For example, if a significant portion of the customer base relies upon harvest seasons for cash income, the local businesses must also consider those seasonal fluctuations in cash and business. Although some income smoothing is made through purchases on credit, cash does not come for most of these interviewees until harvest.

Asking monthly income, particularly from the very poor, was inappropriate for these one-time interviews. However, we can assume that most of these interviewees had a low income, as 53% of Egyptians live below $2 per day, and rural poverty is at 23% according to Egypt's own relative poverty standards (World Bank 2002). Most of the interviewees whose homes I entered had livestock or poultry in their home. Nearly all were married with children. The unique characteristics of each group of loan participants are provided with the results for each type of loan program.

Microfinance Policy Development

In order to best understand the ways in which neoliberalism influences the design and implementation of microfinance, interviewing the staff responsible for the microfinance policy development proved to be the best method. As described in Chapter 3, I interviewed five EDO field staff persons who work in the microloan programs. In addition, I interviewed three Homes 'R Us staff members, the EDO Director of Development, as well as the EDO Director himself.

The responses of the staff are best understood in terms of "demand-driven development." During my interviews with EDO and Homes 'R Us staff, they reported that development strategies in general, and especially microloan programs, were forged from a "demand-driven" approach. This statement is consistent with the archival documents, which indicate that a shift to demand-driven development through the decentralization of integrated microloan programs as well as the shift to more localized strategies for community development programs has been occurring at EDO for years.

This focus on demand-driven development is consistent with the neoliberal ethic found in the private sector in general, and is now a characteristic of NGOs, such as EDO.

In fact, one of the first markers of program "success" was that the demand for the microloan programs was high. All five EDO staff discussed the role of demand in defining "success." Youssef (all names are pseudonyms), the supervisor of all field activities for three communities, described this idea clearly:

> "Revolving funds give interest and profit for the interest of capital itself, which benefits itself. The demand is high and that means that it is successful and meeting their needs… Money changes things. It improves the relations between a wife and her husband, schools and education are affected, and the thinking of people changes from one person who doesn't know anything about the world to one who is starting to create a business. Loans for women affect their way of thinking."

For Youssef, the logic is that the demand for revolving loans provides a source for both strengthening CDO institutional performance – as the financial capital comes back to benefit itself – and non-financial outcomes in the lives of the program recipients. Youssef indicates that by looking at the high demand for loans, we can believe that these non-financial outcomes are occurring for the microloan program recipients and "meeting their needs." He also alludes to a level of transferability between financial investments and non-financial outcomes, which becomes important in the discussion of loan participants' perspectives on the programs.

I asked, however, about obstacles to that demand and the community members who do not apply for a loan, especially the presence of American or other Western sources of funds during a time of anti-American sentiment. The overwhelming response from the EDO and Homes 'R Us staff is that the program participants "really need" the microloans. In their perspectives, the need for the loan is greater than any ideological allegiance or personal obstacle. From their experience in the field, the loan recipients overcome fear or trepidation, or other obstacles to cultivate of the rational economic actor because they "need" to. As one EDO staff person said:

> "If they ask for a loan it is because they are in need. If they don't have a need for the loan, they can't take one. They don't ask for one… 30% or 40% of the loans are American [in the source of their money], and people know it. For example, Homes 'R Us is American. People are in bad need for the money, and because they are in this need they don't think about where the money came from. If he doesn't want to take the money from America, he can bang his head against the wall and think about how he doesn't have any money."

The working definition and construction of "need" by EDO staff is broad, however. In this scenario, the CDO is successfully cultivating the neoliberal ethic and rational economic actor within the microfinance program participants, against the strong odds of pervasive anti-American sentiment. That is, the "need" for the loan must outweigh all other allegiances, and obstacles that prevent the disbursement of the loan must be removed or overcome.

"Need" may also include "wants" and "desires," and even the loan participants' own definition of "need." Samy, the Director of Economic Development for the Development Sector, recounted an anecdotal story about a man who was applying for a housing loan. He sold the four feddans of land (1 feddan = 1.04 acres) that he owned, his sole source of income, in order to collect more money to use with a housing loan towards the building of a larger home. The loan participant went from being an owner of the means of production to an unemployed proletariat, now forced to sell his labor. When I asked Samy to explain why someone would sell their sole income source in order to build a larger house, and make a "non-rational" choice according to neoliberal ideals, he said:

> "We cannot forget that a farmer cannot tear down his house and rebuild it without walls, windows, and doors. There are things that he needs and this is the cost of them. This is what they can do. If he wants to sell things to make his life better, it is ok. This is the aim of development: to make things more Western, to make things better, and to get more stuff. We tell people 'Dream!' as we give them a little loan, to turn their project into a factory."

For the man who sold his only source of income for a bigger house, the action was considered acceptable by the organization because he "needed" the money in order to purchase the necessary materials to rebuild his house. The loan recipient's definition of "need" was the only definition necessary in order to endorse the action. In this way, the loan participants' definitions of "need" are acceptable as long as their aims are compatible with those of EDO. That is, if the aims are Westernization and material improvements, then the definitions of "need" are as broad as they need to be in order to enact the disbursement of the loan.

Because of the presence of the waiting list and the high demand for microloans, their prioritization over other development programs that do not have waiting lists has influenced EDO's strategies for program provisions. As Dorris, a supervisor of field staff, informed me:

> "Microloans serve as the gateway or door to other programs. We make use of this point to allow girls in literacy classes or other girls' education classes to take loans. Girls get encouraged by their families to go to the health classes and literacy classes *because* they can take a loan afterwards" (emphasis hers).

I was also told that when new CDOs start up, the first programs EDO begins with are microloan programs. As Samy, the Director of Economic Development in the Development Sector, told me, "If the CDO has 1 million pounds, they would be able to spend it on loans in one week. The community would choose loans if there are 1 million pounds that could be spent in any way."

In this way, EDO staff have defined "success" as the presence of demand, through the broadening of the definition of "need." The underlying assumption behind demand is that it is "need-driven" in a locally-defined manner over and above other non-neoliberal ideological beliefs, allegiances, or affiliations. This is the process by which demand-driven development is understood and enacted in these community-development efforts. In this way, EDO is designing the loan program policies and practices to reach more and more hands, over and above all other ideologies, allegiances and social programs.

The shortcomings of the microfinance programs, as identified by EDO and CDO staff, were rendered decentralized and "local" rather than institutional or structural. EDO did not absorb the shortcomings of the program, but required that each CDO deal with the program "fall out" they encountered in their own communities. The largest concern with the microfinance programs on the part of EDO and CDO staff related to what they perceived to be an increase in social stratification prompted by the loan programs. This concern is most frequently manifest in an inability to reach the poorest of the poor with the microfinance program, which is consistent with other critiques of microfinance (Evans et. al 1999, Rahman 1999). The CDOs and loan committees, who are – through decentralization of microfinance by EDO – responsible for addressing this issue, reported their difficult position in trying to deal with the issue. For example, one CDO and housing committee described a double-bind, in which loaning money to the poorest of the community, or those without demonstration of repayment abilities, would effectively turn the loan into an unpaid grant. This would, therefore, compromise their own institutional performance. The CDO and housing committee had recently decided informally and in secret that they would grant the money to the poorest family in the community for housing assistance “as long as the repairs don’t impress anyone.” For this CDO and housing committee, microfinance program structures combined with the pressure to demonstrate institutional performance meant that they were unable to help the poorest of the poor through the microloan program. They had to turn what was otherwise loan money into a grant, which undermined their loan performance, and they regretted this position. There were multiple localized strategies being devised in other communities to address the unique needs of the poorest of the poor, most commonly involving the funds gained from the 10% additions to principal repayments. However, no institutional agreements on the best way to address these issues had been reached.

In this way too, the neoliberal logic is endorsed and promoted at an institutional level. By addressing the shortcomings of such an endeavor as decentralized risk and responsibility, and rendered “local” rather than “institutional” or “structural,” EDO embodies neoliberal logic as an institution. EDO is passing the risks and responsibilities for microfinance programs to the CDOs and housing committees, who must, in turn pass the risks onto the individuals or suffer their own slighted institutional performance.

Summary and Discussion

With the overall structural orientation of EDO towards foreign donors and audiences, becoming well-versed in the employment of discourses that appeal to the donor ideologies of neoliberalism is not unexpected. This is characteristic of other NGOs whose financial dependency lies with foreign aid (Ebrahim 2003). Neoliberalism is pervasive in EDO's historical development trajectory and publications. However, neoliberalism in EDO practices goes beyond an accommodating "lip-service" for the foreign donors, and has become institutionalized as "demand-driven" microfinance. Additionally, through decentralization, EDO transferred risks and responsibilities to a more local level, leaving the tasks of helping the ultra-poor to the CDOs and loan committees in ways that are both difficult and potentially threatening to their institutional performance and accountability. Undoubtedly there are certainly benefits to approaching development in a decentralized way, including strengthening local democracy, granting local organizations legal standing, and truncating bureaucracy (Wittman and Geisler 2005:62). Village-level governance structures, including the CDOs, are ultimately trained through the capacity-building requirements to meet the demands of microfinance programs and their administration under the rubric of Western-style accounting and management practices. By extension, if the CDOs fail to meet the rigors and responsibilities of the new management practices, it becomes a failure of their integration into a neoliberal framework. In turn, the CDOs pass the pressure onto microfinance program participants by requiring them to be, at least in the loan application, goal-oriented and rational with their activities in the microfinance program, and accept the loans in-kind rather than in cash.

In this way, the donors are achieving their aims and reaching thousands of Egyptians each year; EDO is achieving its aim by both continuing to achieve institutional growth and performance as well as provide development programs to thousands of Egyptians. But what about the program participants? Are they experiencing the "win-win" situation of increased financial outcomes and enhanced well-being that microfinance has promised to provide (Morduch 1999)? How do the loan program participants respond to the pressure by the CDOs, EDO, and the structures that inhere in microfinance programs to become “rational economic” women and men? These answers will be explored in the next section.

Loan Program Participants’ Perspectives and Practices

As discussed in the previous chapter, the interviews constitute a bulk of the data collected regarding microfinance program participants’ perspectives and perceptions on microfinance and their practices within it. Loan program participants’ perspectives and practices for three categories of microloans – housing, business, and agricultural – are explored under each loan type. The following section then summarizes and discusses the overall patterns in the perspectives and practices of microfinance program participants in light of the pervasiveness of neoliberalism in EDO and in microfinance.

