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Re-visiting microfinance entrepreneurship in Bangladesh: Can losers be choosers?

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Abstract

Drawing on ethnographic data from Bangladesh in this article I examine how microfinance entrepreneurship is signified, experienced and used. The ideology of the enterprising individual, an actor-driven conceptualisation of development, appears to have been internalised in rural Bangladesh. By examining the pervasive enmeshment of economic, social and moral meanings of entrepreneurship I attempt to explain microfinance participation. For many, the idea of becoming an entrepreneur offers means to conform to the moral order and to eschew social and relational risks. MFI agents foster and broker clients' participation through heralding stories of moral idols. Subsequently many clients pursue sets of tactics, I term 'making do', with little strategic foresight to navigate MFIs' organisational rules and risks associated with their livelihoods. This process alienates the relationship between clients and credit officers. The latter often resort to using forceful means and violent threats to enforce financial discipline to recruit, retain and discipline clients. These processes exacerbate vulnerable clients' exposure to social, moral and relational dynamics microfinance claims to challenge, and undermine individual entrepreneurship.

Keywords

Microfinance, moral order, entrepreneurship, Bangladesh, development.

1. Introduction

At 55 Joynuddin is locally known as an 'idol'[1] by microfinance clients in Tangail district in rural Bangladesh. When he and I first met, in winter 2011, he told me that unlike many other microfinance clients, he had managed to become a successful entrepreneur. Sitting in his *bari* (his village home) he explained how nine years after he married Monowara (now 43) in 1972, BRAC credit officers 'came to our house to inform us about these loans'. 'They explained their usefulness' he said, and that 'if my young wife takes it, it would help us improve our life. They [BRAC staff] explained that if we managed to return the first loan of BDT10,000[2] then they would give us BDT20,000 as loan the next time.' Joynuddin remembers following BRAC officers' advice not to spend the loan but rather invest it in the mobile *paan* (betel nut) shop he had been running. In 1983 he borrowed BDT5,000 repaid it weekly, then in 1985 borrowed a further BDT10,000, followed by BDT20,000 in 1987, both of which he invested in a small grocery shop he started running with his son. The business ran well and in 2007, Joynuddin quit microfinance, sold his shop and with the profit generated financed his son's migration to Malaysia[3]. Although Joynuddin and Monowara unequivocally relate their wellbeing improvements to their experience of microfinance loans, they emphasised to me that their story was unusual. In fact reflecting on their success, they were 'lucky' they said. Their neighbours' stories and experiences are ones of tired aspirations, livelihood struggles, 'poor choices', and burdening organisational discipline often enforced through the threat of violence. Moving beyond the rare examples of microfinance *idols* how can we make sense of these very different experiences of entrepreneurship?

Through the 1980s and 1990s the microfinance industry provided a powerful vision that every poor person was a potential entrepreneur. Microfinance, the provision of banking services to the poor was, and still is, considered an effective means to harness entrepreneurial aspirations. This vision quickly became a hallmark of microfinance, rallying a large set of governments, multilateral institutions (the UN, the World Bank, CGAP and the IMF), civil society organisations (charity-based, NGOs, religious and faith-based), scholars and celebrities to proclaim that markets can solve poverty by by-passing the state (Elyachar, Adams, & Steinmetz, 2005; Peck, 2011).

Globally, microfinance carried the image of the entrepreneur as a prominent social actor whose agency, once unbridled through loans, allows her or him to make strategic choices that generate growth and reduce poverty, starting with their own. Individual agency being fundamental to the economics of entrepreneurship (Shankar, 2016), this vision proliferates an actor-oriented approach to development (Long & Long, 1992). The later promotes technical means that aim to improve the terms, tactics and strategies through which individuals deal with adverse situations or imperfect institutions (Long, 1990). Entrepreneurs, as social and economic agents, distinguish

[1] The English term being used in Bengali
[2] About USD$122. In winter 2011, 100 BDT was approximately worth USD$1.22
[3] In rural Bangladesh being able to send a family member abroad to work is often an aspiration and an important means by which household status can improve.

themselves by taking risks to enhance their individual capacity to better negotiate and organise access to limited resources (de Haan & Zoomers, 2005; Scoones, 1998).

