WOMEN, POWER AND POSITION WITHIN THE HOUSEHOLD ECONOMY:
AN ETHNOGRAPHY OF MICROCREDIT IN POOR CAIRO
NEIGHBORHOODS

A Thesis Submitted to
Sociology, Anthropology, Psychology, Egyptology Department
in partial fulfillment of the requirements for
the degree of Masters of Arts in Sociology / Anthropology

by
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BA in Literature and Education 1985
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(under the supervision of Dr. Kevin Dwyer)

January 2003
The American University in Cairo

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Dedication

To my wife Sonia

and my children Joseph and Amir,

who gave me their full support and understanding

throughout the three years of my masters program.
Abstract

The American University in Cairo


Submitted by: Mamdouh Kamal Hakim

Advisor: Dr. Kevin Dwyer

This thesis examines the development discourses of the household-economy and related issues of power relations, and women’s position by focusing on microcredit projects implemented by NGOs targeting women in poor Cairo neighborhoods. In doing so, the researcher reviews microcredit roots and history within development discourses against situated knowledge and value systems about women in poor Cairo neighborhoods. The research’s analytical approach of deconstructing development provides the basic framework for the analysis of the language of development; for challenging microcredit assumptions and hypotheses embodied in its discourses; and for considering situated knowledge and practices.

The ethnographic work of this thesis examines two microcredit projects targeting women in poor Cairo neighborhoods. The first project is being implemented in Dar El-Salam neighborhood by Save the Children-USA (SC). The other project is being implemented by The Integrated Care Society (ICS) in Ain Helwan neighborhood.
The major findings of this work conclude that the examined development interventions of microcredit projects are mostly based on econocentric assumptions and are formulated in a way that ignores the local knowledge, values and socioeconomic characteristics of its clients. Despite the microcredit promises of empowerment and improved living conditions, clients are found vulnerable due to their economic dependence on credit, the stress of the harsh credit repayment conditions, and the challenge made by credit policies and procedures to the locally established socio-cultural values.
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<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ESDF</td>
<td>the Egyptian Swiss Development Fund</td>
</tr>
<tr>
<td>GGLS</td>
<td>Group Guaranteed Lending and Savings</td>
</tr>
<tr>
<td>ICS</td>
<td>Integrated Care Society</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>MFI</td>
<td>Micro Finance Institute</td>
</tr>
<tr>
<td>NCCM</td>
<td>National Council for Childhood and Motherhood</td>
</tr>
<tr>
<td>NGO</td>
<td>Non Governmental Organization</td>
</tr>
<tr>
<td>SC</td>
<td>Save the Children</td>
</tr>
<tr>
<td>UNICEF</td>
<td>The United Nations Children’s Fund</td>
</tr>
<tr>
<td>WHIA</td>
<td>Women Health Improvement Association</td>
</tr>
<tr>
<td>WID</td>
<td>Women in Development</td>
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## Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tr>
<td>Abo</td>
<td>father</td>
</tr>
<tr>
<td>ahl el-kar</td>
<td>informal non-skilled laborers</td>
</tr>
<tr>
<td>ahl el-sanaa</td>
<td>crafts-men</td>
</tr>
<tr>
<td>al-zelzal</td>
<td>the earthquake</td>
</tr>
<tr>
<td>asha</td>
<td>dinner</td>
</tr>
<tr>
<td>bekalah</td>
<td>a shop for selling simple home needs</td>
</tr>
<tr>
<td>bint al-balad</td>
<td>literally “daughter of the nation”, the term connotes a women with desired characteristics of integrity, reliability and dedication while not belonging to the upper class</td>
</tr>
<tr>
<td>bint el-suq</td>
<td>“daughter of the market”, a slogan used to connote a woman clever in buying and selling in the market</td>
</tr>
<tr>
<td>dallala</td>
<td>a woman who sells items such as cloths, sheets, home equipments to neighbors and gets the price in weekly or monthly installments</td>
</tr>
<tr>
<td>dokan</td>
<td>small shop</td>
</tr>
<tr>
<td>el mewazafeen</td>
<td>government employees</td>
</tr>
<tr>
<td>fallaha</td>
<td>a woman lives or used to live in a rural area</td>
</tr>
<tr>
<td>gamiyya</td>
<td>informal saving association</td>
</tr>
<tr>
<td>harah</td>
<td>narrow lane</td>
</tr>
<tr>
<td>koshk</td>
<td>a small wooden shop</td>
</tr>
<tr>
<td>koshary</td>
<td>a popular Egyptian dish of rice, lintel and onion</td>
</tr>
<tr>
<td>masaken</td>
<td>housing</td>
</tr>
<tr>
<td>men-gher</td>
<td>without</td>
</tr>
<tr>
<td>saidee’</td>
<td>from Upper Egypt</td>
</tr>
<tr>
<td>sha’bi</td>
<td>popular</td>
</tr>
<tr>
<td>Umm</td>
<td>mother</td>
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Chapter 1: Introduction

The process of capitalistic globalization is transforming the world rapidly, and the pace of change appears to be increasing exponentially. I see microcredit as one of many processes and interventions encompassed by the term "globalization" within mainstream development. Many of these complex processes and interventions are poorly understood by social scientists and NGOs leaders. On the other hand, econocentric development models are seen more and more as disguised programs of neocolonial expansion, designed to provide a front for other economic purposes, to keep civil unrest below explosive levels, and to absorb more of the world into exploitable labor and consumer goods markets.

In this thesis I will argue that the development interventions of microcredit projects are mostly based on econocentric assumptions and are formulated in a way that ignores the local knowledge, values and socioeconomic characteristics of its clients. These foundations upon which microcredit programs are established turn them into little more than banking systems that are dedicated in the first place to achieving their own institutional financial self-sufficiency. Despite the microcredit promises of empowerment and improved living conditions, clients, I argue, become vulnerable due to their economic dependence on credit, the stress of the harsh credit repayment conditions, and the challenge made by credit policies and procedures to the locally established socio-cultural values.
This research is a response to the expressed need for scholarship that demonstrates that alternatives to globalism within development are based on understanding the local context. It provides an analysis of the language of development as a way of understanding what development is and does and why it seems so difficult to think beyond it. It challenges the dominant paradigms of development by stepping outside the dominant development discourse, and by working within the discourse to challenge and unpack its assumptions. It is a demonstration of the possibilities of a consideration of local knowledge and practices in a project of resistance that combines both theory and culture in a joint project. Hence, it becomes an effort to deconstruct hegemonic models of common sense in the spirit of an epistemology that respects agency and practice.

Microcredit activities are becoming the dominant development paradigms in Egypt for poverty alleviation. Except for projects’ evaluations requested and sponsored by donors and NGOs, no research efforts have yet been done by sociologists and anthropologists towards an in-depth analysis of this localized global economic development phenomenon of microcredit. This research opens the door to understanding microcredit within the Egyptian context.

**Hypothesis**

Throughout this research I will focus on microcredit projects implemented by NGOs targeting women in poor Cairo neighborhoods and conceived as a major mechanism for poverty alleviation. My objective is to examine donor and NGO development discourses of household-economy and related issues of power relations, and women’s position. Within this discursive analytical framework; I want to understand the
potential impact on women’s status of microcredit projects implemented in poor neighborhoods in Greater Cairo and how these economic activities contribute to the positioning of its female clients.

I consider this research as a challenge to the development discourses of microcredit on two topics that I think are the most crucial. First: microcredit projects, based on considering people as rational agents dedicated only to maximizing their personal wealth, are designed on false assumptions that ignore people’s socio-cultural and political context. Second: microcredit projects, through their adopted approaches, methodologies and mechanisms are not the key for poverty alleviation and empowerment.

I argue that women clients of microcredit projects are being instrumentalized on one side by implementing organizations to fulfill their organizational pragmatic objectives and on the other side by men / husbands to become an additional source of household income. Credit methods applied by implementing NGOs and staff performance reflect NGOs’ pragmatic discourse towards reaching the programs’ financial self sufficiency. I claim that adopted credit methodologies and embodied discourses are based on false assumptions regarding aspects of women’s social life and reflect an essentialized positioning of female clients within the western “Third World Women” development discourse regarding issues of power relations and household economy. I argue that approaches adopted by NGOs’ microcredit programs targeting women place women’s identities in a paradox. This paradoxical situation occurs on one side by convincing women that they are playing a new household financial role that is different from their
traditional role; however, on the other side, it is being practiced in a way that enforces traditional female roles.

I claim that microcredit projects are mostly based on econocentric assumptions. Local knowledge, values and characteristics of differentiated household economic system, socioeconomic solidarity networks, intra-household power relations, nonhierarchical gender roles and non-dichotomized public/private social spheres are mostly not considered and even ignored in designing and implementing microcredit schemes. Women clients, I claim, find themselves a subject of struggle between econocentric development discourses on one side and local knowledge and values on the other side. However, this woman would be willing to die in order to maintain her image as the superior mother and wife, leading her to accept more sacrifices under pressure of harsh repayment schedules and delay charges.

**Theoretical Framework**

In response to a difficult economic situation in the early nineties due to falling oil prices and the Gulf War, Egypt embarked on a broad economic adjustment program encouraged by the World Bank and the IMF. The World Bank’s draft country economic memorandum (Report No. 14048-EGT) noted that between 20%-30% of Egyptians lived in poverty and the country’s main challenges included: (a) creating jobs for a rapidly growing work-force; (b) integrating Egypt into the global economy; (c) reducing poverty; and (d) protecting the environment while increasing the efficiency of use of Egypt’s limited natural resources.
Parallel to the economic adjustment program, projects targeting poverty alleviation became quite widespread during the last few years within the donor and NGO community in Egypt. Millions of dollars and Egyptian pounds are being invested in economic oriented development projects with different themes such as micro-credit, income generation, employment generation, micro and small enterprise development, and lending and saving schemes. Donors and NGOs claim these to be the most effective strategies in dealing with the problem of poverty. Hundreds of field workers, officers, coordinators, managers and technicians are becoming involved with such projects either as a standing alone activity or as a part of a multi-sectoral project. Thousands of families around Egypt are already involved or going to be in such activities. For many of the development practitioners these kinds of financial activities have become the solution for poverty.

A sample objective of such projects initiated by NGOs in different locations in Egypt is for example “empowering low-income families by providing them with access to credit facilities necessary to establish home-based income-generating activities”. “Increase household income from x to y” is another example. A third quite interesting objective is “achieving sustainable human development through socio-economic development, health improvement, combating illiteracy, and physical upgrading.”

Development discourses of microcredit are rooted in the history and theoretical origins of mainstream development. Understanding these origins requires a careful analysis of the history and evolution of ‘development discourses’ through a critical look at development as a knowledge system (Howard, 1994: 4). An integral part of this historical process is the emergence of NGOs’ role as a substitution for the role of
the state in dealing with poverty and as an alternative mechanism for implementing development programs. This discursive analysis of development as a knowledge system has to be mirrored against ethnographic understanding of local knowledge, structures and value systems. This situated analysis is necessary, if we are to avoid an essentializing analysis or over-generalization. Aspects of power relations and household economy are major socioeconomic aspects that were and still are analyzed in quite dichotomized approaches within development discourses. In Chapter Two, through a bibliographic review, I examine microcredit roots and history within development discourses against situated knowledge and value systems about women in poor Cairo neighborhoods.

The analytical approach of deconstructing development that I review in Chapter Three provides the framework I need for the specific methodology for this research. This framework helps in the analysis of the language of development and in challenging assumptions embodied in its discourses. This framework is also instrumental for considering local knowledge and practices in an anthropological effort of combining both theory and culture in a joint analytical approach.

In Chapter Four I draw a sketch of the socioeconomic context within which women of the research sites live. I think that the ethnography of the women’s immediate households and the surrounding socioeconomic characteristics and environment is necessary as a basis and a background to situate the discursive analysis in the following chapters within a contextual framework.
In the three chapters Five, Six and Seven, I do a discourse analysis of microcredit at the intersection of culture and power. In Chapter Five, I discuss the background and main hypotheses of the two microcredit schemes I studied in this research. As for the aspect of culture, I discuss in Chapter Six household economy as cultural practices and the dialectical relationship that evolves from the introduction of microcredit into this particular socioeconomic context. As for the aspect of power, I discuss in Chapter Seven how microcredit as a new type of power starts to challenge the existing communal balance of power relations. In doing this discourse analysis I pay attention to the assumptions, policies, procedures, mechanisms, and success indicators being employed by NGOs implementing microcredit delivery and management.
Chapter 2: Bibliographic Review on Women in Poor Cairo Neighborhoods and Microcredit Discourses

Women in Poor Cairo Neighborhoods

Many studies have been conducted about women living in lower class Cairo neighborhoods. These studies address a wide range of aspects of women’s socioeconomic life. The part of literature I went through for the purpose of this research is the literature focusing on woman’s self-image, women’s participation in the labor force and familial business and in informal socioeconomic networks, and household budgeting and financial arrangements.

Women’s Self Image and Socio-economic Context

Sawsan El-Messiri (1978) in writing about bint al-balad’s self-image, presented the main characteristics of women living in lower class Cairo neighborhoods. As opposing to the fallaha (originally comes from rural areas), bint al-balad is clever with a rapid intuitive grasp of any situation. A popular description of bint al-balad is someone who “is capable of playing with an egg and a stone at the same time”. Bint al-balad sees herself as alert and inquiring-attributes emanating from a style of life that brings her into contact with a wide variety of people and situations. She is experienced, able to interact with anyone with quickness and confidence. As opposed to upper class woman, bint al-balad would sacrifice all for her husband’s and family’s welfare and sees herself as a superior wife and mother. She sees herself as

1 Bint al-balad (daughter of the nation) and Ibn al-balad (son of the nation) are terms being widely used in Egyptian daily language as a connotation of men and women with desired characteristics of integrity, reliability and dedication while mostly not belonging to the upper class.
courageous and outspoken in words and actions. Intimate and personal ties are highly valued by the bint al-balad and her sense of identity is more strongly linked to her quarter than to members of the nuclear or extended family. Bint al-balad considers herself equal in knowledge to the educated woman, since the “school of life” exceeds any formal training, especially regarding certain values and standards of behavior. However, she aspires to an education and regards it as an improvement on instinctive knowledge.

Bint al-balad’s concept of her husband reflects her concept of herself as a woman and wife. The husband should control his home. For bint al-balad, control of the home means that the husband knows everything within it and bears the responsibility to provide for the home needs. If the husband neglects his responsibilities and the wife takes over, he loses her respect. The husband is also expected to control his wife. To control her means being aware of all her activities, knowing when she goes out and come back, where she goes and whom she meets. He has to be tough, otherwise his wife will have no regard for him.

Diane Singerman (1994) in her search for power among women and politics in ‘sha’bi’ (popular) quarters of Cairo draws our attention to the common world view of the rights and responsibilities of individuals within the household and of the proper boundaries of family authority, morality, and power within the larger community. People constantly articulate and defend the importance of family within the community and the nation. Families seek to maintain the integrity of the household unit despite personal differences or external threats. In times of crises, when the integrity of the household or the family is threatened, members of the extended
family, trusted neighbors, or colleagues are asked to arbitrate disputes. Although conflicts within families are very common, the accepted protocols, norms and values of what Singerman called “familial ethos” are used for resolution. Women are more involved than men in shaping and enforcing the ideological norms of the community.

Data of Homa Hoodfar’s (1988) research on household budgeting and financial management in a lower-income Cairo neighborhood regarding the effect of modernization and social change on the marital relationship revealed that changes and developments in urban life and the social system have made women more dependant on men. This modern way of life together with the modern value system has made men less dependant on their wives. Since they spend very little time at home or in the neighborhood, they see little reason to spend much of their income at home. Also, since men have little respect for the neighborhood, women cannot organize community pressure to make their husbands conform and pay more money.

**Women’s Participation in Labor and Familial Business**

El-Messiri (1978) wrote about bint al-balad and how she conceives herself as a working woman. She is bint el-suq (daughter of the market), buying and selling goods and exposed to all kinds of people and experiences and observing many kinds of human problems. Such market work requires foresight and intelligence; it is said, “one bint balad equals twenty men in trading”. Thus bint el suq denotes cleverness and a certain worldly poise or ease in any economic or social situation. The marketplace provides her contacts with a wide range of behavior and social problems that enrich her experience in comparison to the woman confined at home or women working in an office.
Bint al-balad expects men to prefer a housewife to a working woman. It is expected that her man will demand her to leave her job to assert his identity as a man who does not need the financial help of his wife. Husbands who insist that their wives work are looked down upon. Bint al-balad conceives of herself mainly as a housewife who has certain duties to fulfill towards her home, husband, and children. Her main duty towards her husband is to make life comfortable for him, that is, prepare his bath, dress him, cook for him, clean and take care of the home, and please him. These duties are expected of her regardless of whether she is only a housewife or a working woman as well. She also sees herself as an efficient housekeeper, capable of living on the smallest income, which contributes to establish her husband’s career. It is often said about men who have accumulated wealth that it was due to the cleverness of their wives. This clever wife is the one who tolerates any standard of living without complaining, for the sake of her husband, her children, and her home. Therefore, whether she is a working woman or housewife, her main concern is her family; when her husband can afford to provide her with the needs of life, she doesn’t work. Conditions are changing and increasingly the women of these quarters will have little choice: poverty dictates that they must work, as well as to continue to look after their families.