Most salient to the discussion are the perceptions and practices of the loan participants with regard to financial capital, social capital, and human capital. Financial or economic capital typically refers to cash assets or funds. Social capital, in the microfinance literature, is typically defined as “the institutions, relationships, and norms that shape the quality and quantity of a society’s social interactions” (World Bank 2001, as cited in Rankin 2002:4, for example). This definition derives from Pierre Bourdieu’s definition of social capital as, "the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition" (1986:248). This research project examines the relationships and networks the World Bank emphasizes and the heterogeneity of resources that are the focus of Bourdieu's social capital. Human capital is less commonly found in the microfinance literature. However, human capital typically includes human resources such as health, education, labor, and knowledge (Start and Johnson 2004). Human capital also closely relates to Bourdieu's cultural capital, which focuses on education.

As described in Chapter 2, examining the perspectives and practices of microfinance program participants from the perspective of a livelihood assets framework enables us to look "beyond incomes," and other financial assets such as cash savings, to a more inclusive view of the uses of social and human capital assets in the security against vulnerabilities (Hospes and Lont 2004:7). This study assumes that, as Youssef described above, "one form of capital can be used to acquire other forms of capital" in locally-defined terms of exchangeability and convertibility (Start and Johnson 2004:19). Bourdieu (1986) recognized that social and cultural capital, or as used in the microfinance literature social and human capital, are directly tied to and exchangeable with economic or financial capital. That is, social capital may be utilized to acquire financial capital, as in cases such as borrowing money from friends. This concept is pervasive in the microfinance literature and has been institutionalized through group-lending methodologies, and the object of promotion for many microfinance lending institutions (Rahman 1999). Likewise, financial capital can be utilized to invest in social capital, as loaning money may bring future gifts or obligatory visits (Dzingirai 2004). Similar examples can be given for human capital and social capital, such as teaching prestigious students or the ability to develop networks of friends without impediments from ill health. Also, human capital and financial capital exchanges may include selling labor or gaining a higher level of education in order to earn a higher wage. How microfinance participants might work to cultivate or invest in non-financial assets such as social and human capital is not easily intelligible by “neo-classical notions of rationality,” and requires an expansion beyond “traditional economic boundaries” (Kabeer 2000, Start and Johnson 2004:19). Additionally, neoliberal logic finds the cultivation or investment in symbolic capital a “non-rational” endeavor if it does not lead to financial gains. Expanding analysis to the exchangeability and convertibility of financial and non-financial capital in the microfinance endeavor enables a more inclusive examination of the perspectives of loan programs participants, as well as a logic and rationale that is not necessarily “rational” in the neoliberal framework, of their activities.

In order to illuminate the perspectives and practices of loan participants, these results examine the ways in which the assets of social and human capital, along with financial capital, are utilized to secure against the vulnerabilities that were present in the lives of loan program participants, in light of their participation in the microfinance endeavor. Exploring the ways in which these activities include “sequencing, substitution, clustering, access, trade-offs, and trends” in financial and non-financial assets, is a first step towards an asset-based livelihood analysis of microfinance (Hospes and Lont 2004:10), and understanding the perspectives and practices of microfinance participants.

Housing Loans

According to Homes ‘R Us’s publications, it is estimated that 20 million Egyptians live in what is called “poverty housing.” Poverty housing in Egypt is generally characterized by Homes ‘R Us as homes that lack an adequate latrine/toilet if there is one at all; the cohabitation of livestock and animals with humans; a lack of electricity and running water; the imminent collapse of old, saturated mud-brick walls that draw water from the heavily-irrigated land; and highly flammable ceilings made of agricultural gleanings and remnants such as palm branches and dried sugar cane.

Since it began working with EDO in Egypt in 2000, Homes ‘R Us has provided loans that have been used in the building of over 6,000 homes throughout Egypt. At a country-level rate of over one home per day, Homes ‘R Us’s microloan program for poverty housing is one of the largest housing microloan programs in the country. Homes ‘R Us uses EDO’s CDOs for most of their loan administrations, and Homes ‘R Us staff who work out of a local office for the others. The process involves the distribution of in-kind contributions and the recipients repay the building and labor costs back in cash to the CDO or Homes ‘R Us on a set schedule, with adjustments for inflation as discussed previously. The maximum allowed in any community for any loan is E£5,000 (at the time of research, $1.00 = E£6.0).

As discussed in Chapter 3, I was granted access to 27 homes in four different communities for interviews for the purposes of composing case studies on the impacts the loans had on the families for Homes ‘R Us. The communities were selected, as were the interviewees, for the reasons described in Chapter 3. That is, they were congenial to foreigners, particularly U.S. citizens, and were able to host guests like myself without concern for the military and tourist police that were escorting me. I was informed by both EDO and Homes ‘R Us staff that all of the interviews I conducted in each community were representative of that community. Local economies can vary greatly, and often in accordance with the fertility of the agricultural land around the community. Descriptions of all four communities can be found in Appendix B: Descriptions of Housing Loan Communities. Community B, for example, is a relatively wealthy community surrounded by high yielding, fertile land. Its residents were often considered by EDO and Homes 'R Us staff as "richer," "more jealous," that is more likely to build bigger houses, "more greedy" for more loan money, and most likely to take the maximum loan amounts available. However, I never heard community residents or members of the CDOs discuss the residents of their communities in comparison with others. Again, the names of the communities and program participants have been kept confidential at the request of Homes 'R Us. All renovations of all homes in the four communities were being completed at the time of the interviews, or had been completed during the spring of 2005. All respondents were either beginning their loan repayments or in the midst of them.

Table 1 demonstrates the overall numbers and ranges of renovation costs and contributions that the loans made towards those costs for each of my interviewees. All monetary amounts are listed in Egyptian Pounds (E£) at the time of research ($1.00 = E£6.0). Multiple loans taken by one family have been combined into one loan amount, as the loans all contribute to the renovations of one structure. This table represents a large diversity in loan amounts and renovation costs. For example, the two loan recipients in Community C whose loans constituted 100% of total renovation costs, had amounts of E£1,800 and E£2,000, respectively. In Community A, one household had two loans totaling E£5,000 and renovations for E£11,000. For this household, their loans constituted 45% of the total renovation costs for one structure. Two interviewees from Community A and one from each of the remaining communities did not know either the cost of the renovations or the amount of the loan that was borrowed. They are not included in the table.

Table 1: Housing loan profile. Multiple housing loans in one household have been combined into one amount. All monetary amounts are in Egyptian Pounds (E£).

Community	**# of Interviews**	**Cost of Renovations (**E£)	**Amount of Loan (**E£)	**Loan as % of Total Cost**
A	3	3,000 - 40,000	1,500 – 5,000	10% - 50%
B	6	25,000 - 85,000	5,000 - 10,000	6% - 20%
C	6	1,800 - 2,100	1,200 – 2,000	63% - 100%
D	7	2,000 - 16,000	1,500 – 5,000	25% - 100%

What is immediately apparent from this table is the large range in costs of renovations, especially when compared to the limited span in loan amounts. According to EDO and Homes ‘R Us staff, construction costs in rural Egypt vary depending upon the materials used and the extent of renovations that are undertaken. For example, the cost of tearing down a mud-brick home and rebuilding a one-story home with a concrete foundation, using reinforced iron and concrete ceilings will be over E£40,000. This is compared to a E£2,000 renovation that would provide for cementing a dirt floor, adding temporary ceilings made of agricultural gleanings such as dried sugar cane, carpentry for doors and windows, connecting to utilities of running water and electricity, and developing a sewage field for a latrine.

According to formal statements on Homes ‘R Us’s loan program in Egypt, loans constitute between 50% and 80% of all renovations’ costs. Furthermore, their formal statements in publications and brochures indicate that a home can be built for E£1,900. Only *three* of my interviewees fit into these formal categories, or approximately 14%. Most (14) of my interviewees had loans constituting less than 50% of the total renovation costs. The remaining five interviewees had loans that accounted for more than 80% of the total cost of renovations. The counts per community are listed in Table 2.

Table 2: Number of interviewees and the percentage of renovations' costs that the loans accounted for.

Community	# of Interviews	Less that 50%	50% - 80%	More than 80%
A	3	2	1	
B	6	6		
C	6		2	4
D	7	6		1
Totals	*22*	*14*	*3*	*5*

Because the largest number of interviewees is in the "Less than 50%" category, I focus the remainder of this section on their loan practices and perspectives. Further, because Community C has no program participants in the "Less than 50%" category, they are not discussed. The characteristics of Community C that may explain this difference are highlighted in Appendix B: Descriptions of Communities in Housing Loan Program.

The reports of these 14 interviewees brought forth substantial information on the loan perspectives and practices of this largest group of housing loan borrowers. Where the loans constitute less than 50% of the total renovation costs, families employed a variety of, and multiple methods of, asset sales or adjustments in order to collect the remaining renovation costs. The most common response was that the money was acquired through the sale of their wooden ceilings; there were four responses in this category. This response was followed by three responses of "borrowing from others" and "using household [cash] savings." A few (2) limited their renovation expenses by acquiring the "donations of labor and/or materials." This effectively kept the cost of the renovation the same, but limited the amount they had to pay out. The following statements were each given by another respondent: "selling livestock," "selling wedding jewelry," "borrowing from the bank," "borrowing goods from merchants," and "selling another house." There is no discernible pattern of combined assets that were sold or utilized in the acquisition of increased financial capital for the housing renovations; each household free-listed the assets they sold as they worked to increase the financial capital available to them to improve their homes. Each household seems to differ in this regard within my small sample.

All 14 interviewees consolidated their various, multiple assets into a single, larger asset – their improved home. Individuals reported a higher increase in non-financial and a very slight increase in financial gains, at best, with an investment in the home. It was a loan recipient in Community D who reported the only instance of improved financial capital along with social and human capital as a result of consolidating his assets into an improved house. With a loan of E£1,500, the family invested their E£4,500 in cash savings into tearing down the old mud brick home that lacked a bathroom and kitchen, and had agricultural gleanings for a ceiling. The home was rebuilt with bricks and cement. This time, however, plans included a barbershop in the front of the home, which has increased the male head of household's income "substantially" from before the renovations, when he used the old home's entryway, bringing forth an increase in financial capital. Although he admitted that he was worried about being able to repay this loan, with the complete depletion of his cash savings, he also reported an increase in social capital. He said:

> "Fortunately, my relative guaranteed the loan, which made me feel unafraid to try a loan. The idea of the loan is good. I only have to think about repaying. If I am helped, I need to help in turn, so I encourage others to take a loan too."