A vast literature on entrepreneurship and microfinance has now emerged attempting to reconcile polarised discourses between the ‘all-agency’ versus ‘all-structure’ analyses (Rankin, 2006) in development scholarship. Critics, however, warn against the ubiquitous entrenchment of this actor-oriented conceptualisation in development thinking and decry a ‘romanticised’ entrepreneurship rhetoric (Karnani, 2009; Roy, 2010). The framework, they say, underplays the function of broader structures and institutions within which the poor are embedded and which create the conditions for poverty (Bastiaensen, Herdt, & D’Exelle, 2005). In particular it disregards how nature and the quality of ‘institutions’, organisational landscapes and the ‘rules of the game’ that organise human interactions, in the political, economic, and financial realms in societies that constitute their ‘social order’ shape their economic development (D. North, 1990; D. C. North, Wallis, & Weingast, 2009, pp. 251-271). This suggests that understanding development processes through individual capacities in isolation from the social institutions in which they are formed and embedded, is problematic.

Anthropological research conducted in contexts where social institutions are, in some respects, analogous to the ones of Joynuddin’s, exemplify the complex intertwining of ‘economic’ and ‘social’ processes that determine decision-making, individual and collective perceptions. Work on social regulation in India, for example, examined the organising power of social institutions for economic lives and development (Harriss-White, 2004, 2005). Literature finds that economic relations are typically regulated by dynamics of gender, religious interfaces, caste, space, and class (Ibid). Providing formal credit to the poor, some find, further broadens an already complex and hierarchical network of credit and debt across new actors (Kar, 2013; Kar & Schuster, 2016; Karim, 2008; Rahman, 1999).

Despite conflicting evaluation results (Kabeer, 2001) a number of studies have found that women generally do not make the decision to participate in microfinance themselves and have relatively low control over (Balasubramanian, 2013; Dattasharma, Kamath, & Ramanathan, 2016; Garikipati, 2008, 2013; Hussain, 2010; Karim, 2011; Mahmud, Shah, & Becker, 2012). Furthermore, studies by Goodman (2017) and Guérin and Kumar (2017) found that MFIs fail to ‘transform’ or ‘challenge’ local social institutions, like gender, as they rely on these institutions to sustain their activities (Bouman, 1989; Dattasharma et al, 2016; Guérin, Morvant-Roux, & Villarreal, 2013; Morvant-Roux, Guérin, Roesch, & Moisseron, 2014; Villarreal, 2010).

The above raises important questions about the way in which the imagined logic of entrepreneurship interacts with the institutional context of clients. This article examines how the meanings of microfinance for its main protagonists is moulded by the social institutions they are embedded within. Individual rationalities and choices together with the organisational logics of MFIs shape borrowing patterns and determine the ways microfinance is practiced and used. The convergence of these dynamics, contest the vision of microfinance-driven entrepreneurship depicted as an escape route from poverty.

This article is structured as follows. The first section unpacks and challenges the actor-centred conceptualisation of entrepreneurship and the underlying understanding of poverty it creates. By contrast, a relational lens draws attention to powerful social institutions, such as the dominant moral order, that organise individual subjectivities and choices in a context ordered by patronage-based moral affiliations (Devine & White, 2013; Van Schendel, 2009). The second section introduces how ethnographic data was used to derive an analysis that situates individuals within their relational and situational circumstances and account for the perceptions of opportunities and risks associated with them. The first empirical section analyses microfinance recruitment as a process through which the entrepreneurship narrative is translated into plays and reinforces existing norms and obligations. The perception of moral boundaries and risks are found to be a function of gendered subjectivities that discursively shape the nature of choice and the means through which individuals exercise agency. This sheds light on some of the moral meanings of entrepreneurship and explains microfinance participation as phenomenon driven by conformism and social imitation (Anderson, Dodd, & Jack, 2012; Dépelteau, 2008). The second empirical section explores how clients struggle to make do with organisational discipline and livelihood uncertainties whilst mitigating relational and financial risks. Women's relatively low capacity to negotiate these converging dynamics are often further undermined as MFIs agents use and reinforce social institutions and hierarchies to maintain repayment.