Nawal Al-Messiri Nadim (1992) in her article “Family Relationships in a ‘Harah’ in Cairo” sees residents of the harah belonging to three occupational categories: first, el-mewazafeen (government workers) with fixed low monthly salary and a fixed pension when retired; second, ahl el-sanaa (craftsmen) who have acquired individual skills and are engaged in craft work such as carpentry, metal work, mechanics, and leather
work, with their income assured as long as they are capable to practice their skill; third, ahl el-kar who work in non-skilled occupations such as food selling, in coffee shops and other domestic services. When a woman agrees to marry a man of ahl-el-kar, she bears in mind that she will be helping her future husband in his work. The wife’s work with the husband establishes a different relationship between them. She is knowledgeable of the details of the expenses involved in the work, where to get materials and the terminology of the job. The complementary relationship in the economic domain between the wives of ahl-el-kar and their husbands does not exist among ahl-el-sanaa (craftsmen) because of the nature of the men’s work away from home. In times of need the wife will go to work. In this case the wife’s work is not meant to be a profession or a career but a temporary task which is given up as soon as circumstances improve.

Hoodfar (1988) suggests that it is not the economic or non-economic participation of women per se that guarantees their higher status and position. What appears to be important is the balance of their total recognized and valued contribution to their immediate social group (in this case the family unit) and the wider society. Hoodfar argues that previous research failed to consider the context and conditions in which women’s economic participation takes place. She thinks that women’s economic participation should be examined in terms of factors that may affect the balance of power between husband and wife. These factors include cultural beliefs and practices as well as the way in which changes and developments are taking place.

In discussing women within the political economy of the sha’bi communities, Singerman (1994) see the family as the most important institution: it meets social,
political, and affective needs, and provides employment and wealth for family members. Many businesses in the community she studied remain in family hands and both men and women are employed by these enterprises. Family enterprises are designed to provide employment for family members, to increase and maintain control over the family’s financial resources and to enhance the economic and political prestige and power of a family in its community. Women are owners, partners, and workers in family enterprises. Although the household cannot technically be labeled a family enterprise, women produce many goods and services within the household that otherwise would have to be purchased at market value. Although these activities exist outside of the production boundary that is generally used to define work, these contributions allow other family members to work for cash in one, two or even three jobs. Because of the unpaid domestic labor of women, men are able to work as paid labor. However, the double burden of housework and paid employment places great pressures on women.

**Women’s Participation in Informal Networks**

Singerman (1994) in her research looks at ‘power’ from another angle. She sees that the everyday activities of women, although undertaken in the household and community, are not simply concerned with “domestic affairs”; rather, they are involved in wider matters of power. Women among the lower and middle classes participate in the labor force, informal networks, the informal economy and familial enterprises. These arenas are not merely private in nature and are not unconcerned with the distribution of public resources. Women’s activities shape the character of communal experience at both the local level and in the large sphere of the Egyptian
polity and economy. Although informal networks lack formal recognition, they receive the sanction of the community and are therefore legitimate.

According to Singerman (1994), informal networks are intertwined with the public institutions. State policies, distribution networks, and bureaucratic regulations affect the daily lives of most Egyptians, and they strive to understand and manipulate these policies. Networks have proliferated at all levels of the bureaucracy; these networks begin in the household and community, and women routinely participate in them. The complexity of these relationships suggests that the distinction between “private affairs” and “public life” needs to be rethought. Singerman (1994) quotes Rassam’s argument (1983) that:

Ethnographic studies of Middle Eastern societies usually acknowledge the existence of two separate and sharply differentiated social worlds. Implicit in this dichotomy of public/male, private/female is the assumption that power, viewed as belonging to the public-political domain, is a male monopoly and that women, confined to the domestic sphere, are powerless…. To begin a study on Arab women by accepting the public/private assumption as a basic premise is ……… to run the risk of distorting the facts.2

Rassam (1983) also suggests that “the family/household is not merely ‘women’s territory’: in the Middle East it is the basic socioeconomic unit and the area where the public/private dichotomy breaks down.” Singerman (1994) continues that the household is not the only arena where this dichotomy breaks down, however. Informal networks turn this dichotomy upside down as well. In discussing the Egyptian informal savings and credit system, Singerman sees women as the unrecognized bankers of Egypt. Typically, the leaders of informal savings associations, or gamiyya, are trusted women in the community, unless the association

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is based on male occupational networks. Women are so involved because they spend far more time than men encouraging and organizing networks and keeping track of the reputations and creditworthiness of their relatives and neighbors.

**Household Economy**

According to Nadim (1992) regarding intra-family economic relations, each sex has traditional tasks to perform and each is indispensable to the other. Men are expected to be breadwinners while women are housewives. The wife is usually responsible for organizing and deciding how to spend on daily family needs. The husband usually provides his wife a daily or weekly allowance with which she must take care of the needs of the family. The basic economic responsibility of the husband is to keep his family well fed and dressed by giving his wife enough money to cover these necessities. Accordingly the wife should spend the allowance in a way which will fulfill her husband’s economic responsibilities. Once these responsibilities are met, the husband is entitled to keep the rest of his income for himself to use as he pleases. He can spend it on his family if he so desires (on food and clothing) or he can save his extra income to spend on his own personal use and entertainment in the coffee-shop. Since there are limitations to how much can be spent on food and cloths in the harah, an increase in the income of the man increases the percentage he keeps for his personal use. A wife usually knows her husband’s income; either because he tells her or because she can approximate it. The husband’s income is taken into consideration when it comes to the allowance given to the wife for food and clothing. Members of the harah including the wife feel that since he is the breadwinner and since he is the person who ‘sweats’ to earn money, he should be entitled to a larger portion of this income. The wife is aware of what the husband could do with the extra money he
keeps for himself (the worst of which would be marrying a second wife). She, therefore, constantly maneuvers to acquire some of the extra money that he keeps. The husband always feels that his wife and children are trying to squeeze him for any sum of money they can “lay their hands on.”

Nadim (1992) sees a close association existing between money and power in the husband-wife relationship, a point of view that I am challenging in the course of this research. Nadim sees that the partner who has access to the financial resources of the family has more say in terms of decision making and is more dominant. When the male breadwinner does not exist, too ill to work or unemployed and his role is replaced by the wife, she assumes a dominant role over all members of the household including males. Wives of ahl-el-kar, because they are needed to work with their families, do not have a chance to engage in work activities that bring cash into their hands. Because of this, it is not always possible for them to acquire the dominant role that can be attained by other women who become economically self-sufficient. However, their role in supporting the economy of the family gives them some power.

The results of Hoodfar’s (1988) study regarding patterns of household financial arrangements, suggest that the male’s economic activity had the greatest influence on the way a household organized its financial matters. In most cases the frequency of housekeeping money was affected primarily by the husband’s income pattern. The extent of the women’s involvement in expenditure and disposal of family income was profoundly affected by the amount of time her husband spent at the workplace, the distance between home and workplace, and the opportunity for shopping available at the workplace. In households in which women had independent income, they tried to
save for household durable goods and schooling expenses. These were given priority immediately after the basic needs of food and clothes. Women did not and often could not distinguish between their personal needs and those of the family.

Hoodfar (1988) has concluded that since men and women are socialized differently, like in most societies, they tend to have divergent priorities in expenditure and disposal of cash. Hence, the control of cash flow and disposal has been recognized as the element that most affects both the welfare of household members and the power relations between husband and wives. However, she didn’t find any particular relationship between the stage in the domestic cycle, the age of the couple, or the household’s aggregate income and the degree of women’s power and financial control. By contrast, the nature of the husband’s occupation and the traditions of the couple’s regional culture were strongly related to patterns of household financial management. Cultural traditions were not strictly observed. Role changes in response to a family’s crisis, such as a male migration, and changes in the economic activities of both husbands and wives, are common. If a woman gained power and responsibility in a crisis situation, it was possible that she would retain them wholly or partially after the crisis was over. The accepted norm in Egypt is that men are financially responsible for the family. Women have become more dependant on their husbands, who are the major cash earners within a changed social system that has failed to provide corresponding cash-earning opportunities for women of the lower social strata. However in 1994, Singerman reached a conclusion that the growing contribution of women to the economic life of the community solves certain problems and complicates others. It would be too simplistic to argue that because women work, they are more independent, autonomous or empowered. More data is necessary. It can
be argued, however, that the role of women in the political economy of urban Egypt has been underreported and underestimated and deserves far more serious, systemic analysis.

These women living in lower class Cairo neighborhoods were and still are targeted by different development efforts either implemented by the government or by NGOs. These efforts have a wide range of objectives promising women in these areas poverty alleviation, socio-economic development, income generation, employment, health improvement, literacy, etc. However previous research, despite its undeniable efforts to address different aspects of these women’s life, did not yet provide a genuine analysis of the development programs targeting women in poor Cairo neighborhoods.

**Development Discourses of Microcredit**

Sachs's (2000) “archaeology of the development idea” begins with a discussion of the social construction of the underdeveloped world. He begins by examining U.S. President Harry Truman's inaugural address on January 20, 1949, in which for the first time the diversity of nations outside the circle of the industrial powers is reduced to the simple notion of “underdeveloped areas.” Sachs points out that it is clear from the text of Truman's speech before the U.S. Congress that from the very beginning "development meant nothing more than projecting the American model of society onto the rest of the world" for, in Truman's words, "the United States is pre-eminent among nations in the development of industrial and scientific techniques" (Howard, 1994: 4).
**Origins of Microcredit within Mainstream Development**

Sachs (2000) in this archeological effort sees development visualizes all peoples on the globe moving along one single road towards ‘development’ led by those located at the forefront of social evolution line indicating a common destination. The imagined time is linear and global, privileging the future over the present, and the present over the past only allowing for progressing or regressing. Multiplicity of cultures was interpreted by the European Enlightenment as a succession of stages in time in a never ending historical maturation process of improvement. However, gradually development started to adopt a more active meaning; ‘it turned into a project of planners and engineers who set out to systematically remodel societies to accelerate maturation – a project to be completed within several decades, if not years’ (Sachs, 2000:4-5).

Within the maturation project, economic performance indicators became the all-encompassing measure of a country’s excellence. GNP/capita provided a ready-made indicator for assessing the position of countries moving along the road of development. Informed by an economic worldview and aided by a statistical toolkit, for decades development was defined as growth in output and income per head. That resolved the confusing diversity of nations across the globe into a clear ranking order shaping the orientation of both the powerful and the less powerful (Sachs, 2000:5-6).

Staying with that image of all nations moving along one single road towards ‘development’, Sachs identifies two basic objectives of the development policy: ‘first, bringing countries onto the racetrack of the world market; and secondly, turning them into competent runners on a path of sustained growth’. Thus, entire peoples found
themselves locked into being deficient, defined not according to what they are and want to be, but according to what they lack and are expected to become. When personal and/or national low income is the problem, raising incomes is the key solution. Any desire for change in Southern countries was thus reinterpreted as demand for economic development, casting aside other possible interpretations: for example, that oppression or dependency might be the problem which would call for liberation or autonomy as a solution. The development idea engendered a monumental historical promise, at the end of the day; all societies would be capable of bridging the gap to the rich and sharing in the fruits of industrial civilization (Sachs, 2000:6-7).

In the 1970’s development attention shifted to the poor, exposing the failure of growth to benefit the large majority of people.

“Growth is not equitably reaching the poor...Rapid growth has been accompanied by greater maldistribution of income in many developing countries...We should strive to eradicate absolute poverty by the end of the century. That means in practice the elimination of malnutrition and illiteracy, the reduction of infant mortality and the raising of life expectancy standards to those of the developed nations.” (McNamara, President of the World Bank 1973 quoted in Sachs, 2000: 9)

Consequently, the scope of attention expanded to include the populations left out by growth, and even the victims of growth, and all became targets for tailored interventions. Development was thus redefined as something transcending growth, as economic growth plus redistribution, plus participation, or plus human development. Consequently, areas like employment, equality, poverty eradication, basic needs, informal sector, and women were established as fields of development action, each of them bringing a new set of tools and a new tribe of experts. With these extensions, a conceptual inflation set in. ‘Soon, development meant everything and nothing, the concept ceased to indicate anything in particular, it just connoted good intentions. It
had no content, but retained a function: it justified any action in the name of some higher evolutionary goal’ (2000:9). Newly redefined development as enlarging people’s choices and capabilities worked as a formula which provided the foundation for the Human Development concept with its emphasis on literacy, health and participation. That sounded like placing development at the service of people’s well-being rather than people at the service of development. However with this view, the shadow of the development creed was inescapable. ‘The Human Development Index became, much like the GNP, a deficit index; it ranks countries hierarchically, assuming that there is only one best way of social evolution’ (Sachs, 2000:10).

Sachs (2000) finds that against the background of globalization i.e. the global economical, political and cultural changes, development loses both its object and its agent. Attention no longer focuses on developing national economies, but on inserting certain players successfully into the world market or on securing livelihoods for local communities. Likewise, the agents of development change. Several new agents, moving largely irrespective of borders, now diminish the developmental role of the state. In this vein, private foreign investment has overtaken public assistance, television imagery has superseded national narratives, and NGOs have shouldered many development projects. With the state moving out of focus, the development concept looks strangely out of place in the era of globalization (Sachs, 2000:20).

Among other things, globalization tends to undercut social solidarity, both nationally and internationally. As societies are less and less contained within nation states, the reciprocal links between social classes which constitute a polity become weakened and the social contract begins to unravel. As the elites aspire to catch up with the
vanguards of the international consumer class, their old-style sense of responsibility for the disadvantaged sections of their own society withers away, because they themselves, instead of feeling superior with respect to their countrymen, feel now to be inferior with respect to their global reference groups. Committed to promoting the insertion of their industries and middle classes into global markets, governments consider the non-competitive social majority a liability rather than a boon. As a result, in many societies a split opens up between the globally oriented middle class on the one side and - in terms of the world market - superfluous populations on the other. While globalization partially removes barriers between nations, it thus erects new barriers within nations. Equally, the social contract between rich and poor nations did not survive the onslaught of transnational competition. Consequently, the shifting transnational space encompasses not entire countries, but only larger or smaller sections of a country. The dividing line in the world of globalization separates the global middle class “made up of the majority in the North and smaller or larger elites in the South” on the one side, and the excluded social majority on the other (Sachs, 2000:21-22).

The history of “Development” shows how the entire world became locked in an inescapable frame of thinking and doing things. Haider (1996) observed that "Development has been found to be a user-friendly term with virtually as many potential meanings as potential users. It means whatever one wants or needs it to mean" (Haider,1996:4). This is partially true, but the nature of discourse is not such that the subaltern is in substantial control of its use. On the contrary, mostly the discourse controls the subaltern (Radachowsky, 2000a). So what is meant by a discourse?
Foucault's archaeological / genealogical treatment of elements of discourse is instructive in a general sense for clearly understanding the degree to which power and knowledge are intertwined and produce a shared understanding which we perceive as reality. It reveals the extent to which our lived realities, choices, decisions and actions are determined by the discourse we inhabit (Radachowsky, 2000b). Foucault often illustrated the encompassing nature of discourse, the way in which discourse largely determines patterns of human thought rather than vice versa. To those whose thought is intertwined fully within a discourse, the elements of that discourse seem completely natural, and it seems that there is no other way of thinking about the topics that fall within the domain of the discourse. Various terms and concepts of a discourse become 'real' while previously potent terms and concepts disintegrate and become outdated (Radachowsky, 2000a). Arturo Escobar in discussing the relevance of Foucault's work to the Third World, thinks that Foucault's interest lies in the style of practices by which men govern themselves and others by establishing dominating discourses which define the standards for the distinction between true and false (Escobar, 1984:378-9).

The currently vogue term 'discourse of development' refers to the latest mode of the Western world's thinking and speaking about the developing world. Because this mode of discourse is so pervasive, it is hard to define it without using its own terms. Even the terms "the western world" and "the developing world" are part of this discourse (Radachowsky, 2000a). However it could be said that it's the new types of power and knowledge being deployed in the Third World that contribute to insuring the conformity of its people to a certain type of economic and cultural behavior.
Because of the dominant nature of discourse, the reach of the discourse of development extends beyond the walls of capitalistic development institutions such as the IMF and the World Bank. The discourse creates and propagates categories and thoughtways that radically shape the thinking of potential critics. Critics have been mocked that they need to learn more about ‘development’ that is agreed upon by the public schooled in the discourse of development (Radachowsky, 2000a).

Sage Radachowsky (2000a, 2000b) identifies several characteristics and basic terms of the discourse of development as propagated by development officers of the World Bank and International Monetary Fund (IMF):

**A dichotomized view of history and the world** -- In the discourse of development, it is possible to speak of 'the developed world' as one entity and 'the developing world' or ‘Third World’ as another entity. The gap between the two entities politically, economically, socially, scientifically and academically is quite wide. Those who live in the developing side are struggling to reach the developed.

**The assumption of universality of western values** -- In the discourse of development, western values are assumed to be what others want. It's assumed that others want to be like the west, speak their languages, dress like them, become educated in systems like theirs, or at least essentially become similar to them but perhaps with slight differences. Western expatriates are the key players of development with all what they bring with them of western values and technologies. It is desirable to send students to the west to learn western ways of doing things and then go back home and transfer the civilized western knowledge into action.
An evolutionary conception of change -- In the discourse of development, it is a commonality that there is a basic, linear, and inevitable path of piecemeal change, and on this path, the western world is at a more advanced and finished stage than the developing world. This linear path to development is not discussed or negotiated. Cultural and political resistances are seen as main obstacles to reach the end of the path, they become mere reflections of underdevelopment and conservativism. Developing countries are ranked on this path based on western criteria and they are always busy in the competition that is run and judged by the west that reached the end long ago.

Neoliberal economics -- Also called neoclassical economics, this mode of thinking includes the naturalization of the free market and the separation of economics from politics. The ideal society is organized in a way that allows the invisible hand of the free market to do its good work. Economics operates according to natural laws and shouldn't be subject to political process. The ideal government creates a level playing field through a tolerant policy and does not distort the free market's built-in wisdom and self-regulation through taxation or redistribution of wealth.