For this loan recipient he utilized his relationship with a relative to “cash in” on his social capital. Through this relationship he has the resources of a co-signer that enabled the disbursement of the loan. This combination of relationship and resource constitute an expression and utilization of his social capital for financial gain. This experience brought his social capital to the fore for a financial endeavor. It also prompted him to “help in turn” and build up networks and relationships that will assist others to attain the financial resources and capital he has attained and to improve their homes. In this way, the growth of support and encouragement from others, and for others joined by the experience of taking out a loan, constitutes a growth in social capital for this household. In terms of human capital, the family reported that before the renovations they had only one source of running water in the house, and no kitchen or latrine. He reported that the establishment of two kitchens and two latrines, complete with running water, has improved his family’s health.

The individual/household benefits that were reported, however, are often at large sacrifices and risks for the participating families. Individuals reported their experiences with often times difficult asset consolidation and expensive home improvements, with only an anticipated “pay-off” in increases in human and social capital. One loan recipient in Community B had renovations that cost E£85,000. Before the renovations, the house was full of humidity and swelling mud-bricks. The latrine was always full to the top because of the high water table in this heavily-irrigated community. The matriarch of the family reported that once she fell through the ceiling made of agricultural gleanings while airing laundry on the roof, and that once the ceiling fell on her head. The family felt endangered by their housing conditions. Their loan amount was for E£5,000, the maximum allowed in the program, which covered only 6% of the total costs of renovations. The remaining money came from the sale of another home, along with borrowing E£15,000 in building materials from a local merchant. When asked about the large amount of debt that was required for this endeavor, she said:

> "When people say 'Oh you have a nice house,' I say, 'It doesn't matter [that I had to become indebted to do it].' Money will come and go and come so you can pay the installment. But what is most important is that you have a clean house, and that's most important."

In an important example of acting "non-rationally," this household expresses using financial and economic capital for distinctly non-financial ends. The values that are more important than financial and economic capital to this family are social capital and human capital. Social capital is expressed here as honor or prestige by the owner of a "nice house." This place of honor or prestige is a resource in relationships with people in the community. That is, the family may have new opportunities for networks or relationships with other community residents where they might not have in the past. Human capital is a value for this family because of the ties between cleanliness and good health. Not only is the house clean from diseases and enabling better health, but now it is also safe.

Like the family above, most of the loan recipients indicated that repaying this loan, and extending oneself and family deeply into debt with now more limited assets to draw from in an emergency was difficult, but ultimately worth it for the improved house and benefits in increased social and human capital, particularly for their children. All of the households interviewed mentioned at least one benefit to their children, including improved health with running water and a latrine, safety from snakes and scorpions, and the installment of electricity and creation of a space to complete schoolwork. In an explicit investment in cultural capital and the education of children, many of the respondents reported that they were selling off and consolidating assets for the home improvements for the expressed purpose of their children's benefit. One loan recipient in Community B said, "We don't look to ourselves, but now to our children." A loan recipient family in Community A had home renovations that cost E£40,000. They took a loan for E£4,000, and made up the remaining E£36,000 with a loan from the bank, personal savings, and a loan from other family. When asked about the large level of debt and the potential outcomes, the family patriarch equated both the risks and the outcomes of this kind of investment in the home and cultural capital with the outcomes of ensuring an education for his daughters:

> "When I sent my oldest daughter to the university, it was the same situation as the house. 'What are you doing?!' said the neighbors. We gave our children freedom to grow intellectually. We are here in a rural area, but we think not about eating, but about our children, that they can have an education; a weapon."

For these loan recipients, this investment in an improved home was an investment in their children's health, education, futures, and overall well-being, even at the risk of their own social marginalization.

Although the investment in children was a common response, the high rates of reported investments in the advancement of opportunities for girls were notable. Frequently, parents boasted about the achievements of their girls at the same time as they boasted about their boys. Young girls often spoke with me of their love of school and aims for their futures. For example, two eight year-old girls, Hannan and Hala, described their excitement about what their renovated home would bring, "We want to have a desk in our room." Their excitement over having a desk increased the girls' interest in discussing school, where Hannan's aims are to become an Arabic language teacher and Hala's desire is to become a pharmacist. Although the sample size is small and it is difficult to state conclusively, it is plausible that this investment in children also constitutes an investment in young women. In these communities where men may have multiple wives, girls are the most frequent school drop-outs, and girls' marriage before age 15 is not uncommon, this kind of encouragement for young girls is remarkable.

Further, the young women themselves also reported gains in social capital because of the housing improvements. For the family from Community B, the 14 year-old daughter said:

> "Before [the community-wide housing improvements] it was like a village. Now it's like we live in a small town. All the loans have affected children. My friends from [the nearest urban center] only used to invite me to their homes. Now I invite them to mine also. It has changed the way we talk. Of course I would take out a loan too."

The young people, such as this respondent, reported that social investments are important in the development and maintenance of social networks, a particularly salient aspect of young Middle Eastern women's social capital (Holmes-Eber 2003). As in the case of this young female, these non-financial outcomes were ultimately worth the loan and the risks that accompany it. By investing in their children, the loan recipients were also investing the families' human and social capital.

These housing loan program participants can clearly command additional resources such that a Homes 'R Us microloan constitutes less than 50% of the total costs of renovations. However, this kind of livelihood strategy – investing financial capital into non-financial outcomes – is perceived to be only feasible with the assistance of the housing microloan program. Many loan program participants invoked the metaphor of “yeast” or a “seed” that will developing into something larger. For example, the family of the adolescent girl in Community B, mentioned previously, reported, “Most [of the borrowers] come from the middle class, and if I wait until I can pay E£30,000 – E£40,000 for my house, it will never come. The loan serves as the yeast to go to that risk.” Another loan recipient from the same community said, “If [Homes ‘R Us] increased the loan maximum amount, it would be better. Right now, its like a little bit of yeast for what we’re doing.” Another, in Community B said, “The loan encouraged us to do [the renovations]. The CDO has encouraged us for this. It’s a small seed.” Some, similar to a family in Community A said outright, “Without [the loan] we wouldn’t be able to do this.” A program recipient in Community D said, “We wouldn’t think of changing anything without the loans. We would just stay as we are.” Not one program recipient indicated that the loan was unnecessary or superfluous. In fact, of the 14 respondents whose loan constituted less than 50% of the capital for the housing renovations, 50% of them indicated that they were *only* able to complete their home renovations because of the microloan. The other 50% indicated that the loan helped them, either in terms of the capital to invest or in prompting the decision to begin the process of consolidating and reprioritizing assets.

Business Loans

As highlighted in Chapter 3, I had access to 16 different business microloan recipients. They were from seven different communities and were both men (6) and women (10), young and old, as well as disabled. They were selected by EDO for interviews because they are representative of business loan participants. Their projects were all income-generating projects; most commonly business expansion, rather than business start-up with loans for first-time borrowers at E£200 and upwards of E£1,500 for those who have a history of timely repayment. Within such a diverse group of microloan program participants, finding patterns of loan perspectives and practices in terms of livelihoods proved difficult. However, for this portion of the results, I focus on the responses of the women, as they constitute the largest number of respondents, and bring forth the most salient responses regarding livelihood strategies.

For the women in business expansion, the primary aim of the loan application was increased income. However, they most often reported gains in social capital as the primary benefit of the microloan program. The most frequent gains cited include increased networks, particularly through an expansion in the number of friends and business associates, and improved marital relations and relationships.

Nearly 50% of the interviewees believed that increases in social capital through increased networks occurred as they began developing business associates and meeting others who are involved in the local business community. “Before the loan I didn’t do anything but sit at home,” said Magda, “now I meet people and have things to do.” Three others reported that they are now “active in the community” and “meeting other merchants” as part of their experiences with the microloan projects. For the women engaged in these business microloan programs, although the initial aim was primarily to diversify their livelihoods through increased incomes, the social benefits of new or improved networks were the first benefits they reported. That is, they saw non-financial benefits and an increase in their social networks outside the home by engaging in a financial endeavor.

With regard to success in marital relations, the ways in which husbands treated their wives were considered the largest measures of social capital gains. Participation in the business loan program became a resource for women to enhance their relationships with their husbands. Mervet said, “Before I opened this project, I didn’t know anything about my husband’s problems. He would never share them with me. Now he does.” Fadia too described how her marital relations are better:

> “He used to travel [migrate] for work. I opened a shop to sell shoes and groceries from the house. Now, he doesn’t travel for work. He stays with me and works with me because I have an income. We used to spend his money for the house. But now I have chickens for us so that we don’t have to buy a lot of meat. I take the tuna, rice, and pasta from the shop. Now I’m responsible for feeding the whole house from my shop.”

Fadia’s increased income and responsibility has resulted in discontinuation of her husband’s seasonal migration in search of work. Instead, the shop in their home is the primary source of income and of food for the family. Now the family is able to stay together as one unit, year-round. For Fadia, the increased responsibility to feed the whole house, as well as manage the loan and business, is worth it for the benefit of having the family together as a unit year-round.

Despite the growth in social capital that the women reported through new and increased social networks and marital relations, they all indicated that their financial gains were small. This was attributed to insufficient loan amounts for the projects needed to bring forth a significant increase in financial capital. In their cases, the small microenterprises did not bring forth the financial benefits they needed even to guarantee their loan repayments, much less excel in business. The women reported that they had to borrow money to make the repayment up to 25% of the time. Furthermore, most of the women sought additional loans from other sources. Thirty percent of the female business loan program recipients indicated that they have simultaneously taken loans from multiple sources, and 50% had taken out sequential loans from the EDO CDOs. Their knowledge of microcredit lenders showed them to be savvy consumers. Laila explained her position on what constitutes a good microloan lender:

> "The EDO CDO has strict requirements. You have to show ID, you have to show that you have the ability to repay, and you need a guarantor. But the other association is doing greater work because they don't ask these things. You only pay weekly there. You pay a smaller amount for a longer period of time, and with a larger interest rate."

The "shopping" for the best microloan lenders in order to acquire the inputs required for a business is a process that Miriam also described:

> "In the beginning, I took the maximum – E£1,500– from the EDO CDO and established the shop. But there are other things that I needed to add to the store, and that E£1,500 wasn't enough money to both establish the shop and to buy them. I had to look other places. I looked for other associations, loans, and buying on credit from other merchants. If you take from other associations, you have to repay here and there at the same time. If you take more money from one location you only have to repay to one place. The CDO didn't ask if I had a loan from another place, so it wasn't a problem."