2. The conceptual framework

The conceptualisation of entrepreneurship and its anchoring within microfinance rest on and promote a specific absolute understanding of poverty. It draws on the apparent 'lacks' and 'deprivations' of the poor, primarily women, to seek to promote a 'rational financial model' in an attempt to help them overcome dysfunctional or exclusive institutions. By considering poverty as an absolute endpoint and static state rather than a process, this view takes insufficient account of the relational nature of the experience of poverty and of the dynamic, and often mediated construction of wellbeing (Townsend, Alberti, Mercado, Rowlands, & Zapata, 1999).

Entrepreneurship in development

Since the emergence of entrepreneurship as a post-war narrative (Naudé, 2011, p. 38), numerous attempts have been made in economic theory, sociology, psychology and business studies (Anderson & Warren, 2011; Gartner, 1988) to determine idiosyncratic features that predispose individuals to entrepreneurial behaviours (Cromie & O'Donoghue, 1992; Perry, Macarthur, Meredith, & Cunnington, 1986). A classic defining characteristic is that entrepreneurship is premised on an individual's capacity to take risks (Marshall, 2015). Schumpeter (1934, p. 75) made a sharp distinction between autonomy-seeking innovators who hold a unique ability to discover opportunities that may be imperceptible to other actors or create new opportunities for markets (Suddaby, Bruton, & Si, 2015) from the routine of ‘capitalist managers’, risk-averse administrators and followers. Indeed, etymologically, the term stems from the French verb *entreprendre*, formed from the words *entre* and *prendre*, enter and take or capture, respectively, which combined together describe the undertaking of new or innovative work.

Theory studies suggest that while most people make most choices in ways that are favoured by the majority of their peers, entrepreneurs stand out by their initiative and authority to risk these relationships, by challenging these norms and stepping out of the established ‘order’ to pursue an objective (Anderson et al, 2012; Dépelteau, 2008). This scholarship inevitably points to the centrality of so called ‘heroic’ entrepreneurs’ (Gartner, Shaver, Gatewood, & Katz, 1994; Krueger & Brazeal, 1994; Shane, 2003; Shankar, 2016) whose ‘innate’ personality traits include (Schumpeter, 1934) ‘initiative’, ‘authority’ and ‘foresight’, feeding a desire for achieving independence (De Jong, 2013).

When applied to microfinance, the discourse of entrepreneurship has coalesced with what Rankin (2001) called an ‘ideology’ of the ‘rational economic woman’, which has made women instruments of poverty alleviation (Amin, Becker, & Bayes, 1998; Fernando, 2006; Kabeer, 2005). Underlying this are assumptions that women have greater trustworthiness, altruistic and developmental orientation, and access to collective forms of solidarity (often called social capital) than men, places their agency at a strategic locus (Cornwall, 2007; Kabeer, 2011). Through intra-household mechanisms, such as investments in education, nutritious foods and quality care work, women are expected to overcome and sometimes challenge the structures of poverty.

I argue that this constructed image is problematic as it puts particular emphasis on women’s power to pursue strategic choices that are innovative and to cope with the material and relational risks they often entail. This actor-centred framework however sits uneasily with the multi-dimensionality of poverty and underplays the dynamic and complex means through which power is exerted. It relates to classical and neoclassical utilitarian view that economics operates through atomised under-socialised human actors (Granovetter, 1985, pp. 483-485). The representation of women in the microfinance discourse generally depoliticises their conditions and that of their kin (Elyachar et al, 2005, pp. 29-31). Analysing dysfunctions and deprivations against what is regarded as normal endowments of resource and market and welfare models, it gives little account of the weight of institutions and structures that shape individual rationalities, perceptions of risks, costs and benefits, associated with particular choices (Gigerenzer & Selten, 2002). Moving away from an income poverty focus, studies gradually came to recognise the multi-dimensionality of poverty, with approaches such as social justice, social exclusion and capabilities and freedoms gaining prominence (Saith, 2007; Sen, 1999). These emphasise the importance of understanding the ‘relational’, rather than ‘residual’ and absolute.