Growth -- Economic growth is the implicit goal of development, it is the only and absolute solution. Growth is the cure for poverty. Some countries are "enjoying growth" and others aspire to "attain high growth rates". There is an empirical growth literature and a neoclassical growth theory.
Depoliticization and supremacy of the economic -- The discourse naturalizes a dichotomy between the economic and political. That which is economic should not be a matter of political debate. The economic sphere is professionalized and thus out of reach of the common people. Economists are the scientists who have expert authority in this domain, almost like a psychiatrist has expert authority over diagnosing mental illness in criminal trials. Policies with no clear economic rationale should be removed. Any non-economically oriented governmental or nongovernmental agency with the power to create or enforce regulations should be made to think economically, should be more limited in the scope of their powers, and should be overseen by a separate economy-minded agency with the power of veto on all proposed regulations.

People as rational agents -- people are rational agents dedicated to maximizing their personal wealth. These agents "decide which investment technologies to use based on their yields, net of transaction costs". Capital and labor are rented in competitive factor markets, final output is bought and sold, and agents trade ownership of capital in process (CIP) in competitive equity markets.

As we can see, discourse is often quiet and can slip in unseen. Just as we constantly speak of many things without thinking of the actual language we use, a discourse can come to be the language of a domain of ideas without giving notice. The oddness or arbitrariness of a certain mode of discourse can sometimes only be seen when it's viewed through a glass darkly from the temporal distance of decades or across lens of cultural differences. When living within the territory of a discourse, it's often hard to see the forest for the trees (Radachowsky, 2000a). From this point of view development is seen not as a matter of scientific knowledge, a body of theories and
programs concerned with the achievement of true progress, but rather as a series of political technologies intended to manage and give shape to the reality of the Third World.

**Emergence of Microcredit**

Anderson (2002) thinks that microcredit has become a widespread, indeed celebrated, tool of contemporary international economic development work. Microcredit programs provide the poor with credit, capital, and training with which to establish their own small businesses, to become, in other words, small-scale capitalists—on the condition, however, of repaying the initial investment in their enterprises so that those funds can be recycled in new investments to poor people. Run by non-governmental organizations (NGOs) or, in some cases, governmental aid agencies, in many places throughout the world microcredit programs have emerged as an important mechanism on which the international development community has pinned its hopes for assisting millions of people out of poverty.

Microcredit, as Anderson suggests, is a global economic practice that seeks, on the one hand, to overcome this fundamental ambivalence about globalizing markets by making them available globally, *universally*, across the income ladder. On the other hand, the practice of microcredit reproduces an analogue of this ambivalence toward globalizing markets, particularly visible in microcredit’s own highly ambivalent application of markets and market principles in international development work with the world’s poor.
Microcredit consists in lending funds to the poor in order that they use them to start small businesses. The loans are then collected, typically with some rate of interest, so that they can be relent to other borrowers (or else turned over to the original borrower for purchase of more supplies, gradually expanding the business). The poor typically might use the funds to purchase supplies or equipment. These supplies may be food staples for making tortillas or other food for sale on the street, while equipment may be a sewing machine to be used in textile manufacture. In rural areas, businesses will often be in agriculture, such as purchasing new breeding animals, and in urban areas, the business may be street food sales, bicycle repair, or many other things.

Kenneth (2002) has discussed three main reasons as the basis for the emergence of microcredit. One fundamental reason behind the rise of microcredit is the widespread perception in the 1970s that traditional development programs, funded by international agencies such as the World Bank but run through developing country governments and consisting frequently of large-scale, capital-intensive infrastructure projects such as dams and power plants, have largely failed to reach the world’s poorest or to improve their life chances. In some cases such large-scale projects have helped poor societies, in some cases they have badly hurt or wiped out poor communities, and in many cases they have left the lives of the very poorest people untouched. Microcredit, in other words, is an alternative mechanism for putting funds directly into the hands of the poor in ways that would make an immediate difference to their economic prospects. When Muhammad Yunus, for example, founder of the Grameen Bank in Bangladesh, first decided to lend a village woman a few dollars to purchase thread for textile work so that she would not have to go to the
moneylenders, his motivation was to allow her to avoid the existing credit market, such as it was, rather than some doctrinal belief in the virtue of markets.

A second fundamental reason for microcredit gaining such extraordinary ground lies in the growth in political power of international NGOs. During the past decade, international NGOs have occupied a certain moral high ground in demanding accountability from public international agencies such as the World Bank, claiming that NGOs are better positioned than international agencies both to deliver aid programs and to assess the impact of programs on the poor. At the same time, many international and prominent state aid agencies have come to see NGOs as their most important subcontractors in the delivery of aid to poor—bypassing governments that are seen as inefficient and corrupt. The intertwining of NGOs and international aid agencies has gone a long way; as the *Economist* has noted, for example, with respect to NGOs and the World Bank:

> The NGOs are surprisingly quiet about the World Bank. The reason is that the Bank has made a huge effort to co-opt them. James Wolfensohn, the Bank’s boss, has made “dialogue” with NGOs a central component of the institution’s work….. in the Bank’s field offices. More than half of World Bank projects last year involved NGOs. Mr. Wolfensohn has built alliances with everyone, from religious groups to environmentalists……. From environmental policy to debt relief, NGOs are at the centre of World Bank policy. Often they determine it.

It can be said that NGO endorsement of microcredit—more precisely, NGO efforts first to undertake microcredit and then to bring it to the attention to such agencies as the World Bank—has been of immense importance in the rise of microcredit and its great prestige.

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A third fundamental reason for the rise of microcredit—closely related to the second—lies in the gradual gendering of international development theory and practice. It is now widely accepted that reaching the world’s poorest people means reaching women and, by extension, the families for which they so often bear overwhelming burdens. In some instances, microcredit programs are aimed specifically at women as part of an effort to reach the world’s poorest (who are disproportionately women). Shut out from traditional sources of credit that might (or might not) be available to men, women were a natural target for microcredit programs aimed at relieving poverty. In other instances, microcredit programs for women appear to be aimed at the empowerment of women and their economic independence from male-dominated economies among the poor for their own sake, as a tool for raising consciousness and not merely as a tool for relieving poverty overall. In either version, it is nearly impossible to overestimate the importance of the international women’s movement in setting agendas for microcredit aimed at poor women worldwide and in giving the issue a front seat in policy discussions of development issues. At the same time, it should be noted that a feminist critique of microcredit is also gradually gaining ground, among other reasons on the view that the mechanisms of microcredit that prompt borrowers to repay are often highly coercive as well as on the view that microcredit has sometimes been touted as a substitute for, rather than an adjunct to, fundamental investments in women’s education and health.

The Phenomenon of NGOs and Poverty Alleviation

William F. Fisher (1997) observes the irony of the evolution of NGOs during the last two decades of the 20th century either with support from international development agencies such as the World Bank or as a reaction to the criticism of the state’s top-
down development. Based on either or both positions, NGOs are imagined as idealized organizations that are supposed to help others for reasons that are not for profit or politics (Fisher, 1997: 442). Fisher differentiates between two imagined roles for NGOs based on the critical stance one takes towards the development industry: the stance that sees development as a positive and inevitable process sees NGOs as a means to fix weaknesses in the development process, and the stance that deconstructs the development discourse sees NGOs as a potential source of alternative discourses and practices. (Fisher, 1997: 443)

NGOs may have initially grown within the gap left by the unmet needs of a capitalist, patriarchal, and exploitative new world system. However, as Edwards and Hulme (1996) discuss, the incredibly rapid expansion of NGOs has primarily been a consequence of two decades of a neoliberal focus on privatization. Both bilateral and multilateral agencies developed a rationale for avoiding aid to governments. As a compromise between funding social programs through governments, NGOs became an important vehicle for development funds with consequences that seriously undermined their progressive potential. In many countries, cutthroat competition developed among NGOs for funding. Those that succeeded were too often those which took a more compromising, apolitical, if not openly right-wing stance, and those which met the development agenda of their donors, or, at least, did not directly challenge it. As Edwards and Hulme (1996, pp. 966-7) point out, one result of this need for external funding has been to shift the status of NGOs from partners to contractors: instead of forging partnerships with donors and communities, NGOs become contractors implementing the Donor’s agenda in the community. In some ways, they then become indistinguishable from private sector organizations. NGOs
thus become the new temporary workers of development, useful to national and international agencies for specific tasks, but easily discarded as circumstances change, and consequently limited in their ability to challenge development practice (Edwards and Hulme, 1996, p. 963; Smith and Lipsky, 1993, Klees, 1998).

Edwards and Hulme (1996) discuss many of the criticisms regarding NGOs' ability to further the post-Cold War goals of the "New Policy Agenda" of efficient economic growth, democratic governance, and sustainable poverty alleviation (p. 961). But, from a critical perspective, these goals camouflage policies that benefit the few: growth for whom? what kind of democracy? NGOs, despite the best efforts of some of them, haven’t yet had a considerable contribution to poverty alleviation; however they may have contributed to the delegitimation of the role of the State. The emphasis on NGOs helps ensure that no social programs "go to scale." Despite some limited examples (Edwards and Hulme, 1996, p. 964), few believe that NGOs offer any hope for systematically providing necessary social services on a large scale (Klees 1998).

Asef Bayat (2002) in discussing the politics of the NGOs in Egypt, identify several factors behind the growth of NGOs: filling the gap left by the state, extending foreign aid funding to NGOs, and consensus to support NGOs across the political spectrum (Bayat, 2002: 16). However, Bayat poses a question about NGOs’ effectiveness in facing the challenge of social development. Despite NGOs’ efforts to support their communities through survival, relief and charity activities, current development discourse and social development requires NGOs to go beyond this scope. Bayat points to complaints about NGOs’ absence of the spirit of participation and their
paternalistic attitudes and structures. This paternalism is reflected either internally within the NGO itself or in its relation with beneficiaries.

**Critiques of Microcredit’s Approaches to Poverty Alleviation and Empowerment**

Despite the fact that the size of microfinance projects in Egypt is growing rapidly, social scientists’ efforts to investigate its impact on the social strata is minimal. The only effort in this regard is being undertaken by donors and implementing organizations in evaluating their activities. The only in hand literature on assessing the microfinance sector comes from some South Asian and African countries with more in-depth looks at the impact of microfinance on women.

Brooke Ackerly's (1995) research of three micro-credit organizations in Bangladesh - Grameen, BRAC, and Save the Children - like others, could not assess the wealth/income effect of credit versus other sources of capital on empowerment. However, as a comparative study, she was able to document the differences in productive roles that women adopted as a result of participating in a credit program. Most women contributed labor to the project, meaning as a result of credit they had more work to do. Women generally were not involved in the buying or selling related to their projects. Fewer women did the accounting for the enterprise meaning fewer women were knowledgeable about the cost of the unprocessed rice, the processed rice, and the profit of their enterprise. Thus, microcredit increased their workloads without necessarily increasing their knowledge.
Durgam Rajasekhar and Naila Kabeer (1997) reflected on their research on a small number of microcredit programs in India (Kerala and Andhra Pradesh) and Bangladesh respectively, highlighting some of the emerging findings on empowerment. One of the common points in the two studies is that microcredit may not be the most appropriate strategy for assisting the poorest social strata. To use microcredit effectively, the borrower needs to have complementary resources, such as some land, capital, education or knowledge and experience of how to run an enterprise. Successful borrowers were often able to rely on skills accumulated in some prior entrepreneurial experience, or on a certain level of education. Rajasekhar argued that some poorer women are reluctant to borrow because what they need is a facility for consumption loans not entrepreneurial activities. On the controversial issue of who actually controls the loan (that is, manages the enterprise and controls the income). Rajasekhar made the point that women borrowers lose control over loan use as their husbands take over the decision-making and management of the enterprise. In some cases women prefer not to borrow from microenterprise programs because responsibility for repayment falls on their shoulders, while in the case of borrowing from village moneylenders it is their husbands who are ultimately responsible for repayment. Kabeer's findings threw further light on this issue. The first point was that men who took loans were much more likely to report sole decision making (they were the main decision makers), while women who took loans were more likely to report joint decision making.

James Copestake (2001), involved as a contract researcher in assessing the impact of a microcredit program in Zambia, argues that one reason for the popularity with many donors of microcredit is that it is viewed as a market friendly and potentially
sustainable mechanism for raising so-called "growth elasticities of poverty reduction." To the extent that it can improve access to capital among poorer households it reduces a market distortion and it is easy to assume that it should also help to reduce income inequality. He mentions that much research into microcredit is consequently devoted to exploring effects on the poor that should (when viewed in isolation) reduce inequality: lower transaction and debt servicing costs, strengthened livelihoods or greater empowerment, for example. In his paper, he explores the contrary hypothesis that microcredit generally increases inequality. He concludes that microcredit programs can perhaps be viewed as a mechanism that increases traffic in a middle lane; neither stationary nor moving as fast as the elite in the fast lane which may have some political utility in sustaining acquiescence to growth with inequality.

Previous research has focused on how microfinance targeting women increases inequality within a specific cultural and social context by causing more workload and stress for women. It also criticized microfinance policies and procedures that exclude the poor, and give a hard time for women through a very small loan size and a harsh repayment schedule. However, it doesn’t challenge the conceptual foundation of microfinance that in most cases takes people outside their socio-cultural context and treat them as rational agents dedicated only to maximizing their personal wealth. On the contrary, I see previous research trapped within the ‘Western” development discourse of “Third World Women” that categorize women as one coherent oppressed and subordinated group. It also does not challenge the globalizing nature of microfinance in absorbing more of the world into exploitable labor and consumer goods markets as a sort of substitution to the role of the welfare state that was compromised through the global economic adjustment program.
Kenneth Anderson (2002) in his article gives an account of the practice of microcredit that reveals its ambivalent relationship to global markets. Microcredit consists in non-profit lending to poor communities, often at subsidized interest rates, to encourage small-scale entrepreneurial activity. Microcredit organizations view themselves, alternatively, as an extension of global markets into poor communities, designed to draw them permanently into the global economy, or as an efficient mechanism for providing aid to compensate the poor for their exclusion from the market. He argues that organizations would do well to clarify their relationship to the global market because that relationship has implications for how they should structure their lending program, whether they can become self-sustaining, and how they should measure their success. He further argues that, at a more general level, some residual ambivalence is unavoidable because the limits of globalization are unclear and microcredit necessarily is both an extension of, and a remedy for, the logic of the global market.

Jude Fernando (1997) conducted research on “Nongovernmental Organizations, Micro-Credit and Empowerment of Women”. He made an appraisal of microcredit programs as a phenomenon in a broader historical context with a focus on microcredit programs in Bangladesh. He presented a critical analysis of what he called the 1990s’ orthodoxy in the mainstream development discourse of the empowerment of women by means of microcredit. The new orthodoxy’s origins can be traced back to the debate on women in development (WID) that took place during the 1970s. It is also tied to the emergence of NGOs as the favorite institutions, as they were considered to be capable of overcoming the limitations of the state and the markets in responding to
the needs of the poor women whose economic vulnerability is at the center of their powerlessness. It is tied as well with the implementation of the economic structural adjustment policies initiated by poor countries under pressures from the World Bank and the International Monetary Fund (IMF), which had a considerable negative effect on the poorest segments of these countries. Micro-enterprises appeared as a win-win option that from one side promised to advance the liberal ideology of private entrepreneurial capitalism and from another side is considered a cure for the negative effect of the cost of the structural adjustment that was being mostly borne by the poor. In situations of abject poverty, women are unlikely to cut off their relations with existing community institutions that fulfill their economic needs because these institutions have been a part of their lives longer than NGOs have, and they have a greater control over women’s daily lives. Micro-enterprises in this case provide a point of entry for broad based social change because they do not appear as a threat to the existing institutional order.

Looking at household economy, Fernando (1997) confirms what was declared before by research on household economy in Cairo popular areas, that households are not homogenous units. Men and women undertake a wide range of income generation activities and it is difficult to separate the costs and incomes generated by them. It is almost impossible to have an accurate account of household income fluctuations due to many factors including that respondents are not naive but sensitive to the value of the information they provide. In the meantime outcomes of micro-enterprises involve a multiplicity of social actors and networks which are deeply rooted in people’s lives. Therefore, the successful outcomes of the micro-enterprises may be mainly a result of other communal institutions. It is extremely difficult to separate the role of NGOs
from that of other institutions in explaining the relationship between NGOs, micro-
credit and empowerment.

Group-Based Credit Programs on Poor Households in Bangladesh: Does the Gender
of Participants Matter?” thinks that there is a great difficulty to explain the differential
impact of credit on men and women. Their study departs from earlier notions of a
homogenous household with unified preferences. It argues that credit actually
contributed to the empowerment of women by increasing their contribution to
household consumption expenditures, the number of hours devoted to production for
the market, and the value of their assets and consumption. But they do not make clear
how these changes lead to empowerment because the use of a gender-differentiated
household model has ignored the intra-household power relations since power is
treated as a short-lived variable. Fernando thinks that most studies on this subject do
not count contextual variations in socioeconomic and demographic background, and
the fact that power differentials between men and women are shaped by factors that
do not necessarily change directly in response to a change in income.