However, the use of multiple loans and higher levels of investment in the businesses were also not enough to guarantee financial gains and increases in income. In fact, all the women, except one, reported having difficulties finding the financial capital to pay back the loan at least once per year. They detailed five personal budgeting strategies that help keep that number to a minimum. First, some saved a small amount each day. Second, some saved a larger amount each day during the week before the loan installment is due. Third, some required their customers who purchased goods on credit repay in time for her to make her loan installment. Fourth, some strategically timed the purchase of goods for the store that had high rates of anticipated sales in time for the loan payment. Fifth, some sold chickens and eggs to make up the savings/repayment gap. These were all strategies by which the women reported repaying their loan on time. Their detailed knowledge of the timings of local markets, sources for quick profits, and the calling on social capital by requiring that those who purchased on credit pay with cash in time for her to make the loan repayment were the strategies that women used to shift their credits, debts, and financial capital, while continuing their investments in social capital.

The rhetoric of business loans, as well as the application process, is project-oriented for financial outcomes. Although some reported a small increase in financial outcomes, a majority reported the greatest benefits of the program were non-financial. Even additional investments in the business endeavors through multiple or sequential loans did not bring forth higher financial outcomes. Rather the greatest outcomes the women reported were related to developing or increasing social networks and relationships, and enhancing marital relations.

However, it does not appear that the program participants became disillusioned with the business loans and withdrew from the program. In fact, the results point to the contrary, as 80% of program participants reported taking out multiple, simultaneous or sequential loans in an effort to fulfill the promises of increased incomes. The power of the promises of increased income through microfinance combined with experiencing successful growth in social capital were enough to keep women engaged in the pursuit of more loans at higher levels.

Agricultural Loans

As discussed in Chapter 3, I had access to eight agricultural loan recipients in one rural and agricultural community, as well as several representatives from the CDO. This community was selected because of its 20-year history with EDO and the congeniality the community has with its large number of foreign visitors. The selection of the interviewees was completed in the midst of a very busy harvest season; whoever was able to take time away from the fields was invited. Five of the loan program participants I interviewed were women, and three were men; this ratio is relatively consistent with the community-wide figures of 23 women participating in the agricultural loan programs and 17 men. Four of the five women had husbands who were working as day laborers in the nearby fields "if they are working at all," sarcastically reported one woman. Only one woman's household owned land. All of the women took out loans, ranging between E£300 and E£4,000, for purposes of buying chemical fertilizers and pesticides, and alfalfa and wheat seeds. A few used the loan money to rent land and a few began cultivating vegetables for consumption and local sale. As for the men, the loans ranged from E£300 to E£500. The primary purchases with this loan money were new technologies in cross-bred seeds that have been used in the area and have demonstrated a higher yield than the seeds these farmers traditionally plant, which they plant on borrowed, shared, or rented land. The men all supplemented this income with day laboring in others' fields as well. The loan recipients whose incomes were solely from agriculture were required to pay back one-third of the loan every six months for 18 months. This arrangement coincided loan repayment with the harvest seasons. If there were additional, regular sources of income, the program participants were required to pay back the loan as their regular income would provide for them – monthly or quarterly for one year. All repayment terms include a 10% charge added to the principle.

The interviews with the women agricultural loan recipients, which I focus on exclusively in this section because of their responses, demonstrated ongoing livelihood diversification within the household through the growth of the tasks they were taking on outside of the home. These tasks either had traditionally been non-existent within their household or the traditional tasks of men. These strategies of livelihood diversification also demonstrated shifting roles for women in the community.

Of the women that I interviewed, all of them reported that they were not working outside the home prior to their participation in the agricultural loan program. All of the women also reported working outside the home in agricultural endeavors after taking the loan. With the rented, small plots of land, the women were able to plant alfalfa, which serves as a consistent, cuttable source of fodder for livestock. Additionally, the women were cultivating small plots of wheat and/or vegetables for sale or consumption. They used fertilizers and pesticides purchased with the loan to increase the yields and therefore, their income, from these small endeavors.

When I asked about the benefits that the loans brought to these women, one participant answered:

> "The loan means that we have everything at home. We used to have to buy the alfalfa fodder, then feed the animal to get the milk to make the butter to sell it for food for the children. Now, because we have the alfalfa fodder and vegetables ourselves, it's all free at home. Before the loans, we used to have to go out to buy what we need. Now we don't. Everything we need is now available at the house. The loan is like a job opportunity and employment."

All of the women expressed thorough knowledge of this “job opportunity” and their “employment” as “smallholders.” Conceptualizing it as employment outside the home with benefits inside the home enabled the women to take on additional tasks and work outside the home, without fundamentally altering the household divisions of labor. Women detailed the costs of alfalfa seeds and cultivated livestock feed, and knew the going market prices for what they were selling; they exhibited knowledge that is consistent with entering the market, or engaging in their “employment.” Alfalfa, for example, is a crop that grows continuously and is simply cut for fodder, thereby providing a consistent source of household expense decrease. These out-of-home activities that resulted from participation in the loan program also benefit the women within the household, as she is now more “efficient” and cost-effective in her management of household tasks. In this case the outside labor engagements reinforce women’s roles within the home.

The women were aware of how tenuous this situation was, and were under large amounts of pressure to succeed at both their microprojects as well as maintaining the home. Three of the five women indicated that they have had sick children and animals whose care has required the use of additional income. These rather frequent occurrences prevented the women from being able to pay their loan installment that time. Between January 2005 and May 2005, three women indicated that this had happened “two or three times,” or roughly 50% of the time. Rather than borrow from friends or family or sell assetsto meet their expenses and make the loan installment, as in the case of business and housing loans, the women further individualized their loan management and asked for a one-month extension from the CDO. In all cases, the women reported that they had received the extension, and employed money saving strategies in the home to make up for the increased expenses.

One strategy the women all agreed upon as an effective way to limit household expenses is by limiting food intake. One woman said:

> "Food is the first expense that gets cut if the money is short. Instead of making a meal, I make fried potatoes. Instead of buying meat, I can kill a chicken in our house. We make things that are cheaper to eat."

From this small sample, it is difficult to understand how pervasive compromised nutritional status became as a result of microfinance participation. It is also difficult to know how severe the food insecurity became for the participants. However as an agreed-upon means to limit household expenses by all the female interviewees in the agricultural loan program, this indicates that this strategy may be prevalent among a much larger group. If that is the case, it puts the women in a very tenuous position. That is, it pits their dual requirements of succeeding at the microprojects and managing their household against each other. Performing well in one requires the sacrifice of the other.

Despite this difficult position, the women all reported never borrowing or collecting money from any source other than their own incomes in order to repay the loan. One explanation for this is that in this community there was a stronger emphasis on the individualization of managing household budgets. This was evidenced by the reports of fear of humiliation and shame as a result of not being able to pay one's loan. As one woman said, "I was embarrassed to go ask for money to borrow from [family and friends]. If I went to someone and asked for E£10 and they say 'no' that they don't have it, I get embarrassed." Another added, "It's like a psychological burden. In case we can't repay [the CDO and loan committee] have to send a warning paper through a lawyer. It's embarrassing. Everyone will be like ‘Oh Hannan, eh, eh, eh [disapproving sound], she can’t repay her loan.’”

For these women, their roles in relation to the household were expanding in size and form as a result of the microloans, which were serving to reinforce traditional gender roles with increased pressure to manage efficiently microprojects and the home. This was also occurring at a time when there were diminished supports for short-term borrowing from family and friends, and a need to further individualize their loan and project management. It is difficult to know how the experiences of women in the agricultural loan program compare to those of men. Given my small sample size, additional research would be necessary to understand the experiences of women more fully, to understand the experiences of the male participants, and then to compare the two.

Summary and Discussion

Based upon the results from this study, it is clear that neoliberalism is penetrating all aspects of the microloan programs. The growth of neoliberalism through EDO’s organizational structure and development strategies for 50 years, and specifically the investments and expansion into microfinance programming for over 20 years, constitute institutional-level responses to neoliberalism. In light of the enveloping nature of neoliberal logic throughout the institution, it is interesting to note that microloan recipients are both accepting it and reproducing it, often in ways that defy their own experiences within it. The continued participation in microfinance, as evidenced by repeated and multiple loans, is remarkable considering that few have achieved the increased economic and financial gains promised by neoliberalism and microfinance. In fact, in the case of the agricultural borrowers, women have experienced a retrenchment of patriarchal ideologies rather than the empowerment and social growth promised by microfinance and participation in the market.

The centrality of money became an important focal point in understanding the logic of microfinance. Money has become the mechanism by which both EDO and the program participants aim to improve their own position in their respective contexts. EDO has attained a larger budget, which serves as a significant marker of institutional growth and performance. Loan program participants, however, do not have the luxury of identifying significantly increased incomes as their marker of growth. Rather, non-monetary gains such as a larger house or increased social and human capital sufficed as the marker of “benefits” or “success.” It is by conceptually conflating financial and non-financial capital gains that loan recipients are able to go beyond tolerating rhetoric that does not come to fruition, and justify continuous participation in the program because the gains are then consistent with those promised.

Many of the results examine this relationship between financial and non-financial costs, benefits, and transfers between. That is, financial assets and non-financial assets are able to be acquired, sold or released, consolidated, substituted, clustered, accessed, and traded (Lont and Hospes 2004). Rather than a dichotomous relationship, the embedded fluidity with which they were viewed as compatible and interchangeable suggests that microfinance in this context is “successful,” however. By “successful” I mean that the program recipients are able to use the loans to mobilize their assets for whatever ends they find most suitable to their own positions and livelihood securities, particularly those ends that are non-financial, within the limits and context of neoliberalism and microfinance.

Ultimately, EDO is complicit in fostering both the conditions for the entrance of neoliberalism and its widespread growth through the mechanism of microfinance. Program participants responded to the increased pressures of their new obligations to the CDOs in loan repayment by conflating financial and non-financial gains. This enacted a broader definition of “success” so that their own practices and experiences fell inside that definition. It is by perceiving investments into non-financial gains as valuable and worthwhile, as valuable and worthwhile as financial gains in fact, that livelihood strategies altered in new ways that may or may not secure against vulnerabilities in the long run. Certainly EDO’s role in creating the “need” for microfinance, as well as the mechanisms for its growth and expansion also indicates that EDO is complicit should those new livelihood strategies not secure against the vulnerabilities as, once again, neoliberalism and microfinance have promised.

CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS

Summary of Results

Through the internship portion of this project, I had the opportunity to become acquainted with the publications and policies of EDO in their microfinance programs. It was through the work requirements of this internship experience that I was able to examine the relationship between EDO's publications, the work that I was completing in their service and the responses of the interviewees, with regard to neoliberalism and microfinance. This work, although exploratory in nature, represents the beginning of the kind of research that applied anthropologists working in the growing field of microfinance can contribute to the discussion, including participant observation that reveals organizational experiences in a neoliberal context and ethnographic evidence on the experiences of program participants.

Methodologically this research project emerged from the work requirements of the internship and utilized archival research, participant observation, and interviews with staff and program participants. The research aims were only achievable in Egypt at this time because of the work arrangements that I had with EDO and Homes 'R Us. In this way, this study also represents the kind of research arrangements and contributions to the literature that anthropologists can make in dangerous or difficult fields of research. Given the world-wide and pervasive anti-American sentiment that U.S. anthropologists may experience during their fieldwork, this type of research project enables the anthropologist to engage in ethnographic research in areas that may otherwise be inaccessible.

As described in Chapter 4, the neoliberal-friendly publications and characterizations of EDO as a compassionate, yet accountable and effective administer of development programs, particularly microfinance, go beyond lip-service. The historical trajectory of both EDO and their microfinance programs progressed through phases that more closely resemble Northern-based NGOs, with high levels of dependency on external aid for institutional performance and sustainability. Furthermore, elements of neoliberalism can be found in the microfinance programs designed as "demand-driven" and implemented through decentralized channels with those educated into "audit culture" (Shore and Wright 1999). This process passes on the pressures to perform in accordance with the demands of accountability and goal-orientation to the microfinance program participants. The microfinance programs of EDO and Homes 'R Us do not translate into fulfilled promises of increased incomes, direct or indirect, on the parts of the participants, however. With limited increases in financial outcomes, loan participants reported diverting their investments into social capital and human capital, and also reported acquiring larger gains and outcomes in these non-financial areas. Rather than becoming disillusioned with microfinance and ending their participation in the program, the conflation of financial and non-financial outcomes legitimated claims of "success" and "benefits," which perpetuated the participation in microfinance programs and the participants' reproductions of the rhetoric. In this way, the rhetoric of neoliberalism and microfinance proved compelling and powerful. As Bourdieu (1998) indicates:

> "For neoliberal discourse is not like others… it is a 'strong discourse' which is so strong and so hard to fight because it has behind it all the powers of a world of power relations which it helps to make as it is, in particular by orienting the economic choices of those who dominate economic relations and so adding its own – specifically symbolic – force to those power relations" (Bourdieu 1998:95).

The force of the world of power relations – both economic and symbolic – is particularly difficult to evade, especially when couched within the ideology of beneficence. Appeals to donor beneficence are well reported within EDO's publications and apparently well received, if one uses their levels of external funding as a measure. However, Eversole indicates that this laudable goal of helping the poor could be achieved "without the stigma of paternalistic giveaways" (2003:181). In addition to the paternalism inherent in the Northern donations to microfinance programs, Adam Smith characterized those actions in the capitalist system that appear benevolent as disguising self-interest: "'It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner,' says Smith, 'but from their regard to their self-interest'" (Heilbroner 1999:54). Keeping in mind that the donors do have self-interest in contributing to microfinance programs, including the continued growth of capitalism, increasing the rates of consumption and the opening of new markets, their claims of beneficence fail to completely disguise their self-interested pursuits.

Beneficence, with the promises of wealth creation and social welfare achievement, constitute the mechanism by which microfinance enables the "reimagined" local possibilities (Roseberry 1996). That is, locally conceptualized possibilities now include the idea that a small loan, alongside education, can achieve a similarity in life and lifestyle with the donor elites. However, the program participants' experiences showed that a $100 loan simply cannot reproduce the incomes of the elites. In fact, this study found that financial returns from small loans were rarely reported. As Roseberry (1996) argues, the construction of this "reimagined" reality is enough to engage those exploited by the illusory reality the ideology creates. Roseberry also reminds us that, “men as they imagine themselves and as narrated or imagined by others could not be separated from men in the flesh” (1997:29). International donors, despite self-characterizations of their aims as altruistic, are paternistically catalyzing the “reimagining” of local possibilities in such a way that microfinance program participants continue to strive to achieve the ends promised to them.

NGOs are also not immune from the compelling discourse of neoliberalism, or opportunism and self-interest (Meyer 1995). Microfinance lending institutions, such as EDO, are culpable in the promotion of neoliberal logic by bypassing the state for the acquirement of capital and in their utilization of the knowledge and discourse put forth by consolidated international powers (Briggs 2001). Ironically, through “demand-driven” microfinance policies, a decentralization of administration, and a heavy reliance on external funding, EDO has removed themselves from their responsibility in ensuring that the livelihood adjustments made by the program participants secure against long-term vulnerabilities. By conceptualizing the drive for microfinance as coming from the participants themselves, EDO is enacting a “passing the buck” framework; it is a diversion of responsibilities. That is, should the livelihood adjustments of the program participants not secure against long-term vulnerabilities, EDO will be able to point to both the high demand from the participants and the rational, economic ideals required by the funders as the responsible parties. EDO becomes, in this scenario, a “public service contractor” that simply matches the demands of the local communities with the supply from the North (Korten 1990). With EDO’s reliance upon Northern funders for its existence, EDO only needs to invest its time and energies into promoting itself as worthy of further donations and provide evidence of this in terms the donors require, such as institutional performance and participation levels, rather than investing that time and energy into fulfilling the promises of neoliberalism and microfinance to those participating in its communities. As Rahman (1999) points out, if the NGO is required to choose between contradictory positions of institutional financial performance or the objective of effectively serving the poor, “it is likely the donors will sacrifice the latter, especially when the donor and international development community’s attitude and support reward the former” (152).

There are, however, some serious ethical questions raised by EDO’s practice of employing local microfinance borrowers’ resources in the service of their institutional sustainability. EDO uses the participants’ time, financial and non-financial resources, and their pre-existing social networks to enable the participants to enter successfully and perform in the microfinance program. EDO also utilizes their participation in order to create and justify statements to donors of loan portfolios and repayment levels. Further, EDO and Homes ‘R Us are taking advantage of the inability of the majority of microfinance participants to access credit elsewhere in order to build up their microfinance participation levels, which in turn is used to bolster their annual budgets, meet their institutional development goals, and maintain organizational sustainability (Lazar 2004, Rahman 1999, 2004). According to the 2004 Annual Review, at least 37% of the year’s expenditures went out in the form of microloans from both the Small and Micro Enterprise Sector and the Development Sectors combined. With such a large percentage of recent expenditures in the form of loan disbursals, it is not surprising that EDO is working so hard to secure external aid and growing microfinance programs.

Connections and Contributions to the Literature

As discussed in Chapter 2, neoliberalism and microfinance are compelling logics that are theoretically, rhetorically, and programmatically upheld as the greatest hope for poverty alleviation. The logic of neoliberalism indicates that by decentralizing and individualizing economic behaviors, financial and non-financial aims can be achieved. With the “win-win” of microfinance prodigious within the development and economic literature, it is difficult to find fault with, and compelling cases against, such kind of logic and theorizing. However, when examined empirically, microfinance raises many more questions than it answers. Within my study, microfinance is not achieving the ends of increased financial benefits that it promises on a broad basis. However, what microfinance is accomplishing is a reconceptualization of the “success” and “benefits” of the program. Microfinance is a tool by which program participants are reevaluating their non-financial assets and adjusting them in accordance with what they believe to be their best security against future vulnerabilities. In lieu of financial gains, non-financial asset building became a livelihood strategy that made microfinance programs “beneficial” and even “successful.” Non-financial asset building also became a way to make participation valuable for both EDO and its institutional performance, and also for the program participants as they sought to make their participation meaningful for themselves.

The means by which we can reconcile both reports of contentment with the microfinance programs and the lack of financial outcomes is through an examination of social capital. It can be argued that social capital is the primary capital of all capitals. It is the most serviceable of all capitals and the one that people would most be interested in securing and growing (Bebbington 1999). Social capital becomes a necessary antecedent to financial capital, as it is contains the networks of trust and accountability required for the extension of financial capital. That is, within microfinance and microcredit arrangements, without social capital there is no access to financial capital (Bebbington 1999, Purcell 2000). We can presume that this assumption is true for this study as well, as all the loan participants in this study required a co-signer in the formal application process, and I did not meet anyone who reported not having a co-signer. Further, they were all required to be a person of “good repute;” a social position that embodies the webs of social positions and power relations in the community.

Although microfinance explicitly aims to address the needs and desires for increased enterprises and incomes that may emulate those of the West, as Dhaouadi (2002) argues, they cannot be removed from the desires for increased Western socio-cultural influences including language, knowledge, and science. This is one way in which we can understand the interviewees reports of contentment, satisfaction, and “success” in their microfinance program participation despite the absence of increased financial outcomes. That is, even though microfinance failed to bring forth the higher levels of financial outcomes, the “reimagining” of non-financial possibilities, including raised levels of prestige with the acquirement of a larger house, increased social networks with a new business, and increased efficacy within household tasks comprised sources of reported satisfaction for the borrowers. We know from other studies of local financial arrangements, such as rotating savings and credit associations, that the credit programs, as a process, also serve to “solidify, perpetuate and even expand such networks of relationships” in the disintegrating context of neoliberalism (Purcell 2000:148). That is, social capital begets social capital, even in a context that prioritizes financial capital. In this study as well, borrowers can and do prioritize social capital ends and enact social capital through financial mechanisms when faced with capitalist economic rationality, individualism, alienation and anomie (Purcell 2000). While microfinance donors and EDO focus on the primary function of microfinance and economic ends, the participants themselves shifted the focus on microfinance and human and social capital ends. This reimagining and reprioritizing of non-financial possibilities, and providing the means by which to achieve them, constitutes the microfinance program meeting a need. This need, however, was often met at a great risk. For example, by consolidating assets into one house that is difficult to partition or segment in times of need also raises the participants' vulnerabilities. A fire in the home could seriously and devastatingly impact the families' livelihood security. For female borrowers, taking on the microloans and the often difficult repayment conditions rendered many of their families subject to compromised nutrition and food security. Although human and social capital gains are not the primary aims of the program, their outcomes – despite the risks and new vulnerabilities – are sufficient to render the program participants satisfied with the program and their continuance likely.