Moral order and agency in rural Bangladesh

The capacity of women ‘to act as independent agents’ (Cornwall, 2007, p. 29) is conditioned by moral order, and examining this enables us to challenge the presuppositions underpinning the way in which poverty is conceptualised within the microfinance discourse around entrepreneurship. Individual’s agency within a household is embedded in patterns of social and economic interactions that constitute their identity and determine their attitudes. In Bangladesh, as in South Asia more widely, complex hierarchical systems of patronage determine men and women’s access to the specific resources and networks that shape their lives and wellbeing (Kochanek, 2000; Piliavsky, 2014).

Agrarian societies like Bangladesh typically characterise the relational status of men and that of women differently, and it would be a mistake to assume that their relational endowment is constructed through similar tactics or composed by equivalent components that have similar meanings and values (White, 1992). It is often argued that because the distribution of material property is biased towards male household members (Agarwal, 1994), women are more likely to become poor, in the event of marital breakdown or illness or death of income earner (Maîtrot, 2017). Hierarchical household and kin relational ties are salient factors that mediate and organise women’s agency. In context of poverty, women’s wellbeing is often a function of their ability to establish and maintain relationships that provide access or control over productive assets and resources (Kabeer, 1993, 2011). They work hard at maintaining ‘good relations’ with male patrons, protectors and guardians (father, brothers, husbands, and sons later on in life) who perceive it a moral duty to provide them with material support and relative, if provisional, security (Kabeer, 2011).

The nature and terms of access they negotiate are ordered by the *dharma*. Conventionally translated as religion the concept is used to refer to an essential ubiquitous moral order, the ‘order of things’ in a society (Devine & White, 2013). It provides an ontological framework that encompasses a set of social norms, local practices and values and determines individuals, and men and women’s, relations with those. A local institution called *samaj* guards the *dharma*, upholding distinctions between what is considered moral and what is not. Women play an important role in maintaining and replicating the moral order. Young and old, married and unmarried, they navigate gendered obligations and codes to protect their access to security and prospect for wellbeing. Their subjectivity often necessitates curtailing their socialisation with non-family members and their mobility to uphold their morality in the eyes of *samaj*. Before and after marriage they make efforts to exhibit high morality to mitigate the risks of being denied guardianship, a prominent risk (Kabeer, 2001; Rozario, 1998). In contexts of poverty this phenomenon often manifests itself through compromising on food consumption and wellbeing (Feldman, 2001; Maîtrot, 2017). The tacit acceptation of this inequality is partly due to the low valuation of their contribution to the household’s wellbeing by other members. What this analysis suggests is that microfinance must be understood in relation to a complex landscape, characterised by a moral order in which women are highly vulnerable and which defines the nature of agency.

3. Background, methodology, and data

Building on the conceptual framework above, the methodological approach taken in this study focuses on how relationships and relationality shape meanings, opportunities and practices of microfinance entrepreneurship. To date, studies have largely focused on measuring the impact of microfinance in terms of outcomes rather than understanding the processes by which change occurs. Randomised control trials (RCTs) and large quantitative surveys celebrate ‘big data’, but do not allow a nuanced analysis of the on-going social and political nature of economic processes. There is much potential however for ‘small’ qualitative data to provide critical contextual analyses exposing the significance of everyday relationships and meanings that structure particular economic phenomenon. The relational lens captures important social dynamics and institutions that would otherwise be ignored by income-based poverty analyses. Ultimately the purpose of this methodological design was to make sense of the subjective realities of clients and resist the temptation of drawing single unidirectional chains of causation commonly derived from overly activity-centred impact frameworks that overplay the role of the intervention in explaining livelihood changes (Chambers, 1997).

The data was collected in Tangail district, one of the most important study sites for microfinance in Bangladesh, due to its significance at the early stages of its development. Located about four hours north of Dhaka in central Bangladesh, an area that does not tend to experience severe flooding, unlike many other districts in Bangladesh, and where economic activities have diversified over the last 10 to 15 years. It is unsurprising therefore that after the Mohammed Yunus’ action research demonstrated microfinance’s potential in Jobra and other neighbouring villages between 1976-79, it was in Tangail district that the Grameen Project was extended to in 1979. This area is now considered one of the most densely served districts in terms of MFI coverage and referred to as ‘the home of microfinance entrepreneurship’ (Chaudhury & Matin, 2002). Families in the villages studied became acquainted with microfinance organisations in the 1980s. One consequence of this is that numerous families are now multi and inter-generational clients. A common joke among researchers and villagers goes that in this particular district of Bangladesh, households are so used to being surveyed by researchers, that they could fill questionnaires themselves. A risk of research in this area was therefore that some people could be reluctant to give truthful answers when asked about microfinance, preferring to answer what they thought ‘someone like me’, ostensibly foreign, wanted to hear.