Fernando (1997) concludes that NGOs’ microcredit programs benefit women who
already have relatively better access to resources due to their dependant relations with
the powerful members of the society. NGOs do not reach the poorest of the poor and
don’t reach even five percent of the total population in the researched area. The poor
are excluded by the NGOs as well as by those who directly benefit from the credit
programs. Microcredit has provided a space for women to gather in groups outside
their traditional spheres of associations. However, it reinforces existing relations of
power in private and public domains. He thinks that the success of microcredit programs is a result of the reproduction of the very cultural, political and economic institutions that are considered responsible for the marginalization of women. He considers it illusory to say that the visibility of women in micro-credit programs and their participation in decision making and in manipulating institutions is evidence that they are free, autonomous, or agential. In fact, the larger implications for women is that, participation in microcredit programs does not give them power to challenge oppressive institutions. Instead, what we see is increasing pressure on women to maintain these institutional relations to ensure not only regular payment of loans but also survival of their families.
Chapter 3: Deconstructing Development: Approaches and Methodologies

My masters program was meant primarily to learn new skills and concepts that might help me in my profession in the development field. My encounters with contemporary social theory and practice have taken me in a related but somewhat different direction, and made me genuinely curious about the nature of the work I am involved in as a development practitioner and the ways it impacts on the people that I’m supposed to assist. One of my major areas of interest and scientific curiosity has become “anthropology of development” with special focus on “development discourses at the intersections of culture and power”. This introduction I believe is important to clarify my position in conducting this research, and in the meantime to explain how I was positioned by others throughout the research process and why.

Herzfeld (2001) notes that development anthropologists became engaged in projects of cultural transformation shaped by the experience of capitalist modernity. These forms of paternalistic projects claimed to help the less fortunate while effectively working for the security of other interests as a primary concern. Herzfeld thinks that the anthropology of development is promising in unveiling the silent violence embodied in the development discourse. He suggests that the discursive analysis of induced development should lead to elucidating the goals that motivate specific development interventions, thereby helping to predict their likely effects.

The methodology that I decided to employ in conducting this discursive analysis lies in taking the challenge of analyzing the language of development as a way of
understanding what development is and does and why it seems so difficult to think beyond it. Another side of this methodology may lie in supporting resistance to development as proposed by Gardner and Lewis (1996) by working within the discourse to challenge and unpack its assumptions. Herzfeld also refers to possibilities of considering local knowledge and practices combined with certain ‘retooled’ forms of expert knowledge by having anthropologists and local activists as coparticipants in a project of resistance that combines both theory and culture in a joint project. This joint work could help in creating an inescapable political dimension of local knowledge that can be an empowerment project through using anthropological knowledge. In this case our goal becomes to deconstruct hegemonic models of common sense in the spirit of an epistemology that respects agency and practice.

In the following I discuss both the postmodern and the feminist approaches to deconstruct the development discourses. I consider this discussion as the groundwork upon which I base the discursive methodology of this research.

**Deconstructing Development**

“Deconstructing Development” involves a discursive analysis of development that started late 1980s. It attempts to articulate alternative regimes of representation and practices of development. Some of these attempts tried to provide an in-depth analysis of development programs. Others analyzed the use and transformation of central construct or key words of the development discourse from the 1950s to the present. Even the big discovery of late 1970s and early 1980s that women were bypassed by development and the inauguration of Women in Development (WID) becomes
another area for deconstructing development. WID concepts are seen by several feminist researchers as another regime of hegemonic representation (Escobar, 1995: 12-13).

Michel Foucault has had quite an influence on the development of Third World studies, to some extent compensating for his own lack of attention to the subject. Arturo Escobar, in “Encountering development”, has written an imaginative Foucaultian deconstruction of the development discourse (Escobar, 1995). A fundamental insight he develops in exploring Foucault’s analysis of power, knowledge and discourse illustrates ‘the extension to the Third World of Western disciplinary and normalizing mechanisms and the production of discourses by Western countries about the Third World as a means of effecting domination over it’ (Escobar 1984: 377). Development discourse, from this perspective, is about disciplining difference, establishing what the norm is and what deviance is, and creating ‘underdevelopment’ as the ‘Other’ to the West’s ‘development’. Western forms of rationality and the incorporation of power and knowledge in the development discourse / industry / practices have sought to normalize the Third World and its peoples.

Perhaps the most exciting interaction between theory and practice has been between feminism, postmodernism and development. Western feminism had been trapped for some time with problematic developmental terms and questions of difference and the Third World ‘Other’. Chandra Mohanty, among others, had firmly rejected the image of Third World women as uniformly poor and powerless in contrast to the modern ideal of Western woman. The critique of essentialism in feminist theory is considered
a genuine methodological breakthrough in relation the deconstruction of the development discourse. When postmodern feminism began to engage with the issue of development, it recognized ‘the connection between knowledge, language and power, and sought to understand local knowledge(s) both as sites of resistance and power’.

Escobar reveals development as something that was created by the West as a way of viewing the rest of the world in relation to themselves as the new world powers. He reveals the idea and language of development as an American and European construct that assumes Western values and ideals as the model for the rest of the world. He compares it to colonialism in some of its basic principles and practices, highlighting some of the language, such as "native" and "primitive," that is common to both structures. Escobar explains the complicated political history behind development, asserting that after World War II the newly emerged world powers turned their attention to the world’s social problems and the "discovery" of the millions of people living in poverty in two-thirds of the world’s nations. Using Western standards of wealth, quality of life, and social structure, they began the process of redefinition that structured the notion of “development”. Through programs designed to instigate Western style, education, social, and political systems, the West attempted to replicate the rest of the world in its own image. To this end, the language of development became very effective in its power to shape consciousness and worldviews on both sides of the development struggle. Essentially, it created a global social hierarchy, treating societies as though they existed on a fixed and inevitable continuum that began with the primitive Third World and culminated in full development as a First World nation.
This whole historical process helped in establishing the structure of the discourse of development. It turned to be a system of set of relations among elements, institutes and practices that have resulted in an uninterrupted series of "development strategies" and substrategies of endless number of practices through which new mechanisms of control (new forms of power and knowledge) are deployed (Escobar, 1984:386-7). Development proceeded by the creation, identification and specification of 'abnormalities' of these poor countries such as 'underdevelopment', 'malnourished', 'illiterate', etc. Studying these problems required detailed observation and documentation of people's life and resulted in the formation of interventions of power (Escobar, 1984:387).

Studying these problems also made the professionalization of development inescapable. It was all about the creation and controlling the body of knowledge that sought to establish the nature of the Third World countries, to classify their problems and formulate policies, to pass judgment on them and visualize their future. The heart of this professionalization was to economize development. Economization of development was a process by which all realities of development were imposed by economists and entailed as necessary prerequisites: 'the establishment of the normative discourse of classical political economy, the adoption of certain principles of government and the introduction of new forms of discipline and control' (Escobar, 1984:388). Parallel to the process of professionalization of development was the process of the institutionalization of development, where international organizations, national development agencies, and local development organizations, all became agents of development. All became a huge transnational network comprising a new
site of power functioning within certain cycles of production, certain behaviors and rationalities not allowing local centers of power-knowledge (Escobar, 1984:388).

Describing the professionalization of development knowledge and the institutionalization of development practice, Escobar comments extensively on the links between representation and power in the daily operations of the World Bank, which he calls "an exemplar of development" (Escobar, 1995: 163). He writes, "its learning about a country's problems is achieved through the lens of neoclassical economics, which is the only one compatible with the predetermined model" (Escobar, 1995: 163), and he notes that 70 percent of the World Bank staff are economists, which of course means neoclassical economists. He notes that World Bank officials in 'host' countries earn very high salaries, even by U.S. pay scales, and that they practice an insulated "development tourism" style of learning about the people they proclaim to want to help.

After a half-century of interventions, development has been successful to the extent that it has been able to penetrate, integrate, manage and control countries and populations in increasingly detailed and encompassing ways. ‘It has succeeded well in creating a type of underdevelopment which has been until now for many parts of the Third World politically and economically manageable’ (Escobar, 1984:388).

Escobar in “Encountering Development” concludes with a discussion of possible alternatives to the regime of development discourse. He advocates the demise of grand models and schemes of representation, and he calls for the unmaking of the
'Third World' and the making of multiple alternative representations based on concrete local realities.

**Women of the Third World**

Radachawsky (2000b) finds that the opening sentence on the introduction of Momsen's *Women and Development in the Third World* (Momsen, 1991) represents a fairly typical view of gender within mainstream development studies. The introduction opens with, "For all societies, the common denominator of gender is female subordination. For women of the contemporary Third World the effects of patriarchal attitudes are exacerbated by economic crises and the legacy of imperialism."

He raises some discursive questions that pop in our minds with regard to misrepresentation of non-western gender roles: Have there not been any societies in which gender roles were interdependent but not hierarchical? Would Western eyes, with its biased and disenchanted historical and cultural lens, be able to recognize such different gender roles? The insistence on the importance of "equality" makes them blind to the possibility of nonhierarchical differences in gender roles. Also, hierarchy and subordination are very general terms – couldn’t they hide more than they disclose and blind us to very superficial differences? In trying to escape Western culturally defined values, developers step into very uncertain ground; they run the dual dangers of speaking for others whose lives they don't experience, and of accepting what they judge as “oppressive orders”. ‘False or not, the portrayal of Western capitalist society as the apex of equality in gender roles is desirable to institutions such as the World
Bank, for it provides further rationale for "development", not in the sense of increased autonomous development, but in the sense of increased Westernization -- becoming more like the West’ (Radachawsky, 2000b).

In cross-cultural theorizing, definitions cannot be taken for granted. In another cultural context, concepts that seem to need no explanation to us may not even exist, or may have completely different connotations. The seemingly neutral concept of "empowerment" is one such slippery concept. The concept of empowerment is tied to the debate on women in development (WID) that took place during the 1970s, when the countries that followed state-led planned development models had recorded more failure than success and were in search of alternative approaches to development. WID advocates pointed out that the inequalities between men and women across societies and cultures were a result of irrational prejudices in development planning driven by culturally biased sex stereotypes. By the 1980s, WID programs were criticized for doing more harm than good to women due to their lack of relevance to women’s needs. In order to accommodate criticisms, new emphasis revealed that men are placed in a privileged position, providing them with more power to mobilize material and institutional resources, which led to the developmental concept of “empowerment” of women. Fernando (1997) quotes Batliwala (1994) on the concept of empowerment that it refers in broader terms to an institutional environment that enables women to take:

control over material assets, intellectual resources, and ideology. The material assets over which control can be exercised may be physical, human, or financial, as land, water forests, people’s bodies and labor, money, and access to money. Intellectual resources include knowledge, information, and ideas. Control over ideology signifies the ability to generate, propagate, sustain, and institutionalize specific sets of beliefs, values, attitudes and behavior-virtually determining how people perceive and function within a given socioeconomic and political environment.
For Batliwala, women’s access to resources and power is determined by their social position. Empowerment is a process aimed at changing systemic forces which marginalize women in a given context.

Joanne Wright (1997) presents a critique that development is shown to be fundamentally gendered discourse that systematically applies Western notions of gender to other societies. Feminist approaches to development deconstruction take the postmodern theorists' deconstruction one step further to unravel the elements of development theory that carry Western gender biases regarding men and women's roles based on their "true nature". For Wright, feminist deconstruction is not simply about women but about the interdependent construction of masculine and feminine, and about shifting feminist analysis from the margin to the center (Wright, 1997: 76-77).

Wright emphasizes the fact that the development discourse has Western biases towards the construction of the masculine and the feminine and therefore about the appropriate roles and functions of women and men. She considers the traditional mutually reinforcing Western --man/woman, public/private -- dichotomies as the basis for this bias. Western development theory accomplishes the same thing when it views the Third World through its gendered lenses. Moreover, deconstructing development for poor participation of women comes out of the main development discourse that underestimates women’s labor since it is marginal and taken for granted. That is what was described by Vandana Shiva (1988) as an "enforced but asymmetric participation


Wright takes us back to the very early 1980s with the concept of the "domestication of women" as a result of development that was introduced by Barbara Roger. Domestication of women followed the separation of the modern economy and paid work from the "unpaid 'domestic' or subsistence sector" as a result of development interventions (Wright, 1997: 78).

Wright has explored the public/private dichotomy in development theory as a matter of deconstructive theory of viewing the Third World through its gendered Western lenses. It's obvious that development has created a Westernized styled public sphere through modernization, by shaping a public realm from which women were to be excluded. Regardless of what men's and women's roles were prior to the development process, development determined externally that women and men should be treated differently based on a very specific Western (men's) model of what women in general should be, and what they should and shouldn't do (Wright, 1997: 80).

A further examination of the dichotomy of public/private separation of the development discourse reveals its contradictory nature. Women are defined, by default, in relation to the private realm even as they produce for the market and participate in the public economy. Wright finds that millions of women employed by the informal sector are considered secondary wage-earners and paid less than their male counterparts (Wright, 1997: 82).
In "Under Western Eyes", Mohanty (1994) warns against "reductive cross-cultural comparisons" (Mohanty, 1994: 206) and the challenge of values and worldviews imposed on women of "developing" countries by Western feminist scholars. She argues that Western feminists tend to focus on "needs" or "problems" of women in "developing" countries, but neglect to recognize the choices and empowerment available to them, because they are different and therefore less apparent at first examination. Western analyses often assume "an ahistorical, universal unity among women based upon a generalized notion of their subordination" (Mohanty, 1994: 207), and "often the mere existence of a sexual division of labor is taken to be proof of the oppression of women in various societies" (Mohanty, 1994: 210).

Mohanty critiques what she sees as the failure of Western feminism to properly and critically theorize so-called "Third World feminisms" and "Third World women". In particular, she is interested in the project of deconstructing Western feminist discourse in a way that feeds and enriches the feminist deconstruction of development through understanding how this body of work constructs "the Third World woman" as a monolithic object of knowledge.

It is tempting for Western feminists to think of "colonialism" as a mostly physical practice which involves political, economic, and social systems of overt domination. However, Mohanty draws attention to a form of colonialism which is less explicitly apparent but which is no less significant: discursive colonialism; in other words, scholarship which, in its practices, reproduces unequal relations of power.
Mohanty argues that Western feminist scholars must be critical of how their academic practices are implicated in and reproduce hierarchies, ethnocentrism, and other forms of cultural domination. In western feminist theory on "Third World women", Mohanty notes, "assumptions of privilege and ethnocentric universality... and inadequate self-consciousness about the effect of Western scholarship on the 'Third World' in the context of a world system dominated by the West... characterize a sizable extent of Western feminist work on women in the Third World." (Mohanty, 1994: 197-8) By casting the West as the unacknowledged Subject/norm and the "Third World" as an artificially homogenized Object/other, Western feminists deny women in the Third World discursive subjectivity and status as active agents in the world. Mohanty notes that this kind of discursive categorization has its roots in liberal humanism, a model often critiqued by feminists. Given the context of the relative domination of Western scholarship in the concrete sense, i.e. "production, publication, distribution, and consumption of information and ideas" (Mohanty, 1994: 199) an analytic problem becomes a political problem. Thus, the focus of Mohanty's critique is the modes of analysis used when Western scholars theorize women in the Third World. Mohanty identifies three primary analytic presuppositions which she finds problematic in Western feminist scholarship.

First of all, the assumption of the category of '(Third World) women' as a coherent group with identical interests experiences and goals prior to their entry in the socio-political and historical field. This Western feminist discourse defines Third World women as being subjects 'outside' social relations instead of looking at the way these women are constituted through these social structures. Economic, religious and familial structures are judged by Western standards; the 'typical' Third World Woman
is thus being defined as religious, family-oriented, legally minors, illiterate and domestic. The attitude of white feminists towards Third World women is thus very paternalistic, as if it is saying to them that 'they' are not yet that far in feminism but we will impose our Western ideas upon them and show them how to become feminist. Through this producing of a Third World Other, white Western feminists are discursively representing themselves as being sexually liberated, free-minded, in control of their own lives and secular. Behind all this lies the Western universalistic notion that the 'Third World' hasn't yet evolved to the extent the West has. Mohanty's position on this arrogant Western universalism implicitly carries also an anti-humanist message, as she wants to do away with the humanist notion of the subject as a coherent rational secular monolith.

Secondly, the model of power which these Western feminist writings imply, namely the humanist, classical notion of men as oppressors and women as oppressed is taken up by these western scholars. This concept is definitely not adequate, says Mohanty, as it implies a universal notion of patriarchy and thus only stresses the binary 'men versus women'. Furthermore, in not taking into account the various socio-political contexts, women are 'robbed' of their historical and political agency. Mohanty is thus pleading for a politics of location and a more Foucauldian model of power, so that both the colonialist move made by some Western feminist scholars can be made explicit as being a discursive institution, and that Third World women, placed in their own particular historical and political contexts, now can have moments of empowerment and with this a diverse, heterogeneous sort of subjectivity. In this way, Mohanty is deconstructing the idea of 'first world woman as subject' versus the 'Third World woman as object'.
And thirdly, Mohanty criticizes Western methodological practices which are oversimplified and are in fact just trying to find 'proof' of various cases of powerless women in order to support the above mentioned classical notion of (Third World) women as powerless victims. The western feminist concept of 'sisterhood' is therefore also criticized by Mohanty, as it implies a false sense of common experiences and goals; as if all women are oppressed by a monolithic, conspiring sort of patriarchal dominance.

Thus Mohanty is trying to show the space between the Third World Woman as representation versus real life (Third World) women. The idea of a politics of location, or 'situatedness', is a very important point for Mohanty. Consequently, also Mohanty wants to do away with the too simplistic Marxist discursive model of power which consists of the dichotomy 'oppressors (who have something) versus oppressed (who lack something)' that is still the backbone of most of the development projects targeting women.

Wright’s argument reveals that development theory organizes social life along the dichotomies of man/woman, public/private, reason/emotion, and knowledge/experience. It recognizes these dichotomies as instrumental to the Westernizing project of development. However by criticizing white Western feminist scholarship Mohanty is in fact killing two birds with one stone, namely deconstructing the binary 'first world woman versus Third World woman' and the binary 'men as oppressors versus women as victims'. And I think that she also holding a mirror to Western feminists in order to make them aware of their position and the
colonial history that comes with this and to help create a more effective way of feminist scholarship which will be helped by listening to the voice of the 'post-colonial Other'.