I argue that additional research is necessary to confirm these results, however. My position as an EDO and Homes 'R Us intern brings into question the interviewee responses, as they may be skewed in a manner that is more positive than the respondents actually believe. In that case, this study may be considered a "best case scenario," which is remarkable in its own right. The idea that microfinance projects, as revealed in the best case scenarios, are not fulfilling their promises to increase financial gains – indirectly or directly – potentially undermines the nature of the project itself. However, if the economic and development literature on microfinance continues to fail to reveal this, the unrestricted growth of microfinance, and by extension neoliberalism, can be expected to continue and grow in these areas.

Microfinance is *the* development initiative in 2005 and will continue to be well into the twenty-first century (Rahman 1999, United Nations Year of Microfinance *http://www.yearofmicrocredit.org*). Because of the sizeable amounts of attention given this strategy for poverty alleviation by outside examinations and the particularly enthusiastic responses within the development and economics literature, more attention needs to be given to the actual experiences of the program participants. Anthropologists are in a particularly unique position to bridge the gap, and reveal the points of disjuncture between the external examinations based in rhetoric and theory, with the actual experiences of microfinance program participants, as I have attempted to do in this study. In this way, this project represents the kinds of research that anthropologists can undertake to address policy issues, despite the restraints and difficulties inherent in studying NGOs and international development. Applied anthropologists, in particular, are in a unique position to contribute to the microfinance discussion, as they aim to understand and inform contemporary issues and help to develop, guide, and correct policies and programs that impact contemporary populations. Applied research in a multi-sited ethnography (Marcus 1995), “studying up” (Nader 1972), relatively safe research in dangerous fields, and the anthropological study of microfinance are all possible through such arrangements as my internship.

It is because of the knowledge that microfinance is not diminishing and is only increasing in its global reaches, that anthropological studies be considered in light of the larger, global phenomena at work. Neoliberal economic policies, and all the attendant changes they bring, are continuing. Microfinance is poised to become either a tool of the neoliberal economists who aim to bring about new reaches of global capitalism, or an effective tool for poverty alleviation. If the latter is the aim, revealing the experiences of program participants is vital.

Recommendations

The more typical microfinance policy recommendations made by anthropologists such as Rahman (1999) include ensuring that loan amounts do not exceed debt capacity, not engaging in microfinance at the expense of social and community development, and adjusting rigid and fixed repayments into project-based repayments schedules, all of which EDO is already working on. Therefore, I do not offer the typical microfinance policy recommendations. Rather, I suggest areas for enhancing the supports and programs in non-financial areas that result from participation in microfinance programs. The reality is that donors, who are ensuring the continuance of microfinance, are acting in accordance with neoliberal ideologies and practices. With the growth in microfinance, NGOs in a similar position as EDO are implementing the programs in accordance with the stringent donor requirements, which do not appear to be ebbing anytime soon. That said, EDO can and should take appropriate measure to see that the "fallouts" from their microfinance programs are minimized. There are four ways by which EDO can enhance safety nets at a time when they are being systematically removed elsewhere. First, EDO should provide loan forgiveness for those who lose when entering the market. Second, EDO ought to bolster non-market-driven programs and develop programs for the enhancement of social and human capital that do not require financial inputs. Third, EDO would benefit by introducing quality of life indices for measuring program success rather than loan portfolios or participation levels. Fourth, EDO should progressively pursue studies and methods – beyond those required by program reports to donors including quantifying participation – that both reveal the experiences of the program participants and can provide a feedback mechanism to alter programs accordingly. They are each explained in detail below.

As described in Chapter 4, some communities are providing small grants in order to assist those who cannot repay. They are able to finance this by utilizing the capital gained from the additional 10% charged on top of the principle to borrowers, which comes back to local CDOs, EDO, or Homes 'R Us. Despite these measures taken to help those who cannot repay, there was no discussion of what to do when businesses fail or agricultural yields significantly diminish. One year's drought, a fire in the store or home, or a virus killing the wheat or poultry would be enough to push most of these microfinance participants into total loss. The nature of business, loans, and credit are risky. Despite the risk minimization that occurs during the project planning and application process, there are still many variables outside the borrowers' control. Further, for the participants whose endeavors "fail," the loan still needs to be repaid. In a telling moment, the women business loan participants reported that they knew of two businesses that failed, and attributed the failure to the borrower's "lack of adequate training." Regardless of the levels of training, education, or inculcation to neoliberal practices, there will continue to be businesses that fail for reasons outside the borrower's control. Because of the inability to guarantee business success, I recommend that for the cases where participants lose by joining the market, their loans be forgiven.

This does constitute a reinvigoration of the social service provisions that EDO has aimed to minimize. However, when combined with the latest organizational aims of advocacy for local democratization efforts and community-wide infrastructural strengthening, the reintroduction of social service provisions and safety nets do not constitute a contradictory approach. In fact, the dual combination of spurring residents onto advocacy and providing some of the few remaining safety nets when either the markets or the state fail to come through with their promises, would constitute an innovative approach to local development. It would ultimately form a more comprehensive base of services and programs, and provide more options to many who otherwise lack them. We have yet to discover if the livelihood strategies employed by the microfinance program participants will actually secure against their vulnerabilities in the long run. Should the strategies the participants employed through the market-led approaches implemented by EDO and Homes 'R Us prove to have enhanced the program participants' vulnerabilities rather than secured against them, the organizations would be in a position to protect those participants.

Secondly, because the primary positive results the interviewees reported were non-financial, the bolstering of programs that aim for the enhancement of social and human capital, and do not require financial inputs, would be of benefit. It is difficult to justify the requirements of financial inputs if the program participant's outcomes are non-financial. There are more fitting and appropriate means by which human and social capital enhancements can be reached, which do not require the financial investments of those on the cusp of becoming the poorest of the poor. These kinds of programs would consist of non-market-driven programs constituting, again, more of the social service provisions of EDO's past, and may include programs in education and health. Admittedly EDO already has vast numbers of programs in these areas. For example, EDO has been providing literacy classes for over 50 years, and health classes often address difficult subjects such as female genital modification. However, given the prevalence of neoliberal requirements in the microfinance programs, an examination into these neoliberal requirements in the non-financial programs would be a strong start to better orienting these programs. Even if a program does not have an explicit financial input requirement, it would be important to know if individuals are able to achieve increased human and social capital in an environment so ridden with neoliberal ethics. With the non-financial aims made explicit, these programs would provide a more candid picture of the program participant's aims and their congruence, or disjuncture, with those of the donors. Ultimately, it does seem both feasible and appropriate to enhance programs that foster human and social capital growth without requiring financial inputs, if non-financial gains are the program participants' ideal ends.

Thirdly, introducing quality of life indices for gauging program success would be a more realistic measure of the impacts of the microfinance programs than the more predominant use of loan portfolios and repayment rates (Abugre 1994). One may be able to gauge whether or not a program has been completed in accordance with predetermined standards by ascertaining loan portfolios, repayment rates and participation levels. Those economic measures, however, reflect the performance of the loan rather than the actual impacts of the program. Participation levels may tell you about the quantity of participation but ultimately fail to illuminate quality of participation. Gaining an understanding of the impact of the microfinance programs on the overall quality of life of those who participate, however, is a more effective and accurate measure of the program's effects. As demonstrated in this thesis, the baseline data required by the donors does not always depict the experiences of the program participants. In order to do so, the measures by which the programs are assessed must be changed. Because most of the program participants recognized higher outcomes in non-financial areas, only a more inclusive examination of the loan program will begin to fully capture the outcomes and to convey their importance to both EDO and to their donors.

Finally, EDO should pursue additional studies and methods – beyond those required by program reports to donors – that reveal the experiences of the program participants. As a foreigner in what was potentially a "best case scenario," I was able to learn much about the ways in which EDO and Homes 'R Us were and were not meeting the needs of the program participants. If I was able to gain such knowledge in a short period of time with limited access, it is presumable that more applied anthropologists would be able to attain similar types of information in other program areas. Further, the work of additional anthropologists – particularly Egyptian anthropologists who would not be limited in access and mobility as I was – would be a first step towards informing EDO of the actual experiences of the program participants. Anthropological studies would also bring forth the strengths and weaknesses of EDO's policies. Anthropologists would inform EDO policy-makers and program designers in such a way that enables an altering or modification of the programs accordingly.

Ultimately, I am not advocating for the dismissal of the microfinance programs by EDO or Homes 'R Us in their entirety. There *were* stories in which incomes increased, and the overall tenor regarding the program was quite positive. It is difficult to say that someone who is no longer in poverty housing should not have had that opportunity to get out. EDO and Homes ‘R Us are doing good work, considering the powerful and stringent constraints of the neoliberal donors. EDO did not become the largest Egyptian development organization by simply catering to donor requirements without regard for the participants. However, what I am advocating for is a more inclusive and organic approach to local experiences and needs. In particular, I mean those needs that result from participation in the programs that the donors consider, from their self-interested positions, to be best for the participants.

By enlarging the space given to the program participants’ actual experiences, through the programmatic and methodological innovations described above, EDO would be able to continue altering their policies for microfinance and community development programs. That is, they would still be able to meet donor requirements, yet could also become more effective in enabling program participants to achieve the ends promised them, or to assist them when they do not come to fruition. With a rapidly shifting context for economic development programs such as microfinance, providing not only the means to enter the market and succeed but also the safety nets should they fail, may prove the best arrangement for both EDO and the program participants in the long run.

REFERENCES

Abramson, David M.
1999 A Critical Look at NGOs and Civil Society as a Means to an End in Uzbekistan. Human Organization 58(3):240-250.

Abugre, Charles
1994 When Credit is Not Due: A Critical Evaluation of Donor NGO Experiences with Credit. *In* Financial Landscapes Reconstructed: The Fine Art of Mapping Development. F.J.A.a.O.H. Bouman, ed. Pp. 157-175. Boulder: Westview Press.

Atack, Iain
1999 Four Criteria of Development NGO Legitimacy. World Development 27(5):855-864.