From my personal experience of working in Bangladesh I was aware that an association with NGOs could exacerbate this problem and potentially weaken my ability to interact with local residents and their MFIs’ employees. Therefore I conducted my research independently and introduced myself as an independent researcher from a foreign university with no institutional affiliations in the country. During most of my stay in Tangail, I resided within the premises of an Agricultural Research Institute (BRDB) well known by the locals and on some occasions stayed in locals' houses in the studied villages. My French nationality generated a common denominator and an unceasing source for jokes, as some respondents like to jokingly compare the alleged historical enmity between the French and the British, with their Bangladesh's relationship with Pakistan and India.

Between September 2010 and February 2011 my research assistant and I carried out a rapid survey of three villages and one *para* covering 490 households in total. All households were visited twice. Households were then categorised in terms of their microfinance membership status (never client, former-client and current-client), socio-economic status and livelihood trajectories and wellbeing variations over the last five years (improving, *bare*; declining, *kome*; or stabilising, *aki obostha take*). We identified 291 current-clients, 171 non-clients and only 28 former clients.

Between March and June 2011, nine in-depth interviews of former-clients[4] and six focus groups with current-clients were conducted. On this basis, current-clients were organised into groups of five to seven individuals who identified either as improving and stabilising or declining. Six different group discussions enabled to examine diverse experiences about entrepreneurship and microfinance. Discussions mainly focused on the nature of clients' relationship with microfinance organisations and their use of financial products.

Former-client case studies were selected to explore the pursuit of entrepreneurial opportunities through microfinance. There are two main reasons why using this approach is appropriate. Firstly, experiences of former-clients, or 'drop-outs', are rarely analysed qualitatively despite their usefulness for understanding impact being recognised by scholars (Alexander-Tedeschi & Karlan, 2006; Copestake, Greeley, Johnson, Kabeer, & Simanowitz, 2005; Simanowitz, 1999; Wright, Mutesasira, Sempangi, Hulme, & Rutherford, 1998). Secondly, by narrowing the unit of analysis and focusing on 'small' stories the paper refines and actually expands the opportunities to understand of varied nature of the relations between organisations and clients.

Former-client households studied share demographic attributes[5] that shaped their microfinance experiences. The majority of them belonged to the first generation of microfinance clients when organisations started and expanded their operations in the early 1980s. Because loans were available to women only and only married women would generally take a loan, the average former-client household experienced the Liberation War of 1971 and subsequent periods of hardship in the mid-1970s. This generation of borrowers would therefore have been married to women between 20 and 25 with young children when they first started taking loans.

[4] Considering the small number of former clients in studied population (28 out of 490), in-depth focus groups seemed an apposite tool to use to understand their experiences and choices.
[5] The average age of former-client households' heads at the time was 54.

People were interviewed on their homestead verandas, in their homes, in paddy fields, at tea stalls and village markets. As much as possible I tried to maintain a high level of confidentiality, whilst being careful not to bother informants in the evening whilst they were tired and wanted to rest after a day of work. Fieldwork was conducted in Bangla, used by the respondents, my assistant and I. The data was transcribed, translated into English and coded for thematic content analysis to identify patterns. Verifying the data was essential. This was done through triangulating the information collected through asking similar questions to other key information including police officers, village leaders, several family members, religious leaders, shop keepers and MFI agents[6]. These narratives allowed me to examine the experiences and perceptions of microfinance, which provide the bulk of the data used in this paper.

4. Entrepreneurship's moral value

This section explores experiences of becoming a microfinance client. It examines how microfinance participation and entrepreneurship is given meanings that rely on powerful existing norms and hierarchies. Doing so is important for credit officers to persuade men and women to become and remain clients in a highly competitive market. MFI agents construct *idols* as figures embodying the 'good family' and a 'good life' most people desire. This ideal has a high moral value to the eyes of many, in that it denotes the fulfilment of moral social obligations. Rather than challenge norms anchored in gendered economic and social roles, MFI agents use and reinforce these to recruit clients.