**Methodologies of this Research:**

The difficulties I faced as a researcher throughout this research have resulted from my being a development professional and being a manager at a donor agency\(^4\). I have been positioned by staff working in potential projects for my research as the representative of the donor agency who can be the right target to market the project for funding and in the meantime the wrong person to whom to give any information that could jeopardize the project and the NGO’s funding opportunity. This position was quite annoying to me at first. However, and given the reality that both NGOs and donors are on the same side and line of thinking concerning parameters of success and failure of development projects, information that was given to me was what a donor’s representative is supposed to know about a project. Consequently I became exposed to what such a development project should be from the perspective of NGOs and donors. From the other side and through my contacts with project’s clients and field staff and given my previous experience in project monitoring, I was exposed to what such development project should be from the perspective of the people themselves.

As a development practitioner, it was not difficult for me to identify sites for my research. Potential sites were projects implemented by NGOs working in Cairo

\(^4\) During this research I was and still am working as Projects Manager for the Egyptian Swiss Development Fund which is one of the largest development donors in Egypt.
squatter areas and funded either by the funding agency where I work or by other donor agencies. In both cases I had no difficulty through the network of my work to identify the sites for my research. I have examined two microcredit projects targeting women in poor districts in Cairo. Both projects have women’s empowerment as a stated goal. The first project is being implemented in Dar El-Salam area by Save the Children-USA. Dar El-Salam is a highly populated area located in the south of the governorate of Cairo. The other project is being implemented by The Integrated Care Society (ICS) in Ain Helwan area located in Helwan District also in the south of the governorate of Cairo.

Throughout the field research process I was looking at:

- **Written and practiced microfinance developmental discourse** embodied in the programs’ hypothesis, assumptions, mechanisms, policies, procedures, and management.
  - How are women being positioned by NGOs, staff, men, themselves?
  - Significant changes that occurred to the project processes throughout its lifespan in relation to: selecting beneficiaries, lending/payment methods, staffing structure, geographic scale, group formation, other noncredit activities, monitoring system.
  - Meaning of concepts being used within the project such as: empowerment, financial autonomy, self-management, self-respect
  - Projects’ assumptions about women social life vs. social realities with respect to issues of:
- Power & control and decision making;
- Division of labor;
- Household economy;
- Women (clients) role in household decision making, children’s education & health needs, household financial responsibilities.
  - Why only targeting women? Any reasons related to women traditional role?

- Relationships between NGOs and women clients.
  - Why women join? Why they continue as credit clients?
  - Are there drop-out cases? Why did they drop-out?

- Men / husbands’ involvement, role, stance of having a relieved feeling and being happy and encouraging their women as microcredit clients or otherwise.

- Socioeconomic networks as a part of the ground network of such neighborhoods in Cairo and how it is being affected by credit:
  - Changes occurring to features of ground level socioeconomic solidarity network.
  - Potential impact of the credit activities on this change? Specific impact that is relevant to the nature of the project.

- Power and control aspects:
  - Actual money control of the credit as a part of the day to day household economy and its relation to the type of economic activity practiced by women clients.
  - Women traditional domestic role and how it is being affected by credit.
I have used discourse centered methods and person-centered open-ended interviews and observation as part of the anthropological technique of participant observation in the ethnographic field work I did in the two locations. Before I started at the field work I had discussions with heads of the two projects in introductory meetings during which they explained to me the project’s objectives and approach. Several meetings were held with heads of field operations, credit offices and staff responsible for monitoring. I observed the processes of credit delivery and monitoring by spending time with projects staff and clients in normal daily situations. I attended and observed clients and projects staff meetings. I conducted interviews with credit clients and their household members, projects management staff, credit officers, credit promoters. I also reviewed texts such as projects’ descriptions, manuals for credit policies & procedures, lending documents, and client’s files.
Chapter 4: Women Clients of Microcredit in Dar El-Salam and Ain-Helwan

Dar El-Salam

Dar El-Salam, a hilly unpopulated area 30 years ago, is today a district located to the south of Cairo governorate. It now has a population of more than 750,000 individuals according to the 1996 census. The majority of residents of Dar El-Salam are informal workers and artisans who work in old Islamic Cairo, government employees and peasants who migrated from Upper Egypt. They have moved over the past 30 years to Dar El-Salam, forming a huge squatter with very narrow roads, limited infrastructure and insufficient services.

Since Dar El-Salam is a big area to be served by one microcredit project, Save the Children (SC) decided to select only seven neighborhoods to be served by the Group Guaranteed Lending and Saving (GGLS). These areas are: El Gezira, Al Malaea, El Basateen, Mazraet el Bat, Ezbet Khayarallah, Fadya Kamel, and El Matbaea. Zenhom, Tolon, and El Kabsh are other areas outside Dar El-Salam to the north. They used to be administered from the GGLS office of “Abdeen” (central Cairo); however recently they were transferred to be administered through Dar El-Salam office.

I use the underground metro to go to Dar El-Salam. It takes ten minutes walk from the metro station to arrive at the GGLS office at the heart of the area. The “Misr-Helwan” road to the office passes along narrow side streets leading to a market street. The road is crowded, noisy, dusty, with huge piles of garbage on the two sides with a
stinking odor and thousands of flies. One has to find one’s way between the crowd of people and the heavy chaotic traffic of buses, cars, bicycles, motorcycles, donkey carts and horse carriages. On both sides there are coffee shops, food shops for koshary, fish and meat with loud cassettes playing modern and old Egyptian songs. People of different ages finding their way through the chaos, but women are the majority, or so it seems. There is no one building pattern in the area. A medium size old house of one or two stories is found besides a recent thin building of about six stories. Some houses are too old, too deteriorated and ugly and others are too poor to be called a house, they are not more than huts. Along the sidewalks shops of different sizes are inserted in the ground floors of houses. Shops are run by men or women or both in some cases. Handcarts selling fruits and vegetables are pushed by country men who came from neighboring governorates early in the morning and who will leave as soon as they are finished. At streets’ sides and corners, women sit on the ground-sometimes with their kids around-selling vegetables and fruits, cleaning materials, or sweets and snacks for kids. Some of those women especially those who sell vegetables and fruits, have had a long trip to arrive at Dar El-Salam; and others are from the neighborhood.

Ezbet Khairallah-one of the seven areas selected by GGLS- is a hilly sector of the district. We had to climb several levels of stairs to reach Ezbet Khairallah. The stairs were donated by an NGO two years ago and now are totally deteriorated. Drinking water main lines and connections were installed in Ezbet Khairallah only two years ago; however, and for unknown reasons, water is not yet pumped. Water for human use is transferred in tanks on donkey carts and sold to houses by private sellers; it costs a medium size family about five Egyptian pounds a day to buy water for very
careful use. Zenhom is another squatter area that grew wildly during the past three decades. Currently the government is implementing a plan to remove all the slums in the area and rebuild it in a modern style of blocks of modern flats surrounded by green areas and basic facilities. All residents are being gradually resettled in temporary housing in Helwan (south Cairo) until their new modern housing in Zenhom is ready, which is a process that will take about two years. A third area is called El Gezeera. Its main street is a very narrow crowded market street. Basic needs of food, cloth, and home utilities are sold in this market. Most of the market businesses are run by women. Women are either from the neighborhood or come from neighboring districts to sell their merchandise. It was obvious that most women in the area are working in one way or another to help the family by selling food or cloths, by working in a shop or by sitting in the husband’s shop to give him the chance to do another job.

Houses’ doors in any of the neighborhoods I went to in Dar El-Salam and Zenhom are opened during the day time. Most conversations occurred in front of the houses. Men are usually away from the scene most of the time. Some are in their jobs or work outside the neighborhood. Some have left their businesses to their wives and gone to the hospital or to purchase goods for the business or to take care of other family needs. The rest are sleeping or watching TV inside houses. Only a few men who are running their family business were available. Women of the neighborhood sit most of the time in front of their houses or at the street’s corner selling their merchandise, chatting and sometimes eating together and some other times fighting. Most of the houses I was allowed to visit were quite small, modest, and poorly furnished; some
lacked water and electricity. However in a few I saw televisions, refrigerators, and washing machines.

**Ain Helwan**

Ain Helwan –which is the other area for my field research- ten years ago, was just a desert area north of Helwan. After the 1992 earthquake, 3220 flats were built to accommodate people transferred from about 20 districts in Cairo that were damaged during the earthquake. The area as I saw it from inside the metro is an industrial area. Helwan University, lying in the middle of the area (just beside Ain Helwan), has attracted many students who couldn’t find places in Cairo or Ain Shams universities. Thirty years ago, Helwan was known as one of the famous areas in Egypt for ecotourism due to its clean and fresh environment and unique topographic characteristics. Today it is classified as one of the most polluted areas in the country. Due to the huge industrial development after the revolution of 1952 big industries of steel, cement and others were established in Helwan, causing very serious air pollution in the area.

Due to the fact that the government owns most of the vacant lands in Helwan, the area had the potential for receiving people relocated from around the big city as a result of natural disasters or transferred from areas where development projects require moving residents. Zenhom is one example of those areas. Most relocated families in Ain Helwan were transferred from Old Cairo and other areas in the big city where houses were not strong enough to stand and resist the natural disaster. To own new housing, residents had to prove to the appropriate authorities that they owned a house in the big
city and could not live in it any more because of the earthquake. The authorities decided where the family would be relocated between Ain Helwan and other sites that were identified by the government for the relocation. After being relocated, the family had to start paying LE 50 per month for 30 years for the flat ownership. The new housing blocks are called “Masaken Al Zelzal” i.e. the earthquake housing project. These are blocks of a number of buildings of five stories separated by wide streets. Flats were designed in different sizes to accommodate families of varied sizes. The construction and the installation of the infrastructure had to be done in a very short period to accommodate a large number of families that were living in tents after the disaster. That caused, according to some residents, the obvious quick deterioration that occurred to the buildings and the infrastructure in the area. Another reason behind the deterioration of the area is that it attracts lots of internal migration from Upper Egypt and other areas around the country. So around the newly constructed area for the resettled families, a number of slums evolved lacking infrastructure and basic services. A study conducted in the area and the surrounding slums revealed very high unemployment and illiteracy rates and a lack of all basic services. The few houses I was allowed to visit were also quite modest, and poorly furnished; however all were connected to sources of water and electricity. There were also televisions, and electric machines; however the type of furniture that was used in old Sha’bi houses looked strange in a modern type flats. It was obvious that the new expensive life beside the flat monthly installments didn’t allow families to buy new furniture except for the TV and some electrical equipment. Houses’ doors in the modern housing type are closed and socializing between women is minimal except where socializing opportunities were made available by NGOs such as the ICS that I will write about later.
**Women Clients of Microcredit Programs**

Throughout my field research that lasted for about 6 months, I talked to 60 women clients in Dar El-Salam and 27 women clients in Ain Helwan area. In only ten cases did I talk to husbands. The majority of women I met were married and living with their husbands and children. Exceptions were very few women who were widows and two girls who were getting ready for marriage. See table 1 for more information about the social profile of women clients I met.

<table>
<thead>
<tr>
<th>Location</th>
<th>Age 20s</th>
<th>Age 30s</th>
<th>Age 40s</th>
<th>Age Over 40s</th>
<th>Married</th>
<th>Widow</th>
<th>Not married</th>
<th>0-2</th>
<th>3-5</th>
<th>More than 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dar El-Salam</td>
<td>4</td>
<td>32</td>
<td>18</td>
<td>6</td>
<td>53</td>
<td>5</td>
<td>2</td>
<td>7</td>
<td>37</td>
<td>16</td>
</tr>
<tr>
<td>Ain Helwan</td>
<td>2</td>
<td>9</td>
<td>12</td>
<td>4</td>
<td>23</td>
<td>4</td>
<td>0</td>
<td>2</td>
<td>21</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>6</td>
<td>41</td>
<td>30</td>
<td>10</td>
<td>76</td>
<td>9</td>
<td>2</td>
<td>9</td>
<td>58</td>
<td>20</td>
</tr>
</tbody>
</table>

One microcredit group of women I met in Dar El-Salam was called (Ahmed) after the name of a newly born son of one of the members of the group. I interviewed six clients of the Ahmed group. They got their first loan during the second half of March 2002.

Other older groups I talked to in Zenhom and Tolon areas are: Nada, Ansaf, Nora, Safi and Doaa. “Nada” is a three years old group in Zenhom. I interviewed eight women of Nadaa group. All of them were afraid of the government’s resettlement plans since these will disqualify them from being a microcredit client since they will be living temporarily in Helwan and the GGLS is not working currently in Helwan.

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5 Women of each GGLS group select a name for their group
met seven other members of the Tolon groups in a monitoring visit since they didn’t pay the installment in the due time.

I met a group named “Farida” in a long meeting at the GGLS office. It was a meeting in which each of the seven members of the group have talked in detail about herself and her business and in which both staff and women discussed the lending and saving policies and procedures. I attended a loan renewal meeting with the “Raia” group in which they introduced themselves and their activities and their understanding of some aspects of the credit scheme they are involved in. The group is composed of eight women; all of them are applying for a loan level of LE 1100. I attended similar meetings with other three groups (8 members each) carrying the names of Hend, Mariann, and El Amal. In Ain Helwan I interviewed five women in home or street visits. I met other women clients in organized meetings and interviews at the ICS credit office.

**Women’s Role within the Household Economy**

Most women I talked to were doing business in one way or another long before being microcredit clients. Very few women were not practicing business. Some husbands do not accept that their wives do business to generate income. Umm Gamal’s husband is originally from Upper Egypt and does not accept that she goes and sits in the market. Umm Hany’s husband told me that she can work only from home, which enables him to keep his eye on her. Other cases of women not practicing business are those whose

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6 Real names of clients, groups and staff members remain anonymous in order to protect confidences of people who generously shared their experiences and stories with me.
husbands can supply the family needs. However, even those, due to the rising cost of living, are thinking of starting doing business to support the family income. Businesses are mainly informal family businesses. Most men in households I contacted were or used to be craftsmen or non-skilled laborers. Many of those who used to be craftsmen are currently unemployed or are practicing commercial activities or non-skilled activities including micro-commercials. In many of those households men were either unemployed or too old or sick and unable to work. In such households women were running a family business with some assistance from the husband or were fully responsible for the family business. See table 2 for more information on men’s employment and levels of women’s involvement in family businesses.

<table>
<thead>
<tr>
<th>Location</th>
<th>Men’s Employment</th>
<th>Women’s Involvement in Family Businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Craftsman</td>
<td>Non-skilled laborer</td>
</tr>
<tr>
<td>Dar El-Salam</td>
<td>20</td>
<td>24</td>
</tr>
<tr>
<td>Ain Helwan</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>24</td>
<td>30</td>
</tr>
</tbody>
</table>

Different levels of women’s involvement in family businesses help us to identify two different types of businesses. The first type is when the woman helps in taking care of the husbands’ business such as Bekalah dokan, shoe-making workshop, making tea and coffee for workers, bicycles workshop, vegetables / fruits dokan, gas cylinders, artistic handcrafts, etc. The majority of women I met assist in the family businesses being run by men.
Soad is 44 years old and helps her husband in the koshk (small shop). They have three boys in the army and other three kids in school.

Zainab is 39 years old, and helps her husband in the shop he owns. She has a daughter who works and contributes in the household. Other kids are in school.

Fahima is 39 years old, they are originally from Fayoum. She is helping her husband in selling cheese and butter they buy from Fayoum. One of her sons works and gives her LE 20 a month. Four other sons are in education.

The other type of family business is when the woman does a family business by herself in cases where the husband is sick, retired with small pension or unemployed; or if she wants to create another income generating opportunity for the family besides the husband’s income. In this case businesses might be cooking and selling food for workers, a home based docan, or sitting in the street corner selling food and cleaning materials, sewing and needle work and/or being dallala i.e. selling items such as cloths, sheets, home equipment to neighbors and receive the payment in weekly or monthly installments. Most women who are running their family business themselves were not ready to talk about how much money they make.

Ragia said: my husband is a carpenter. For the past six years I do sandwiches and cook for workers whatever food they request. They pay me on a weekly basis. I do not count my income, income is something from god.

Nawal said: my husband is a waiter in a coffee-shop. Our income is not enough. I rented a small handcart and started making sandwiches and selling it in front of our house.

Sania is 46 years old. She is married and has six kids. Her husband, she said, is sick and not working. Two of her boys are working. They give her about LE 130 a month. She rented a place in front of her home to sell food, bread, cigarettes, cleaning materials, etc. She is bearing the full responsibility of the family. She stays selling at the “Koshk” starting 6 am in winter or 7 am in summer till afternoon (around 3 pm). Then she goes home to take care of the home chores while the husband sits at the koshk till early next day. She
spends perhaps one hour or a little more at night at the koshk when her husband goes to buy goods for the koshk.

Tahia is 47 years old. She has eight kids, 3 married, one boy works and gives her LE 50 a month. Her husband, she said, is old and can’t work. He gets a small retirement payment. She has been a “dalala” for a long time, since living in her old house in old Cairo. After being resettled in Ain Helwan, she is still connected with her clients in old Cairo besides her new clients in the neighborhood. She mentioned that being a dallala enabled her to provide support in the marriage of her daughter.

In cases when the woman does a family business by herself and the husband is doing another business, the household’s financial division of responsibilities become different. In most such cases, the woman become fully responsible for the daily household needs especially the food. Also, household members who are approaching the marriage age expect that she is either saving money from the business she run or through being involved in informal saving associations (Gamiyya) to assist in covering the cost of their marriage.