Bebbington, Anthony
1999 Capitals and Capabilities: A Framework for Analyzing Peasant Viability, Rural Livelihoods, and Poverty. World Development 27(12):2021-2044.

Bohannan, Paul
1959 The Impact of Money on an African Subsistence Economy. The Journal of Economic History 19(4):491-503.

Bourdieu, Pierre
1977 Outline of a Theory of Practice. Cambridge: Cambridge University Press.

—
1986 The Forms of Capital. *In* Handbook of Theory and Research for the Sociology of Education. J.G. Richardson, ed. Pp. 241-255. Westport: Greenwood Press.

—
1998 Acts of Resistance: Against the Tyranny of the Market. New York: The New Press.

Bourgois, Philippe
1990 Confronting Anthropological Ethics: Ethnographic Lessons from Central America. Journal of Peace Research 27(1):43-54.

—
1995 In Search of Respect: Selling Crack in El Barrio. New York: Cambridge University Press.

Briggs, Morgan
2001 Empowering NGOs: The microcredit movement through Foucault's notion of dispositif. Alternatives: Global, Local, Political 26(3):233-258.

Brosius, J. Peter
1999 Analyses and Interventions: Anthropological Engagements with Environmentalism. Current Anthropology 40(3):277-309.

Burjorjee, Judith Brandsma and Deena
2004 Microfinance in the Arab States: Building Inclusive Financial Sectors. New York: United Nations Capital Development Fund.

Burns, Allan
1975 An Anthropologist at Work: Field Perspectives on Applied Ethnography and an Independent Research Firm. Council on Anthropology and Education Quarterly 6(4):28-33.

Cook, Scott
1966 The Obsolete "Anti-Market" Mentality: A Critique of the Substantive Approach to Economic Anthropology. American Anthropologist 68(2):323-345.

Dalton, George
1961 Economic Theory and Primitive Society. American Anthropologist 63(1):1-25.

Dhaouadi, Mahmoud
2002 Globalization of the Other Underdevelopment: Third World Cultural Identities. Kuala Lumpur: A.S. Noordeen.

Diani, M.
1992 The Concept of Social Movement. Sociology Review 40(1):1-25.

Diers, Amanda C.
2001 Nongovernmental Organizational Ethnography: An Anthropologist's Journey in Advocacy. Master's, University of South Florida.

Dreze, J. and A. Sen
1989 Hunger and Public Action. Oxford: Clarendon Press.

Dzingirai, Vupenyu
2004 The Culture of Giving and its Relationship to Saving. *In* Livelihood and Microfinance: Anthropological and Sociological Perspectives on Savings and Debt. O.H.a.H. Lont, ed. Pp. 89-102. Delft: Eburon Academic Publishers.

Ebrahim, Alnoor
2003 NGOs and Organizational Change: Discourse, Reporting, and Learning. Cambridge: Cambridge University Press.

EDO
1992 Supporting the Self-Help Development of the Poor: Project Proposal. Pp. 1-98. Cairo: EDO.
—
1993a Assisting Income and Employment Generation Activities in Egypt: A Review of EDO Programs. Pp. 1-17. Cairo: EDO.
—
1993b History of EDO's Involvement in Income and Employment Generation. Pp. 1-13. Cairo: EDO.
—
1995 Women's Revolving Loan Fund for Income Generation. Pp. 1-16. Cairo: EDO.
—
2004a Capacity-Building and Advocacy: Program Proposal. Pp. 1-69. Cairo: EDO.
—
2004b Annual Review. Pp. 1-22. Cairo: EDO.
—
nd1 Working Together: EDO Mission and Structure. Pp. 1-58. Cairo: EDO.
—
nd2 EDO Mission and Policies. Pp. 1-77. Cairo: EDO.
—
nd3 EDO Individual Loans Program Proposal. Pp. 1-5. Cairo: EDO.

Ehlers, Tracy Bachrach and Karen Main
1998 Women and the False Promise of Microenterprise. Gender and Society 12(4):424-440.

Escobar, Arturo
1995 Encountering Development: The Making and Unmaking of the Third World. Princeton: Princeton University Press.

Evans, Timothy G., Alayne M. Adams, Rafi Mohammed, and Allison H. Norris
1999 Demystifying Nonparticipation in Microcredit: A Population-Based Analysis. World Development 27(2):419-430.

Eversole, Robyn
2003 Help, Risk and Deceit: Microenterpreneurs Talk About Microfinance. Journal of International Development 15:179-188.

Feldman, Allen
1991 Formations of Violence. Chicago: University of Chicago Press.

—
1995 Ethnographic States of Emergency. *In* Fieldwork under Fire: Contemporary Studies of Violence and Survival. C.N.a.A.C.G.M. Robben, ed. Pp. 224-252. Berkeley: University of California Press.

Fernando, Jude L.
1997 Nongovernmental Organizations, Micro-Credit, and Empowerment of Women. Annals of the American Academy of Political and Social Science 554:150-177.

Fisher, Julie
1996 Grassroots Organizations and Grassroots Support Organizations: Patterns of Interaction. *In* Transforming Societies, Transforming Anthropology. E. Moran, ed. Pp. 57-102. Ann Arbor: University of Michigan Press.

Fisher, William F.
1997 Doing Good? The Politics and Antipolitics of NGO Practices. Annual Review of Anthropology 26:439-464.

Gordon, Colin
1991 Governmental Rationality: An Introduction. *In* The Foucault Effect: Studies in Governmentality. C.G. Graham Burchell, and Peter Miller, ed. Pp. 1-51. Chicago: University of Chicago Press.

Heilbroner, Robert L.
1999 The Worldly Philosophers: The Lives, Times, and Ideas of the Great Economic Thinkers. New York: Simon and Schuster.

Holmes-Eber, Paula
2003 Daughters of Tunis: Migration, Urbanization and Networks in a Muslim City. Boulder: Westview Press.

Howell, Nancy
1988 Health and Safety in the Fieldwork of North American Anthropologists. Current Anthropology 29(5):780-787.

Huq, Hamidul
2004 Surviving in the World of Microdebt: A Case from Rural Bangladesh. *In* Livelihood and Microfinance: Anthropological and Sociological Perspectives on Savings and Debt. O.H.a.H. Lont, ed. Pp. 43-53. Delft: Eburon Academic Publishers.

Ibrahim, Saad Eddin
2003 Egypt, Islam and Democracy. Cairo: The American University Press in Cairo.

Kabeer, Naila
2000 The Power to Choose: Bangladeshi Women and Labour Market Decisions in London and Dhaka: Verso Press.

—

2001 Conflicts Over Credit: Re-Evaluating the Empowerment Potential of Loans to Women in Rural Bangladesh. World Development 29(1):63-48.

Kalb, Don
2000 Localizing Flows: Power, Paths, Institutions, and Networks. *In* The Ends of Globalization: Bringing Society Back In. D. Kalb, ed. Pp. 1-32. London: Rowman and Littlefield.

Kanter, Rosabeth Moss
1977 Men and Women of the Corporation. New York: Basic Books.

Korten, D.C.
1987 Third Generation NGO Strategies: A Key to People-Centered Development. World Development 15:145-159.

—

1990 Getting to the 21st Century: Voluntary Action and the Global Agenda. West Hartford: Kumarian Press.

Kovats-Bernat, J. Christopher
2002 Negotiating Dangerous Fields: Pragmatic Strategies for Fieldwork amid Violence and Terror. American Anthropologist 104(1):1-15.

Larner, Wendy and Craig, David
2005 After Neoliberalism? Community Activism and Local Partnerships in Aotearoa New Zealand. Antipode 37(3):402-424.

Lazar, Sian
2004 Education for Credit. Critique of Anthropology 24(3):301-319.

Ledford, Curt
1975 An Anthropologist at Work: Field Perspectives on Applied Ethnography and an Independent Research Firm. Council on Anthropology and Education Quarterly 6(4).

Lemke, T.
2002 The birth of bio-politics: Michel Foucault's lecture at the College de France on neoliberal governmentality. Economy and Society 30:190-207.

Litherland, S.
1997 Finance-Women: Microcredit is Not the Only Answer, Vol. 1997: Inter Press Service News Report.

Long, N.
1997 Agency and Constraint, Perceptions and Practice: A Theoretical Position. *In* Images and Realities of Rural Life. H.d.H.a.N. Long, ed. Pp. 1-20. Wageningen: Van Gorcum.

Lont, Hotze and Otto Hospes
2004 Introduction. *In* Livelihood and Microfinance: Anthropological and Sociological Perspectives on Savings and Debt. H.L.a.O. Hospes, ed. Pp. 3-24. Delft: Eburon Academic Publishers.

Magazine, Roger
2003 An Innovative Combination of Neoliberalism and State Corporatism: The Case of a Locally-Based NGO in Mexico City. The Annals of the American Academcy of Political and Social Science 590(1):243-256.

Mahmud, Simeen
2003 Actually how Empowering is Microcredit? Development and Change 34(4):577-605.

Marcus, George E.
1995 Ethnography in/of the World System: The Emergence of Multi-Sited Ethnography. Annual Review of Anthropology 24:95-117.

Markowitz, Lisa
2001 Finding the Field: Notes on the Ethnography of NGOs. Human Organization 60(1):40-46.

Mazzucato, Valentina and David Niemeijer
2004 Savings Arrangements in Easter Burkina Faso: An Evolutionary Perspective on Institutional Innovation. *In* Livelihood and Microfinance: Anthropological and Sociological Perspectives on Savings and Debt. H.a.O.H. Lont, ed. Pp. 153-169. Delft: Eburon Academic Publishers.

McCabe, J. Terrence
2003 Sustainability and Livelihood Diversification among the Maasai of Northern Tanzania. Human Organization 62(2):100-111.

McDonald, James H.
1999 The Neoliberal Project and Governmentality in Rural Mexico: Emergent Farm Organization in the Michoacan Highlands. Human Organization 58(3):274-284.

McMichael, P.
1995 The New Colonialism: Global Regulation and the Restructuring of the Interstate System. *In* A New World Order? Global Transformations in Late Twentieth Century. D.S.a.J. Borocz, ed. Pp. 37-56. Westport: Greenwood Press.

Meyer, Carrie A.
1995 Opportunism and NGOs: Entrepreneurship and Green North-South Transfers. World Development 23(8):1277-1289.

Microcredit Summit Campaign, The
2005 The Microcredit Summit Campaign, Vol. 2005: The Microcredit Summit Campaign.