Valuable idols

Microfinance clients in the villages studied are recruited through 'word-of-mouth' by credit officers who present themselves on their doorsteps (as also reported by Shahriar (2012)). When approaching potential clients these commercial agents develop and use stories of *idols* to recruit (as well as to retain) clients. '*Idols'* such as Joynuddin, whose story was introduced earlier, take on almost legendary status with tales of success being spread to nearby villages. Clients have usually not met so-called *idols*, but many heard of them and of their stories [7]. Nusrat Jahan, an elderly widow, described to me how MFIs inspired poor households to take loans through song and stories about 'idols'. She remembers Grameen Bank coming to her village in the 1980s, and singing 'a song about how loans can change our lives. That persuaded us to join and I

[6] Two institutional ethnographies of MFIs and key informant interviews were also conducted as part of the same research project to triangulate to information, but this data is not used in this paper.

[7] This reminds us of the sociology on knowledge diffusion in successful agricultural extension programmes or family planning in rural Bangladesh. A common practice is too use entrepreneurs as knowledge diffusers about the new technology or practice (Birkhaeuser, Evenson, & Feder, 1991). Diffusion here refers to a 'process whereby new ideas, information, practices, or technology are disseminated through a variety of mechanisms that affect attitudes and behaviours at local, national, and international levels' (Mita & Simmons, 1995, p. 1).

managed to make a group of five members'. During participant observation, as well as the nine focus groups, respondents told stories of households who became *dhoni manush* (wealthy people) by using loans. Nazma (35) a current-client of four MFIs, explained:

> *We see a few successful people here and there, if you go to this place in Uttarnagar you will see lots of cows over there. This one guy started with BDT30,000 and now he has grown so big. He has a huge farm. He is rich. These stories convince us to take money [...].*

The large majority of microfinance clients perceive loans not as an opportunity to do something 'new' but to reproduce or imitate what an '*idol'*, a neighbour, a brother-in-law, or a man in the next-door village has done. It was common for respondents' husbands to indicate having wanted to start a chicken or cow farm 'like this man in Dhanbari [a nearby town]'. As Kamal put it, 'I simply followed the others. Whatever they were doing I trusted them and I also did the same. If I saw someone taking loans and doing well, I also followed him/her to get the same success.' What these examples indicate is that clients hope to improve their situation while minimising risk, which they were encouraged to achieve by imitating others (Pingle, 1995; Weber, Kopelman, & Messick, 2004).

The demonstration of entrepreneurial success through '*idols'* is extremely valued by MFIs because they substantiate an already compelling narrative. This 'demonstration effect' can influence the behavioural outcomes of non-participating households who may as a result aspire to imitate and follow their peers (Khandker, Samad, & Khan, 1998, p. 108). MFIs agents actively encourage this process and instrumentalised these emblematic figures. The case of Joynuddin and Monowara illustrates this well. In 1989, shortly after Joynuddin had decided to quit his MFI because – as he described it - his business was prosperous and he no longer needed it, another MFI visited him to recruit him as an '*idol'*, he says. They had heard about him and wanted to convince him to take more loans. So he did and borrowed BDT5000 and then BDT10,000. He managed to repay the later, only with great difficulty. Once again, Joynuddin decided to quit. Loan officers did not want to let him go he says, because he was still a 'good client' whom the community looked up to. Holding on to the couple's savings[8], the MFI agents told him that by quitting he would make it more difficult for them to recruit and retain clients. After months long negotiation with the MFI, Joynuddin finally recovered the savings and quit the MFI. Joynuddin and Monowara's success lay in their capacity to make astute judgements about opportunities and risks [9].