Women’s involvement in family business in the Sha’bi community in Cairo is a kind of normal and accepted practice. They even see themselves equally responsible to men in assisting the family business and generating more income for the household. However, women’s involvement in family businesses in “Masaken El Zelzal” in Ain Helwan was not a matter of a normal life circumstances but rather a struggle to survive. The modernized solution that was offered to those families in the shape of a flat in a multi-story building has taken them too far from employment opportunities, schools, the socioeconomic networks of the extended family and neighbors, and sources of raw materials and big markets. This caused a considerable increase in the cost of living in addition to the expensive housing. In many families, men found
themselves out of jobs and women found themselves in a situation where the small family businesses provided the income to take care of the entire family.

Gamalat is 49 years old originally from Upper Egypt. Her husband is 60 years old and sick. She is a talkative and quite strong woman. She talked a lot about their awful situation to make the daily bread for the family. Her husband got angry when staff from ICS started to call her by her first name. He insisted that she should be called “Umm Said” otherwise no need for the credit. They have five boys and girls. They have established a “Bekala/koshk” to sell food, bread and other home needs. Umm Said explained how heroic she was in defending their koshk when authorities wanted to remove it since it is only licensed to sell bread. She stays at the koshk the whole day; she even sometimes slept the night in it. Umm Said mentioned that her husband accepted that she work under the condition that she work in front of him not in the market or street alone since he is Saidee “from Upper Egypt”.

Being active in family business and contributing to the household income does not change what women and the entire community accept as a normal and social accepted division of household roles and responsibilities. The ‘man’ is considered the ultimate income earner of the household even if he is unemployed. Women’s participation in business is subject to men’s acceptance. In cases where the husband is dead, normally the eldest son takes over the role of the household’s breadwinner. However, house cleaning, food processing and responsibilities for children’s education and health are major responsibilities on women’s shoulders.

Umm Aziz assists her husband in running their small shop located in the neighborhood. I talked to her in front of their house. She said: today is the cloth washing day, this is why I’m home. During other days of the week, I stay in the shop till afternoon and my husband goes for the night shift.

Many of the micro family businesses I visited were located either inside or in front of the houses. That was mainly because the household can’t afford to buy or rent a place for the business. In such cases women were mostly full responsible to run the business. Since the house had become also the workplace, women found a big difficulty in organizing their time between their traditional household responsibilities
and taking care of the business. They end up spending the whole day without a break in running businesses and in the meantime taking care of the children and other household chores.

In most cases the housekeeping allowance ‘masroof’ no longer exists. A group of woman laughed when I asked them if their husbands give them masroof, a woman said:

“He does not have a job with a stable salary to give me masroof, this is history and not anymore.”

The household income does not depend on a stable source of income as it used to. Most households I contacted depend in one way or another on an informal family micro business that is being run jointly by both man and woman or by one of them. Due to the nature of informal micro businesses, household income goes into one pool of money and one cash flow. Women rarely have the privilege of putting aside some money. This is true even in cases when the man and the woman are running two different businesses. Only one factor affects decision making about businesses and money allocation within the household, which is the market and its ever changing circumstances. It is a matter of survival and keeping alive in a harsh market environment.

**The Meaning of Power:**

Throughout the six months of my field work in this research, I never got the impression, despite their deprived situation, that those women are lacking power or being marginalized in household decision making. Despite my position as a stranger
male who came accompanying credit staff and raising questions about some life aspects that can be classified as private in this context, this didn’t stop women from reacting powerfully however politely with a sense of humor and sometimes sarcastically to their situations and the changes occurring to them and the society at large. By talking to these women, I have arrived at a better understanding of the meaning of power in their vocabulary and sources of power beyond our econocentric understanding of it.

In talking to those women I recalled the images of bent el-balad and bent el-suq in El Messiri (1978). Their wide exposure through involvement in family businesses and participation in informal communal networks has provided them with the required knowledge and power to survive quite harsh living conditions.

Umm Gamila got married some years ago after the death of her first husband (Abo Gamila). She opened a shop in the area with her new husband. They rotate shifts in the shop, and sometimes they stand together when needed. They share the household income that comes from their shop, and consult each other on both business and family issues. She is dreaming of her kids’ success in education. She told me:

‘I’m very proud of my daughter Gamila. She is in high school and won a sporting championship on the country level. I will encourage her to continue.”

Women I met with sons and daughters at the age of marriage are dreaming of good marriages and happy families for their sons and daughters. For the household a good marriage for girls is a matter of high profile. An understanding and good, capable husband and successful kids are significant sources of power for all women I met.
Those women’s concept of the role of the husband reflected their common world view and clearly revealed that an important source of their power lies in ensuring the dignity of their households through maintaining the positive image and the dignity of the man as the ultimate bread winner. I was surprised to hear from many women whom I talked to in Ain Helwan that their husbands were sick and were not able to work anymore. When it became a pattern in discussions with women, I decided to discuss it with ICS staff. They told me that there are some cases where the husband is old and retired while the woman is younger and still able to work. However, due to a high men’s unemployment rate in the area, women would not like to tell a stranger that their husbands are unemployed and financially dependent on them. I understood that it’s a matter of family dignity. Saying that their husbands are sick and have to go to hospital, women are behaving tactically in order to maintain the dignity of their husbands and the positive social image of the household. The social image of the bread-winning man and the housewife is a dominant image. Reversing realities in this case would not be a source of power at all for a woman in such community

Hana is a quite self-confident married woman. She went with us around the area to visit other women and she was quite respected by others. She told me that she is a housewife and that at home she is responsible for everything. She talked proudly of her husband who is a workshop owner.

Umm Shadia is about sixty years old and a mother of three married daughters living in the same neighborhood. She is quite respected and beloved by all her neighbors. She has been standing with her husband selling vegetables and fruits in a small shop for the past twenty years. She was the one who selected members of her GGLS group.

Hana, Umm Shadia, Umm Gamila, Umm Said and many other powerful women I met in Dar El-Salam, Zenhom and Ain Helwan are quite respected by other women due to their known good reputation and commitment. All those women are partners with
their husbands in coping with harsh economic pressures and the ever increasing cost of living. They are juggling daily home needs, the market, shopping, accessing goods with lower prices, and planning for seasonal occasions. Through their knowledge and skills, together with their husbands, they are capable of making it through.

Women are also involved in different informal socioeconomic networks due to their web of relations and connections inside and outside the neighborhood. Informal saving associations (gamiyya) are a common practice that almost all women are involved in. It is a basic communal mechanism that enables the household to do the savings that provides it with the economic capability to respond to needs and social obligations. Most women with married daughters said that their involvement in ‘gamiyya’ has enabled them to afford the obligations of daughters’ marriages. Being involved in ‘gamiyya’ and other informal socioeconomic networks women come together and exchange information about issues around kids, marriages, business, markets, prices, and husbands. I learned that with this household model and the existing strong informal network the image of the confined woman in totally deconstructed and the dichotomy of the public (men’s world) and private (women’s world) is totally broken. However, with increased economic pressures and greater involvement of women in business and house chores, women talked of the recent limitation of time and opportunities available to them to visit each other and socialize. Most women I met in Ain Helwan expressed disappointment at the very weak solidarity between people in the new settlement compared to their old neighborhoods in the town.
Chapter 5: Microcredit Programs: Their Background and Main Hypotheses

I had an informal discussion with two of my colleagues, ‘projects managers’ at the Egyptian Swiss Development Fund (ESDF), on the effect of microcredit on the wellbeing of the poor and on women’s position. Both of my colleagues were quite sure that microcredit is quite effective, especially for women. For them, when women in poor households start to generate income and access resources, it contributes to their self-image and self-esteem by enabling them to contribute to their children’s health and education. This hypothesis is typical of donor agencies and NGOs as well, regarding the effect of microcredit. In this chapter I discuss the background and main hypotheses of the two microcredit schemes I studied in this research regarding their assumed impact on women’s ‘clients’ position within household economy and power relations.

The Group Guaranteed Lending and Savings Program is being implemented by Save the Children –USA (SC) which is an international NGO. The other group lending program I studied is being implemented by the Integrated Care Society (ICS) which is an Egyptian NGO. I want first to make the point that the symptomatic local / international findings of this research of both microcredit schemes are suggestive rather than conclusive and are not intended to introduce any comparison between the two schemes or NGOs.
The Group Guaranteed Lending and Saving (GGLS)

Save the Children Federation (SC) is a leading provider of development and humanitarian assistance in more than 44 countries. SC concentrates on developing health, education and economic opportunities in its mission: to make lasting, positive changes in the lives of children in need (Save, 2001:45). SC’s Egypt field office works through an umbrella agreement with the Ministry of Social Affairs (Save, 2001:17). In September 1996, SC launched the Group Guaranteed Lending and Saving Program (GGLS) in the disadvantaged Cairo neighborhood of Abdeen and later in Imbaba and Dar El-Salam (Save, 2001:8).

SC argues for the rationality of the GGLS based on number of assumptions related to the position of targeted women. A basic assumption of GGLS is that Egyptian women are economically dependent and the fact that most women are not income earners, leading women to rarely participate in final household’s decisions. Especially in low-income families, women become more passive in decision-making and significantly incapable of sharing in the upgrading of the household’s health and educational conditions (Save, 2001:7-8).

Another basic assumption of GGLS regarding the position of women that is embodied in its choice of targeting only women, is based on the view that many micro-credit programs around the world have noted that women are more likely than men to spend their income on improving the quality of life of their children. When low-income mothers start to earn money, this improves their capacity to purchase more food which means better family health. This improvement in mother’s income translates into higher energy, greater capacity to work, learn and produce. Consequently
investment in education of children will follow and then comes the investment in home improvements. All these positive outcomes will certainly impact on women’s self-respect (Save, 2001:10).

“Why is GGLS only targeting women?” is a question that was repeatedly discussed and taken seriously by staff in women’s groups meetings. Reasons clarified by GGLS staff were mainly that women need cash for their own enterprise and that their ability to access cash is too limited compared to men and, at the same level, women can’t compete with men in the employment market. Another reason was that women do not spend time sitting in coffee shops and wasting money on their own leisure as men do, but prefer to spend money on kids and other basic household needs.

The GGLS stated goal is to empower poor women entrepreneurs as income earners in their households through the provision of sustainable microfinance services (Save, 2001:13). The GGLS goal implies its basic hypothesis: increasing the income generating capacity of women will result in improving the quality of life of women and their children through enhancing family income and saving. Another hypothesis is that access to credit and increased income will enable women to take a more pro-active role in decisions regarding household expenditures and children’s education, health and nutrition.

I had a discussion with the “Hend” group, composed of eight women. They came to the office in order to renew their loan with GGLS to the level of LE 1100. I asked why they wanted to renew the loan. They said: we need the loan, it became a necessity for the family daily living. Men do not object at all, on the contrary they are quite happy that we are sharing financially at home. When I asked why they think the program is targeting women not men, they didn’t remember. They said: the staff told us why only women but we forgot. One woman said: because women take care of the kids not like men.
When men have more money they spend it on themselves but women spend it on kids and home needs. In a later discussion all group members told me that they wished that the program gave credit to men too.

The GGLS lending methodology is based on the principles of successful joint liability microcredit programs around the world, and refined through SC’s experience in implementation of similar credit programs in Egypt and the Middle East. Groups of women micro-entrepreneurs are given small, individual, and multiple cycle working capital loans for assisting their enterprises. No collateral is required; women guarantee each other. See Figure 1 for the application form that should be filled by the applying group of women:

Figure 1: Group Loan Application Form

| _________ Group Loan Application Form |
| In (date) ___________________ and in the presence of the undersigned participants it was decided to establish a lending group named ______ and carry the number ___________ aiming at joining the ______ Program in order to provide its members with loans for their own private businesses. The following amounts mentioned with the name of each member are considered the requested loan amount from the _____ Program. |
| The group through a liberal democratic process decided to elect Mrs. ___________ as the group chief and Mrs. __________ as the group treasurer. They are responsible to lead the group. |
| As a matter of assuring our commitment, we sign in the following declaring that we accept the group’s bylaw that we jointly approve. Our signature also means our commitment to attend the regular group’s meetings that will be held at the time of installments payment each (day / time) ___________ at (location) _______________. We also agreed that the group’s loan to be issued in a check payable to Mrs. ___________ at (date) ________________, with a total amount LE _________________. |
| Signatures: |
| Name: ___________ Type of Business: _______ Amount: _____ |
Women use the loan to purchase raw materials, goods, supplies, extra labor or inputs for their business. Loans are paid in equal biweekly installments over a cycle of Eighteen weeks. Loans carry a flat charge interest of 8% per cycle (i.e. 19.2% per annum). No partial or individual payments are accepted. Successful and timely repayment of the entire group loan makes them eligible for larger loans in stepped increments. Borrower groups form themselves and create their own by-laws. Women are expected to attend bi-weekly meetings where repayments are made and savings are collected. Women are required to save every two weeks a minimum of LE 1 for a LE 300 loan (Save, 2001:21). The purpose of the saving is to help women to put some money aside for emergencies. The GGLS’s savings policy allows women to access their savings only after the completion of five lending cycles. That allows for the accumulation of savings and in the same time provides the program with the mechanism to reduce risks of defaults. According to the program’s operating manual:

‘The use of savings to cover a group’s defaults is only in case of emergency and this option shouldn’t be told to the clients’. (Save, 2002:12)

The ICS’s Group Lending Microcredit Program

The Group Lending Microcredit Program of the Integrated Care Society (ICS) in Ain-Helwan is a component of the UNICEF funded “Child-Centered Protection & Development Project” in the Resettlement Areas of Ain-Helwan. The earthquake disaster of October 1992 had tremendous human and material costs for many Egyptian families particularly in old squatter areas in Greater Cairo. A great number of these families were resettled in new neighborhoods. The Ain Helwan area that was chosen for resettling earthquake victims has been selected by UNICEF as a model for participatory integrated community development. The Integrated Care Society -an
Egyptian NGO- was chosen to be the implementing agency in the Ain Helwan area. An agreement was signed between the Integrated Care Society and UNICEF in July 1993.

A survey was conducted by the National Council of Childhood and Motherhood (NCCM) in September 1993 to evaluate the current situation and assess the needs of the people as well as the available services. Based on the results of the study a plan was drawn up for developing the area both physically and socially. The economic problems, especially unemployment, are considered the most severe and important problems in the area as they directly and indirectly affect all aspects of life. Project activities were designed in a way that addresses different needs and problems of children, women and youth. Children’s programs include a club, crafts training, trips, music and art competitions, day care center, educational activities, and health and nutrition activities. Women's Programs include club, seminars, cultural and educational trips, vocational training, legal literacy, literacy classes for women and children who dropped out, first aid training, reproductive health unit, and health activities (reproductive health- nutrition awareness). All project activities are financially supported by UNICEF. Funding from UNICEF is being reduced gradually and expected to end by 2006.

As of the year 2000 a microcredit component was added to the project activities. The microcredit component’s stated goal is to empower the vulnerable women and mothers of working children through providing credit, business skills training and technical assistance. The basic hypothesis of the UNICEF/ICS’s microcredit scheme is in agreement with that of SC. ICS believes that when women start their own home-
based businesses and generate income, they support sending their children to school rather than to work. The policy of restricting microcredit to women is a UNICEF policy. Despite the fact that there is a big demand from men to access credit due to very high men’s unemployment (60%) in the area, ICS’s agreement with UNICEF does not allow lending to men.

The ICS’s microcredit system is modeled on the Grameen Bank system under which loans are distributed to the eligible borrowers groups. Each group consists of five borrowers, of which at least two are mothers of working children. No collateral is requested; however each borrower of a group guarantees the repayments of loans of the other four members of the same group. Average loan size is LE 500 with maximum repayment period is one year. Loans are paid in equal monthly twelve installments and carry a flat charge interest of 10% per annum. A weekly meeting has to be conducted by each group to discuss the progress of their businesses and the repayment status. The project also provides a number of beneficiaries with business skills training and technical training in order to empower them through skills that will contribute to raising their standard of living by creating income generation opportunities. Training areas are embroidery training, school bags manufacturing, and sewing training. Moreover, the borrowers and their children are involved in the different child protection activities stated in the agreement with UNICEF.

Development discourses embodied in hypothesis, assumptions and backgrounds of the above two microcredit credit schemes assume a universal unity among women based on a generalized notion of their subordination. Yet the assumption of the category of
'women' as a coherent group with identical interests, experiences and goals is problematic. This assumption defines women as being subjects 'outside' social relations instead of looking at the way these women are constituted through social structures. This very paternalistic attitude does not match women I met throughout my research. Both donors and NGO’s assumptions of the position of women targeted by microcredit represent Western discourses and worldviews imposed on women of "developing" countries by focusing on "needs" and "problems", and neglecting to recognize the choices and power available to them that I have discussed in the previous chapter. GGLS focuses -in arguing the rationale of microcredit- on the model of the “income-earning-woman” to supplant the “economically dependant woman”. Despite the fact that the majority of women in such communities are practicing business in one way or another, the discourse of the “income-earning-woman” is a kind of neglect and underestimation of the value of all the nonmonetary contributions of women to their households.

Institutional Background

SC started the implementation of the pilot phase of the GGLS program in Abdeen neighborhood in September 1996 through a partnership with the Women’s Health Improvement Association (WHIA). The GGLS program has developed well beyond the pilot phase and has expanded into the poor Cairo neighborhoods of Imbaba and Dar El-Salam. The expansion into the two new areas was implemented directly by SC staff and managed from the SC headquarter. By the time of this research (2002) SC

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7 WHIA is an Egyptian NGO established and registered in the Ministry of Social Affairs in 1964. Its primary goal is to provide medical, social and economic services for the patients of the Tuberculosis and their families.
was almost done with the phasing out of the GGLS pilot phase in Abdeen area by handing it over to WHIA.