Milgram, B. Lynne
2001 Operationalizing Microfinance: Women and Craftwork in Ifugao, Upland Philippines. Human Organization 60(3):212-224.

Mintz, Sidney W.
1977 The So-Called World System: Local Initiative and Local Response. Dialectical Anthropology 2(4):253-270.

Morduch, Jonathan
1999 The Microfinance Promise. Journal of Economic Literature 37(4):1569-1614.
—
2000 The Microfinance Schism. World Development 28(4):617-629.

Nader, Laura
1972 Up the Anthropologist-Perspectives Gained from Studying Up. *In* Reinventing Anthropology. D. Hymes, ed. Pp. 284-311. New York: Pantheon Books.

Niemeijer, Valentina Mazzucato and David
2004 Savings Arrangements in Eastern Burkina Faso: An Evolutionary Perspective on Institutional Innovation. *In* Livelihood and Microfinance: Anthropological and Sociological Perspectives on Savings and Debt. H.L.a.O. Hospes, ed. Pp. 153-170. Delft: Eburon Academic Publishers.

Peck, Jamie and Adam Tickell
2002 Neoliberalising Space. Antipode 34:380-404.

Peritore, Patrick
1990 Reflections on Dangerous Fieldwork. American Sociologist 21(4):359-373.

Pfeiffer, James
2004 Civil Society, NGOs, and the Holy Spirit in Mozambique. Human Organization 63(3):359-372.

Polanyi, Karl
1957 The Economy as Instituted Process. *In* Trade and Market in the Early Empires. K. Polanyi, Conrad Arensberg, Harry Pearson, ed. Pp. 243-270. Glencoe: The Free Press.

Prahalad, C.K.
2005 The Fortune at the Bottom of the Pyramid: Eradicating Poverty Through Profits. Upper Saddle River, NJ: Wharton School Publishing.

Purcell, Trevor W.
2000 Local Institutions in Grassroots Development: The Rotating Savings and Credit Association. Social and Economic Studies 49(1):143-181.

Pyle, Jean L. and Kathryn B. Ward
2003 Recasting our Understand of Gender and Work During Global Restructuring. International Sociology 18(3):461-489.

Quinones Jr., Benjamin R. and Hans Dieter Seibel
2000 Social Capital in Microfinance: Case Studies in the Philippines. Policy Sciences 33:421-433.

Rahman, Aminur
1999 Women and Microcredit in Rural Bangladesh: Anthropological Study of the Rhetoric and Realities of Grameen Bank Lending. Boulder: Westview Press.

—
2004 Microcredit and Poverty Reduction: Trade-Off between Building Institutions and Reaching the Poor. *In* Livelihood and Microfinance: Anthropological and Sociological Perspectives on Savings and Debt. H.a.O.H. Lont, ed. Pp. 27-42. Delft: Eburon Academic Publishers.

Rankin, Katharine N.
2001 Governing Development: Neoliberalism, Microcredit, and Rational Economic Woman. Economy and Society 30(1):18-37.

—
2002 Social Capital, Microfinance, and the Politics of Development. Feminist Economics 8(1):1-24.

Robbins, Richard
2005 Global Problems and the Culture of Capitalism. New York: Pearson Education, Inc.

Roseberry, William
1996 The Rise of Yuppie Coffees and the Reimagination of Class in the United States. American Anthropologist 98(4):762-775.

—
1997 Marx and Anthropology. Annual Review of Anthropology 26:25-46.

Sampson, Steven
2002 Weak States, Uncivil Societies and Thousands of NGOs, 2005: http://www.AnthroBase.com.

Scoones, I.
1998 Sustainable Rural Livelihoods: A Framework for Analysis. Brighton: Insitute of Development Studies.

Shokeid, Moshe
1971 The Dual Heritage: Immigrants from the Atlas Mountains in an Israeli Village. Manchester: Manchester University Press.

—
1992 Commitment and Contextual Study in Anthropology. Cultural Anthropology 7(4):464-477.

Shore, Cris and Susan Wright
1999 Audit Culture and Anthropology: Neo-Liberalism in British Higher Education. The Journal of the Royal Anthropological Insitute 5(4):557-575.

Sluka, Jeffrey A.
1990 Participant Observation in Violent Social Contexts. Human Organization 49(2):114-126.

—
1995 Reflections on Managing Danger in Fieldwork: Dangerous Anthropology in Belfast. *In* Fieldwork under Fire: Contemporary Studies of Violence and Survival. C.N.a.A.C.G.M. Robben, ed. Pp. 276-294. Berkeley: University of California Press.

Start, Daniel and Craig Johnson
2004 Livelihood Options? The Political Economy of Access, Opportunity and Diversification. London: Overseas Development Institute.

Sullivan, Denis J.
1994 Private Voluntary Organizations in Egypt. Gainesville: University Press of Florida.

UNDP
2003 Human Development Report 2003, 2005: UNDP.

Wittman, Hannah and Charles Geisler
2005 Negotiating Locality: Decentralization and Communal Forest Management in the Guatemalan Highlands. Human Organization 64(1):62-74.

World Bank, The
2001 Social Capital for Development: The World Bank.
—
2004 Arab Republic of Egypt: A Poverty Reduction Strategy for Egypt: The World Bank.

Year of Microcredit, The
2005 International Year of Microcredit 2004, 2005: Year of Microcredit.

APPENDICES

Appendix A: Survey and Community Profile

About the community

1. Name of community
2. Number of people in community
3. Percent of Muslims
   Percent of Christians
4. Rural or urban community
5. Services available in community
   - Health Centers and Clinics
   - Primary Schools
   - Secondary Schools
6. Please describe the unique situations and conditions of the community:

About the CDO

1. What year did the CDO begin working with CEOSS?
2. Is it registered with the government? If so, when?
3. What is the area of specialty for the CDO?
4. How long has the CDO been administering loans in the community?

About the Loan program

1. Was the loan program part of capacity building for the CDO?
2. What are the primary objectives of the loan program?
   - Housing improvements
   - Barn/Stable improvements
   - Consumption
   - Income Generation
   - Other ______________________________________

About the Loan Program Applicants

1. Number of people who have applied for a loan and were accepted
   Number of females _______________
   Number of males _________________
2. Number of people who have been granted a loan and accepted the money
   Number of females _______________
   Number of males _________________

What are the lowest and highest amounts given?
What is the average loan amount?

3. Number of people who have been granted a loan and not accepted the money
   Number of females _______________
   Number of males _________________
4. Number of people who have applied for a loan and were turned down
   Number of females _______________
   Number of males _________________

Appendix B: Descriptions of Housing Loan Communities

Community A

Community A is a small, agricultural community of 9,000 people on the banks of the Nile, 75% of whom are Muslim and 25% are Christian. It is home to a missionary family of U.S. citizens from the Mennonite Church, which is a rare occurrence in these communities that are so highly watched by the government. Community A is approximately a 25 minute drive from an urban center. EDO has been working with the CDO in this community in development and capacity-building since 1992. Homes ‘R Us began funding housing loans through the CDO in 2002. Since then, 325 homes have been built or renovated and E£816,500 ($136,083; at the time of research, $1.00 = E£6.0) have gone out to the community in revolving housing loans. The CDO reported that E£2,500 is the typical loan size, which is consistent with my interviewees.

Community B

In addition to the proximity of highly fertile agricultural fields, Community B is a community of 25,000 people that is approximately a 30 minute drive from the nearest urban center. 70% are Christian and 30% are Muslim; a Christian majority is not unusual in rural areas of Southern Egypt. EDO has been working with the CDO since 1980 in community development program implementation and capacity-building. Activities in the community that are the work of the CDO include health and literacy classes, home economics classes, and income-generating trainings and education. Homes ‘R Us started in this community in 2000. In the history of Homes ‘R Us’s financial support to Community B, at the time of the interviews 537 homes had been built or improved with E£2,500,000 ($416,666). Community B constitutes nearly 11% of all homes that have been built in Egypt by Homes ‘R Us, and 25% of those built in 2002-2004. The CDO reported average loan sizes are E£3,500. However, all of my interviewees had taken out the full amount possible, E£5,000. Based upon a comparison and consultation with a Homes ‘R Us staff person who also completed a series of case studies in this community and had figures similar to my own, my figures are typical of the homes in the community.

Community C

Community C is one of the communities that Homes ‘R Us works in that is not also engaged in EDO CDO capacity-building. Rather, Homes ‘R Us employs a staff person, who works out of a local development organization’s office, to oversee the implementation of the loan program and collection of repayment. Community C is a very poor area characterized by a lack of irrigation and highly infertile, sandy agricultural fields. There are approximately 100,000 people spread out over a large area. 60% are Muslim and 40% are Christian. The community is a one-hour drive from the nearest urban center. Homes ‘R Us began working in the community in 1999, and has provided loans that have been used in the building of 790 homes. Although the Homes ‘R Us staff person informed me that the typical amount loaned is E£3,000, all my respondents had loan amounts of roughly one-half that size. One possible explanation is that in my collection of case studies by Homes ‘R Us, I was required to complete seven interviews that day, plus an interview with the CDO. With the large community spread out, the weather quite hot, and the community streets barren and sandy, the Homes ‘R Us staff person insisted that we remain close to her office in order to take breaks as needed. She assured me that the loan recipients were still typical program participants, despite this discrepancy. Without more interviews, however, it is difficult to know for sure. The CDO is scheduled to begin environmental programs and literacy programs with EDO’s assistance later in 2005.

Community D

Community D is another community in which a Homes ‘R Us staff person implements the housing loan program and utilizes office space in a local CDO. Community D is a small community of 12,000 people, 90% of whom are Christian. Agriculture is also the primary source of income, complemented by small crafts. There is an onion processing plant that dries sweet onions for export, which is the largest employer in the area. It is approximately a 20 minute drive from a small urban center. Homes ‘R Us began working in Community D in 2001. Since its inception in this community, Homes ‘R Us has built or renovated 420 homes. E£752,000 ($125,333) have gone out in the form of loans, and because of the 10% “adjustment for inflation” that Homes ‘R Us charges, E£1,122,000 ($187,000) have come back in and are being relent into the community. Homes ‘R Us has plans to donate an undisclosed amount of the money gained from the 10% additions to loan principals for the renovations of two homes in the community where the residents are unable to repay and in need of safe homes. The Homes ‘R Us staff person reported that the average loan size is E£4,000, and the most common loans fall into the E£3,000 - E£5,000 range, which is reflected by my interviewees.