Although providing financial services was not one of the WHIA’s main objectives, the association’s board members have recognized that their efforts should be complemented with the provision of credit. Discussions with old GGLS staff who were involved in the implementation of the pilot phase in Abdeen revealed how the program was affected by the WHIA social development goals and activities. A staff member mentioned that:

“Women were attending bi-weekly meetings during which repayments and savings collected. Subjects of common interests were discussed between women. During those meetings health awareness session were conducted. Women’s meetings also were a useful channel for linking women borrowers with other WHIA’s services such as health referrals”

The head of the GGLS management team mentioned to me that it was decided not to continue with the community development activities which were accepted in early stages of the GGLS parallel to microcredit. This decision was based on a philosophy of not mixing the microcredit with other social development activities so as to not risk its success.

It worth mentioning that an ultimate success indicator for any microcredit program is achieving what economists call “the breakeven point” or the point of “financial self-sufficiency”. Both terms give one meaning which is reaching a point when revenues from interest gained from revolving the loan capital cover the running cost of the program and later the capital loss due to inflation and depreciation. The matter of achieving the breakeven point was not a concern for the ICS staff; however for GGLS staff it was crucial and was discussed among staff as a matter of survival. When
achieving financial self-sufficiency becomes very important for the microcredit management, 100% repayment rate and 100% capital utilization becomes uncompromised objectives.

Throughout this research process I observed a number of changes occurring within GGLS that reflected the kind of shift the program is currently going through. One of those changes involved having loan applicants start signing a “promissory note” as a money guarantee which is a quite strong financial document in front of the court. Another change was in the form of adding a new position to be based in the GGLS headquarter with a title “Internal Control Officer”. This new post, among different responsibilities, is supposed to observe the credit delivery process in order to maintain the program standards. I also observed on different occasions that the GGLS office was referred to by staff in talking to women as the “Bank”. They mentioned that the image of the Bank adds more power to the program in the eyes of the local community and prepares women to deal with banks in future, which is seen as a good thing in itself.

The ICS’s microcredit component is being implemented within the wider scope of, and in connection with, varied service delivery programs responding to the different needs of children and women. However, the GGLS strict focus on pure financial service and the institutional and bureaucratic changes I observed are consistent with how GGLS envisions itself as moving through an institutionalization process to become the biggest Micro Finance Institute (MFI) specialized in serving women micro-entrepreneurs in Egypt (Save, 2002:4). The current main strategic objective of GGLS is the establishment of a financially sustainable Egyptian Micro Finance
Institute (MFI) (Save, 2001:13). SC’s worldwide experience has shown that the creation of an independent MFI dedicated to microfinance as a mechanism for future expansion and independence, is more likely to result in a superior long-term institution than partnering with existing NGOs that may not share the visions and goals of the GGLS program. Moreover, changing the social developmental approach of existing organizations would be more time consuming and risky than starting a new one since micro finance, as a purely business oriented development enterprise, is a highly specialized activity that requires a specialized system and should not be mixed with social development activities (Save, 2001:25).
Chapter 6: Microcredit within the Dynamics of the Household Economy

The meaning of the term ‘household’ that is being used widely in this research is based on a wider understanding of survival strategies and informal economies of poor neighborhoods in Cairo. People in such communities rarely live alone, and there is a socioeconomic interdependence between household members whose relationship is based on blood and marriage ties. Member’s choices, decisions and the way they are socially positioned by the wider community are based on this membership. At the same time the household acts as a mean of access to resources and security since for them (i.e. members), the household is the buffer to protect them from the shocks of state policies and rapid socioeconomic changes. However, as a social institution the household in such communities is subject to modification in its internal structures, organization, and economic role, as a result of external pressures such as economic changes. The urban household’s traditional as well as modern ideologies designate men as household breadwinners. The standard of living of the household is a reflection not only of its cash income but also of its full income and resources that constitute all material benefits either cash or in-kind that household members draw from all activities. The full income of a household consists of several elements: (1) income from productive economic activities, either cash-generating activities or non-market activities such as housework, food processing or subsistence production. (2) the extent to which the household receives subsidized public services such as subsidized goods, schooling, or health services, either delivered by governmental or non-governmental organizations. (3) the extent to which the household receives
resources from the extended family, kinship relations and/or informal socioeconomic networks such as gift exchange (Hoodfar, 1997:8, 9, 18).

Based on this meaning of the term ‘household’, I thought of a meaningful working definition for what I define here as ‘Household economy’. It is the household’s economic practices, choices, decisions and arrangements that reflect the local sociocultural system with its values and traditions regarding the control, management and allocation of family resources. At the same time these household aspects are responsive to changing socioeconomic circumstances and outside pressures.

The provision of microcredit through both programs I studied is based on the main assumption that when women start to generate more income from businesses they practice, they will have the upper hand in allocating this additional income. This assumed new household economic arrangement is also assumed to have a positive impact on children health and education. Programs have employed certain policies and procedures that match these assumptions. Some of these policies and procedures entail restricting credit to women who own and control their businesses, terms of lending such as loan size and repayment schedule, and criteria for success such as “women retention” in programs.

**Business Ownership and Control**

A main ‘criterion for selection’ that programs have identified for the group’s membership is that the woman should either own an existing business, or use the credit to establish her own business. This notion of ownership, although it sounds a
pro-women criterion, is confusing and appears unrealistic. Types of businesses being practiced by households I contacted either run by women or men or jointly are family-owned businesses and depend mainly on time and labor of both men and women. Fixed assets that can be a subject for ownership are minimal. Ownership in most cases of such micro enterprises is unverifiable. Even credit procedures do not require a submission of a proof of ownership.

45% of the cases I contacted received credit for a business being run by the husband and assisted by the client. Staff encouraged women to apply in both cases, whether she will be using the loan for a business she practices or for a husband’s business. However, in the case of having the loan for the husband’s business, the family should consider that the woman will have to start to be involved in the business. That is a program obligation. In cases of households where husbands don’t accept that their wives become involved in running the business due to their traditional values, household members pretended that the woman is involved so as not to violate the credit obligation.

Abo Gamal is originally from Upper Egypt and moved to Dar El-Salam 15 years ago. He sells home equipments and utilities in the neighborhood and in the market. He was doing this business since they have moved to the area. He said that Umm Gamal (client) does not work outside the house; however he leaves her some of the items so that she can sell it to her neighbors.

Regarding the issue of who actually controls the loan that is, who manages the enterprise and controls the income there is no one clear-cut system of money control. When the business is run by the woman, the husband provides assistance in some cases and helps doing accounting in most cases, thus keeping informed about the family business run by the wife. In particular cases when the woman is a ‘dallala’ or does sewing and needlework i.e. does a type of a business that is traditionally
monopolized by women in this particular context, men had minimal involvement and control. However when the business is actually the husband’s bread winning, in most cases it was controlled by him and women mostly contributed labor. However this contribution has nothing to do with the loan since in all cases women were assisting husbands in business long before being a microcredit client.

Shadia has been a GGLS client in Zenhom for three years. Her husband is doing hand crafts and some Islamic heritage tableaus. They used the loan to buy raw materials for the crafts making. Shadia’s involvement in the business is minimal. The husband explained to me that it’s the main source of income for the family. The house was quite poor and was lacking basic facilities. Shadia was quite grateful for the GGLS staff for their support, however both Shadia and her husband were extremely worried since GGLS’s loan will be stopped when they will be resettled outside Zenhom according to the government plans.

Farida and her husband Mahmoud came to the ICS’s credit office to attend a meeting to apply for a loan with four other women who came for the same purpose. The enterprise is her husband’s, she was silent and he talked all the time about buying plastic and paper bags from a factory in Giza and selling it to shops and street vendors. He mentioned that he made about LE 15 / day.

In some cases where both the man and the woman were jointly running the business, they both had access to the income generated from it.

Umm Gamila who is running the family shop with her husband said that: whatever money she or her husband needs for the household or other purposes they take it from the income generated from the shop.

In some other cases the woman was found in full control of the business since she is a widow or the husband is sick, too old to work or unemployed and the woman had no other choice than to take over the responsibility of providing for the family.

Different types of family businesses I observed were associated with different levels of both men’s and women’s involvement, ownership and control over the family business. Level and magnitude of involvement was found different even between
individual households and was affected by varied sociocultural and economic factors. Some of the factors that I observed are: cultural background (i.e. where the couple originates from), type of business and the extent it requires specific skills, the business market and clients (e.g. dallala), the age and capability to run the business, the individual household’s financial arrangements, and the agreed upon division of household roles and responsibilities. However, I would claim that the dominant arrangement I observed regarding the man and the women’s involvement, ownership and control over the family business was a kind of a partnership arrangement rather than individuals with segregated incomes.

**Terms of Lending and Family Budgeting**

The ICS credit monitoring system (a case study format) documents information about clients when they first applied for the loan and when they applied for the second time for loan renewal for another year. One item in this format is about household income and cash contributions made by different income earners who are members of the household. The comparison of information between the first and second loan applications revealed that household working members’ (sons and daughters) cash contributions into the household pool of resources were considerably reduced after the mother became a credit client. One very simple explanation of this reduction in working sons’ and daughters’ cash contributions into the household is that credit money is not counted separately from the ordinary household cash flow and budget. It is very true that it becomes an integral part of household’s pool of resources.
Loan size of the ICS program starts at the range from LE 100 to 300 with a maximum repayment period of one year. Talking to women in Ain Helwan regarding their loans, they mentioned that:

‘the loan size is quite small and such a small amount of money does nothing in these days of economic difficulties and increased cost of living.’

An ICS staff, in response to my questions about the very small loan size to be paid over a year, mentioned that:

“it’s understood that the loan is being used to support home daily needs and consumption. This is why the loan size is small and the repayment period is long. Most men are unemployed and women are bearing the family responsibility; otherwise kids will be at risk. Men, after being transferred from their original homes in the old city and given the fact that most of them did not have permanent jobs, end up by staying home and consequently women are obliged to work to provide for the family and substitute for the lost income caused by men unemployment.”

Farida came to the ICS asking for a loan:

I have a retirement payment of about LE 300 a month from my husband’s work. My son and his family live with me, he is unemployed. My daughter sometimes comes to the house when things with her husband do not work well. I want a loan for my daughter; she (her daughter) will give it to her husband to invest in his workshop.

Farida was not clear about what she will do with money. All she wanted was a sum of money. After she left, ICS staff mentioned that she does not seem to be trustworthy with all the confusing information she mentioned about her family, son and daughter. I do not think that there is a chance that she will get a loan; however that was an example of how the credit is being perceived by the community as another survival strategy to face an ever challenging cost of living for such poor households.
The GGLS loan size and terms of payment are quite different from that of the ICS. As we can see in the following the highest GGLS loan level of LE 4000 is being repaid in a shorter period than an ICS’s loan of LE 100:

GGLS loans start at LE 300 to be increased in cycles after successful repayment to LE 450 – 600 – 800 – 1100 to be paid over five months in biweekly ten installments. After the client passes successfully this level, they get a loan of LE 1400 to be increased in cycles after successful repayment to LE 1800 – 2200 to be paid over 8 months in biweekly 16 installments. After the client passes successfully this level, they get a loan of LE 3000 to be increased in cycles after successful repayment to LE 3500 – 4000 to be paid over ten months in biweekly 20 installments (Save, 2002: 9).

A GGLS loan size of LE 600 which is the reasonable average loan size for a family’s micro business has to be paid in ten equal biweekly installments of LE 66, which is a quite challenging repayment schedule. Pressing daily consumption needs combined with the challenging loan repayment schedule make households obligated to cut loan installments from their business capital and to start again with a new credit cycle hoping to regain the loss in the previous cycle, and the circle goes on.

**Client’s Retention**

In Zenhom I asked women ‘GGLS clients’ if they can live without the credit after being about three years with the program. All women without exception answered that they couldn’t. As one said:

‘We have got used to the loan after this long period. It has become very important for the family and we can’t make it without the amount of credit we get.”
GGLS clients are quite tempted to move from one credit level to a higher level until they can access a loan level of LE 4000. A simple calculation tells us that if a client wishes to access the highest level of the ‘GGLS’ microcredit she should keep with the program for 69 months (i.e. 5 years and 9 months). This period in reality will be much longer if we calculate periods taken by the administration between credit cycles and possible delays of any of the group’s members.

I understood that maintaining a high clients’ retention rate in the program is a success indicator within GGLS. In early stages in my research I had wanted to discuss with women why some clients drop-out of the program. I was told by GGLS staff not to discuss this particular topic with clients, since this discussion could cause some difficulties for the program. The kind of difficulties that could result from discussing the issue of drop-outs with women was not explained to me. However, I understood that my research shouldn’t open any discussions with women that can affect their enrollment in the program. Despite that I didn’t expect that discussing this topic with women could increase the drop-out rate, however the reaction I got on this topic was an indicator of the degree of sensitivity this matter has within GGLS and the degree of confidence the staff has in the GGLS’s ability to maintain a high client’s retention rate.

In later discussions I understood from staff that every woman leaving the program is counted as a drop-out or a loss. From a pure banking point of view this is very true. Losing a client is of course a loss because it means a delay in achieving the program financial self-sufficiency. One can ask: where is the problem? When a client leaves a new client join. Well, it’s not that simple. Involving new clients is time consuming
and requires much more effort than keeping current clients. Another side of this matter is that the size of one big loan to an old client needs to be substituted by a number of new clients with small loan sizes. Then it’s obvious that involving new clients cost more money than keeping old clients and make achieving the program’s breakeven point more difficult.

The assumption about women’s control over income generating from businesses they practice and the assumed consequent improvement in children health and education imply a kind of misconception, on the one level, of the dynamics of household economy within poor Cairo neighborhoods and, on the other, of the living conditions in these areas. Data from the field does not match the assumption that the additional income generating from women’s business can be allocated to fill gaps in children health and educational needs and that filling those gaps is only subject to cash availability at the household level. A non-segregated, however, non-equitably accessed income in most families does not allow women’s control over household’s income, However, in some cases it enables men and other contributing family members to reduce their contributions to the household daily consumption based on the new income made available by women. Even in cases where more cash becomes available at the household level, I would argue that it still does not solve the problem of low quality of education and health services made available by the government within the neighborhood and it also does not allow the household to access the very expensive services made available by the private sector outside the neighborhood.
As for the particular GGLS’s success indicator of high clients’ retention or in other words “high economic dependence of the household on microcredit”, this seems self-contradictory and raises quite critical questions to the hypothesis of achieving women economic independence. I think that this matter of the client’s retention and drop-out puts the staff in an obvious conflict of interest. By conflict of interest I mean that in cases when the woman/household have developed a successful business and can start to be independent (i.e. have no need for more loans), how should the staff react? Should they encourage the client to leave the program and to become independent? Or should they encourage the client to continue and apply for a bigger loan? The answer is clear. Clients’ retention is success and drop-out is a problem. That clearly puts the GGLS in a clear conflict between maintaining their original goal of achieving women’s financial autonomy and achieving the program’s financial self-sufficiency.
Chapter 7: Microcredit’s Challenge to Local Webs and Networks of Power

The Meaning of “Empowerment”

The model of power being used within microcredit programs, leading to a decision that “the project targets only women” implies namely, the humanist, classical notion of men as oppressors and women as oppressed. This concept is definitely not adequate and is misleading in this particular context, as it only stresses the binary 'men versus women' and does not take into account the various socioeconomic contexts that I elaborated in the meaning of power in Chapter Four. As a result women are 'robbed' of their historical and sociopolitical agency.

During planning the field work in Ain Helwan with ICS staff I asked to do home visits to meet some of the clients at their homes. A staff member spontaneously responded by saying:

“I do not think it is a good idea to visit clients at their homes. They are poor women and due to their difficult circumstances they had to get loans from the association and to start working to take care of their families. I think it will be quite embarrassing for them to be exposed to an outsider (that was me) as poor women whom poverty obliged them to borrow money and work”

This discussion was not about empowerment. It was about “shame” as a social value. In this particular context, borrowing money and women’s obligation to work is not something to be proud of. They do it since there are no other options. In this case microcredit is a survival strategy. However development planners see it totally differently.
Donors and NGOs supported by social policymakers and development planners, in analyzing microfinance programs, are interested in statistical proof that women who have access to credit are more empowered as demonstrated by participation in family decisions (such as a major purchase or the marriage of a child), increased fertility control, and increased health and education of children. This “ideal model” ignores the structural differences that operate through cultural practices and ideological principles, such as gender and age hierarchies. Consequently ‘Empowerment’ becomes a process aiming at changing existing structures and systemic forces. One of the problems with terms such as “Empowerment” is that it seems to “Development” practitioners to need no explanation; however, in another cultural context, it may not even exist, or may have completely different connotations.

For women I met in Dar El-Salam and Ain Helwan, the term “Empowerment” or the way microcredit staff interprets “Empowerment” carries totally different and negative connotations. In one of the GGLS group’s meetings, a staff member raised some questions to women about empowerment. He asked them if the loan and accessing money has started to make them feel powerful and equal to their husbands. Of course he didn’t use the same words I’m using here. The Arabic term he used was “tetnamrad” which means in Arabic that the woman starts to feel powerful to the degree to disobeying the husband if she does not agree with his decision or choice. Of course, within the social and religious context of women in Egypt, disobeying the husband is a very bad sign and threatening for women. The women’s answer in all cases was “of course not”. Perhaps the problem was with the Arabic word “tetnamrad” that was used by the staff member, however this usage gives an
indication of how the term “Empowerment” is being interpreted by some development practitioners.

On another occasion, I had a discussion with one of the staff members about the empowering affect of microcredit on women, the staff member mentioned that there is a not-yet-confirmed finding that microcredit programs targeting women in Egypt are contributing to an increased divorce rate between its married clients. The staff member was not clear if this is a good or a bad thing. However, what is important here is not the finding itself (which I view with some skepticism), but the discourse of development practitioners about how far the assumed empowering effect of microcredit could take women.

These interesting commentaries suggest how “Empowerment” is being interpreted by development practitioners. They were a kind of a translation of the meaning of “Empowerment” embodied in the discourse of development. They suggest a meaning of “Empowerment” that may challenge the communal values and the situated meaning of power within this particular sociopolitical context.

In fact I see differently the notion of ‘power’ embodied in the webs of actions and relationships that microcredit programs introduce and create within the local context. I think that microcredit methods of group guaranteed lending, loans delivery and repayment, and the disciplinary tutorial processes, are power practices that lead women towards new forms of subordination.
The Group Guaranteed Lending Methodology

The GGLS process for microcredit delivery starts with what is called ‘promotion’, a task performed by a number of female staff members titled ‘Promoter’. I joined a promoting task in “El Gezeera” which is a poor area with a very crowded market street for basic needs of food, cloth, and home utilities. The promoter used a small GGLS brochure that carried the office address and phone numbers. On the left side of the brochure there is a photo of a woman carrying a gas cylinder on her shoulder and thinking that her income is small while her dream is big and her business needs improvement. On the right side of the brochure there is a photo of a big key and under it the name of the GGLS and the name of SC. A message is written in a rhythmic style between the two photos that say: In your hand a loan, no guarantee is required, small installment indeed, and all you need is your ID.

We met many women selling food or cloths, working in a shop or sitting in the husband’s shop. We passed by some houses to follow-up the cases of women who were approached in previous promoting visits. We also talked to women who were practicing commercial activities in the street and who were living in El Gezeera area. The GGLS promoter explained the group guaranteed system and that there is no need for any other guarantees. She also discussed with men whether their wives would like to form or join a group. The main concern of women was about forming a group of women. The promoter told me that it’s always like that but if she really needs the loan she can easily form a group.

When at least seven women have been gathered they contact the promoter to begin the process of obtaining the credit. Groups are self-managed by women, so during the
initial tutorial sessions, a group president and a treasurer are elected for the group management. The group formation and who could be included or excluded is the responsibility of the women themselves without any intervention from the staff. The staff told me that they keep away from the composition of the group in order to have women bear the full responsibility of any uncommitted member. In tutorial sessions, women are instructed that:

“if you allow an unreliable member or a woman with bad reputation you will bear the full responsibility of paying installment for her since it is a group guaranteed scheme. So you got to be careful in selecting each other.”

At the stage of preparing my field research questions for the GGLS scheme, I added a question asking if women would prefer individual over group lending. GGLS staff were concerned about discussing this issue with women clients. A staff member said to me:

“Of course they will tell you they prefer individual lending since it will give them more freedom. However a rumor of an individual lending could be a problem for the program since it’s not expected to happen in the near future.”

The GGLS operations manual gave an explanation of the philosophy of the ‘group guaranteed’ methodology.

“The group guaranteed methodology makes a good use of the power of the social pressure as a guarantee for timely payment of installments in the due time. No doubt that this methodology is very useful in achieving the program sustainability…” (Save, 2002:5)

It’s worth mentioning that the group guaranteed lending system’s default rate is almost zero since payments are group installments and women are expected to cover the default between themselves. If they can’t, the whole group will be canceled which gives them no other choices than covering the default themselves and give a 100% repayment. This is also why women in selecting each other to join the group will
automatically disallow the very poor women from joining or will drop her out of the
group when they start to realize that she is becoming a financial burden on their
shoulders.

As we discussed in the previous chapters regarding household socioeconomic
circumstances in the research areas, businesses run either by men or women or jointly
are family businesses, the household income generated by either men or women or
jointly goes into one pool of resources, the “man” is seen as the ultimate household
bread winner. When a woman in such an area becomes a microcredit client, all her
household members become indirect beneficiaries, of course including children and
mature male members like the husband, older sons and in, some cases, the married
son or the son in-low if they live with the client at the same house. When the
microcredit scheme applies the group guaranteed methodology, as in the two schemes
of this research where women guarantee one another’s loans, male members of
working age are quite privileged. Men I met expressed their good feelings about the
microcredit schemes and in the meantime insisted that such schemes will not be as
successful with men as they are with women. However, most women I talked to
wished that the programs lent to men.

The husband of Om Gamila -when we visited their shop where they are jointly
running their family business- made a joke about the program’s methodology of
‘women’s group guaranteed lending’, that it is very useful for a husband who wants to
get rid of his wife. Another husband was laughing and told us if you want to send her
to jail (was pointing to his wife Om Gamal a GGLS client): “go ahead”. Despite the
fact that these are still jokes, husbands’ jokes reveal how the program is a relief for
husbands. Of course both husbands were referring to the fact that women are bearing the full responsibility and that the husband is not even required to guarantee the loan as in other individual lending schemes.

In one of the meetings with a group that was about to get their first loan, the following dialogue occurred between women and the GGLS staff member:

Staff: What are you going to do if one of you did not pay her installment in time?
Women: We will be all responsible and we will pay for her.
Staff: What if she liked the idea and did it again and asked you to pay for her?
Women: We will exclude her from the group with no mercy.

Regardless the impact of microcredit, women expressed, in different occasions, their disappointment about losing communal ties and current weak solidarity. Traditionally, women in Sha’bi communities in Cairo used to be very oriented towards maintaining informal socioeconomic networks and connections. Umm Said said:

“In the past no one in the Harah went to sleep (men gher asha) without having dinner. Today, no one cares about others. Everybody is busy with his own worries”

Umm Said was disappointed about the very weak ties and increased lack of care between neighbors and even relatives. Economic pressures, rising cost of living and increased women involvement in business limit women chances to keep up with the powerful political role they used to play in such communities through informal networks.

The introduction of the methodology of microcredit’s group guaranteed lending is a kind of making use of the communal power centers of social networks, solidarity, and pressures. However on the other side, I see it as a process of interference that could
cause a considerable damage to these social networks. Through this methodology women are obligated to disqualify other women in the same community from being a credit client if they have doubts about those women’s ability to comply with the credit requirements. In cases of default problems, women will be obligated as well to exclude one or more of their group’s members who caused the default; otherwise the entire group will be canceled. Thus, the communal connections are turned gradually into business relations that are controlled by the ‘market’ rather than by values of solidarity and support. Since, as analyzed in the previous chapter, businesses are family owned and managed, entire households’ connections that involve both men and women are increasingly exposed to risks of a restructuring process towards a more economic-oriented structure and institutions of rational agents of households and individuals who are only dedicated to maximizing their own wealth.

**Loans Delivery and Repayment**

ICS’s credit delivery process starts by announcing it through other women programs of the ICS. Microcredit staff are following the approach ‘wait and serve’ i.e. they do not do promotion. When a group of five women come together to the office applying for credit, staff give an explanation about the program policies and procedures and needed documents. When women form a group or join an existing group, extension officers conduct a visit to the house or the workplace. Based on the visit a case study and applications are completed by the extension officer and submitted to the program manager for approval. Applications are reviewed and approved by a committee formed of a member of the ICS board, the project manager and the project supervisory committee. If approved, extension officers complete documents for the
client file. Then clients are informed to come to the office to sign required papers and to attend the meeting to get the check. The same steps are repeated in case of renewal for the second or third cycle. Clients with a good repayment record will be eligible for additional larger loans.

Individual clients of the ICS microcredit scheme come to the office to pay their own installments. ICS staff told me that they can be flexible with delayed payments if they accept the reason. However, GGLS only accepts group installment, individual payments are not accepted based on the principal of group guarantee. 100% credit repayment rate is an uncompromised goal of GGLS. Staff are very pleased when they are able to reach even a daily 100% repayment. The “Black List” is always waiting for names of problematic clients. If a client name goes to the “Black List” it means that she cannot access credit from this program ever again. One of the issues stressed during the tutorial meetings is bad consequences of delays in repayment. These consequences that are being explained for women during tutorial meetings range from paying fines on each day of delay to going to court and maybe to jail after all.

Recently GGLS announced the competition of “The Promoter of the Month” between all GGLS promoters. Criteria for awarding the promoter of the month are: (1) lowest client drop-out rate; (2) highest repayment rate; (3) highest number of new groups and (4) time & meeting management. It’s a new system to encourage promoters for a better performance.

I have noticed that contrary to ICS’s staff and office environment, GGLS staff relations and relations between levels of management are quite tense and very
competitive. The competitive environment has a considerable impact on staff relationship with women. Delayed installments make the office environment very tense. A promoter got very aggressive with a client on the phone. As the promoter explained, the client was asking her if she can come to the office and sit with her to explain reasons behind delay, the promoter shouted:

“We sit together?! Who do you think you are?; a friend of mine to sit and have a chat together? I want the installment immediately.”

She was too loud and made lots of warnings to the woman who collected the group installment and was delayed in paying the money to the office. My observation on the relationship between staff and clients, based on conversations and telephone calls is that whenever it comes to delays in repayment, the relation becomes aggressive. Discussing the delay, which in many cases occur in front of other women or in the neighborhood or the working place, is humiliating since that the client’s failure to repay the loan affects their social image and reliability in front of the community.

This tense and competitive working environment and aggressiveness with clients is linked with a worldwide microcredit practice regarding salaries of Credit Officers, whom are titled in GGLS as credit “Promoter” and in ICS as credit “Extension Officer”. A small portion of the salary paid is fixed (except for annual increment); however, a considerable remaining portion of the salary is being calculated based on the productivity of the employee. Staff productivity is measured against certain parameters that are identified by the program management. In the case of the GGLS program main parameters to evaluate credit Officers’ productivity are: (1) 100% repayment rate, (2) highest possible enrollment rate (i.e. new groups), (3) highest capital revolving rate (i.e. highest client retention rate) (Save, 2002: 32-33).
The Microcredit’s Disciplinary Tutorial Processes

As a matter of follow-up ICS carries out a monthly meeting for women and project staff to discuss the project related issues. GGLS groups of women should go through four tutorial training sessions after which they get the eligibility to access credit. During these meetings they are taught about everything related to the credit they will get, such as the group guarantee system, why credit is only for women, why the interest rate, the saving system, terms of payment, roles of president and treasurer, fines for delayed payment, etc. They also get the chance to know each other and their businesses. They select a name for the group and establish their own by-laws. Every session they fill an attendance sheet to ensure the women’s commitment. Meetings for renewal are held too at the office during which clients are reminded about the program policies and procedures.

On occasion, some women have expressed their frustration at long meetings at the office, long waiting at the post office for savings deposit, long waiting for some clients who didn’t come on time for meetings and long waiting for checks that are reviewed and signed in the program headquarters. However, staff considers these meetings very important to ensure the clients’ commitment. I find the tutorial process to be a kind of disciplining process through which women are supposed to realize the power of the policies and systems of the program. In one of those meetings an applicant responded strongly to the GGLS credit officer. Her strong answer was perceived as a negative sign that she can create problems since she does not know how to use the right tone in talking to a staff member.
Microcredit’s stated rationale about power relations and the meaning of power assumes women’s economic dependence and marginal role in family decision making and expects that accessing credit and increased income will enable women to take a more pro-active role in decisions regarding household expenditures and children education, health and nutrition. Data from the field do not match these assumptions and imply that the powerful position being maintained by women within the household in such communities has nothing to do with their economic contribution. I found that the woman’s knowledge, skills, good reputation, commitment and, participation in wider socioeconomic informal networks enable her to establish a successful partnership with her husband for the sake of all family members and that is the real source of her power. I also found that intra-household power relation within this context is not competitive as it is being visualized by developmental microcredit assumptions. In addition to that, I believe that microcredit assumptions regarding women’s marginality and economic dependence and the propagation of the model of the “woman income earner” underestimate or even neglect women non-monetary contributions to the household. Moreover, I find microcredit programs I studied in this research and the GGLS program in particular a challenge to local webs and networks of power available to women. Women finds themselves facing a new form of power that is different from other forms of power they are used to dealing with, either inside or outside their households. The disciplinary processes of these programs take women out of their context and commercialize their relationships with other household and community members and create a new form of household economic dependence on credit.
Chapter 8: Conclusion

Throughout this ethnography I have focused on two microcredit projects targeting women in urban squatter Cairo. I have analyzed donors’ and NGOs’ development discourse of household-economy and related issues of power relations and women’s position in order to reach an understanding of the impact of such programs on women’s status and position.

Given the history of my career and profession as a development practitioner, this ethnography has turned out to be a self-challenging project to deconstruct the discourse of microcredit developmental hypotheses and assumptions. Microcredit programs, based on positioning people as rational agents dedicated only to maximizing their personal wealth, are designed on false assumptions that ignore people’s socio-cultural context. These programs, in adopting pure econocentric methodologies and mechanisms, are not—as claimed- the key for poverty alleviation and empowerment.

Findings of this research regarding microcredit programs and its effect on women’s position do not contradict previous research findings in other countries in the south. However, it takes the analysis further towards in-depth understanding of how microcredit hypotheses, assumptions, methods and mechanisms intersect with local complexities of household financial arrangements and power relations. Microcredit programs’ stated goals of empowering poor women as income earners in their households is based on the hypothesis that increasing the income generating capacity of women will result in improving the quality of life of women and their children and
enable them to take a more pro-active role in household decision making. This hypothesis in turn, is based on the assumption of the category of 'women' as a coherent group with identical interests, experiences and goals. It is also based on the assumptions that women in targeted areas are economically dependent, marginal in families’ decision making, and that they are more likely than men to spend their income on improving the quality of life of their children.

Designs and implementing processes of microcredit schemes I studied in this research mostly do not consider local knowledge and communal values and characteristics. Assumptions these programs adopt regarding the position of women represent development discourses and worldviews imposed on women of "developing" countries by focusing on "needs" and "problems", and fail to recognize the choices and power available to them.

The policies and mechanisms adopted to correspond to the fundamental hypotheses and assumptions reflect how these programs envision their own evolution. For example GGLS envisions itself as a potentially sustainable microfinance institute. It is a self image of a purely business-oriented development enterprise that is a highly specialized activity requiring a specialized system. This kind of specialty -GGLS thinks- should not be mixed with social development activities. A main aspect of this highly specialized system is ‘never lose a client’. This aspect is reflected for example in the program’s success indicator of achieving a high client retention rate and in the adopted standards for appraising staff performance.
Similar to the findings of this research concerning microcredit programs, other findings regarding contextual household’s socioeconomic aspects and women’s position also do not contradict previous research findings. However, in certain ways it takes these findings a step further in reflecting recent changes in household economy and power balance in the particular context of this research due to severe economic pressures households are facing. This research has found an increased involvement of women in poor urban Cairo neighborhood in familial businesses. However the accepted norms of household members’ division of responsibilities remained the same: perceiving the ‘man’ as the ultimate household income earner. Increasing women’s involvement in informal business does not translate into increased women’s financial autonomy due to economic pressures. Additional income raised by women’s involvement in informal business is entirely drawn into the household pool of resources to respond to daily consumption needs. This financial arrangement is mainly due to increased men’s unemployment and/or unstable income and considerably increased cost of living. In cases when male members of the household have stable incomes, additional income raised by women becomes a justification for male members to withdraw or considerably reduce contributions to household daily needs.

Increased economic pressures combined with availability of microcredit have made most households of women clients I contacted too dependent and indebted to money coming from microcredit. Microcredit’s money, assumed by programs to be working capital loans for assisting women’s enterprise is mostly perceived by women as a survival capital for assisting the household to cope with continuous economic hardship. In the meantime the degree of complexity of a household’s economic
arrangements and the degree of discreetness households uphold about their income makes it impossible for microcredit staff to track the use of loans.

Regarding the meaning of ‘power’ and ‘empowerment’, microcredit programs’ claim that they improve women’s involvement in household decision making appears to be quite illusory. Most women I met are quite powerful and respected in their households. They are well respected by neighboring women due to their known good reputation and commitment. The majority of those women are partners with their husbands in coping with harsh economic pressures and the ever-increasing cost of living. They are juggling between daily home needs and the requirements of the family business. The powerful position being maintained by women I met has nothing to do with their economic contribution. I found that the woman’s knowledge, skills, good reputation, commitment and participation in wider socioeconomic informal networks enables her to establish a successful partnership with her husband for the sake of the whole family which is the real source of her power. I also found that intra-household power relations within this context are not competitive, contrary to the way they are portrayed by developmental microcredit assumptions. However, with increased economic pressures and greater involvement of women in business and house chores, women are faced with limitations of time and opportunities to visit each other, socialize and maintain informal networks that are another main source of power for women in this particular context.

Microcredit programs I studied in this research and the GGLS program in particular represent a challenge to local webs and networks of power available to women. Women finds themselves facing a new form of power. The disciplinary processes of
these programs of group guarantee policies, payment schedules, tutorial meetings, lending cycles, delay fines and success indicators take women out of their context, commercialize their relationships with other households’ and community members and create the household’s economic dependency on credit.

Having witnessed women in the studied communities being instrumentalized by implementing organizations through adopted microcredit methods and mechanisms to fulfill the stated success indicators of financial self-sufficiency, I find that the original hypothesis of this research is confirmed. Women clients find themselves a subject of struggle between econocentric development discourses of microcredit from one side and local knowledge and values from the other side. Women become cornered in a paradoxical situation between the microcredit promise of playing a new and different household financial role, and microcredit practices that enforce their traditional role. The result is that women are pushed to make more sacrifices under pressures of harsh repayment schedules and delay charges for the sake of their families. This is why I find it quite difficult to accept the claims that microcredit can be one of the keys to empowering women and to alleviating poverty.
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