A loan's purpose

The first encounter between an MFI agent and a client typically occurs at the household's homestead, where agents come to recruit new clients. Male household

[8] In Bangladesh in 1990s and 2000s MFI borrowers needed to make compulsory savings. Many MFI agents breached their operation manual by refusing to return savings to clients.
[9] Joynuddin and Monowara's story does not stop here however and will be continued later.

members conform to their role of guardians and gatekeeper and are generally suspicious towards unknown men entering their homestead. Credit officers looking to recruit new clients usually predominantly address male household members and exclude the future client, the woman, from initial exchanges[10]. Conscious of the high levels of competition, credit officers are aware that the perception that microfinance confronts intra-household gender dynamics makes male household members wary of microfinance and therefore less likely to participate. Credit officers use their knowledge of the area and their understanding of intra-household dynamics skilfully to resolve potential tensions. Tailoring the entrepreneurship narrative to fit the micro-political economy of households, they avoid interfering with household affairs using existing elements of existing social institutions, its hierarchical rules, social norms and moral duties.

To men, the rhetoric plays to the gendered image of the 'self-made' entrepreneurial man (Gunnerud, 1997; Smith, 2010), calling on men husbandly duties to enthuse them to participate in microfinance. Men in situations of poverty often share the sentiment that they fail their moral obligation to attend to the need of their mother, father, wife and children. Narratives about entrepreneurial 'idols' portrayed as honourable and principled men able to fulfil their moral duties with regards to their 'dependents' help perpetuate MFI borrowing and lending. Microfinance participation is characterised as a catalyst for fulfilling a man's moral obligations towards his wife, children and ageing parents' needs. Refusal to take part when offered is therefore disapproved by credit officers, who present it as a lack of moral. Most male respondent reported credit officers having been encouraged by credit officers to utilise their wife's access to loans to use it themselves, so their wives' modesty (extra-familial interactions outside their *para,* neighbourhood) would not be affected. Participating in microfinance to become honourable entrepreneurs symbolises for many an opportunity to retrieve a 'moral status' in their community and with regards to their dependents, as a male provider.

Once the credit officer convinces a male household member, a woman in his household will needs to consent to 'give her name' and register as a client for him to access the loan. For women accessing loans is often referred to as way of showing love and respect to their guardians. Motivations to participate in microfinance are influenced by gender norms, expectations and obligations. Depending on their position within the household, their female identity, and associated expectations, encourages them to pursue the collective wellbeing of the household. Femininity in this context is often performed through sacrificing their own wellbeing for others, through showing dutiful obedience to their guardians. A particularly common rationale for taking the loan was the health and medical needs and wellbeing of elderly *shushur* and *shashuri*

[10] This is in part to show respect to the head of the household and be 'allowed in'. Speaking to the female members of the household without requesting the household head's permission would be an insult to him. Given the social institutions described above, it is unusual in rural Bangladesh that individuals who are not members of the household or of the immediate community, strangers, enter a home where females reside.

(father and mother-in law, respectively[11]). This gives women a sense that they too could contribute financially to the life and wellbeing of their household.

Most of the women clients interviewed and known to me were married and had moved from their natal village (her *bari*, usually known as her ‘father’s village’) to their husbands’ (*patri*, husband’s village) as is local custom (Balasubramanian, 2013). In the process, they often left reasonably secure networks behind (including long standing friendships, kinship connections, and family support) (Chowdhury, 2010; Goetz & Sen Gupta, 1996; Rozario, 1992) to assume their new identity as a *notun bo* (young bride) expected to soon become a mother (White, 2013). Upholding values of piety (Mahmood, 2005), by adhering to the patriarchal norms, is important in this context be benefit from the new household’s guardianship. The remit of their moral economy is defined by a set of traditional institutions including her household (husband, in-laws), the *somaj*, and the *shalish*[12] (Riaz, 2005).

Conversely, women overtly contesting customary norms can harm the family’s reputation, relations and wellbeing[13]. Traditionally, earning a livelihood and making major financial decision are not considered ‘female’ responsibilities as the upkeep of their family’s wellbeing is considered a woman’s primary moral obligation. Married women who have a guardian would not want to be seen as managing their own financial affairs is often disapproved by local norms and not accepting being under a man’s control and direction being considered immoral. Therefore women’s visible and active engagement in trading activities is not deemed appropriate wifely behaviour especially as interacting with male strangers (from outside their household) can erode their perceived ‘morality’ and that of their guardian(s).

Within this particular set of relational affiliations and obligations how do women make decisions? Decades ago Goetz and Sen Gupta (1996) recorded that a large proportion of women clients borrow for their husbands or other family members. Nasseema, like many women I met, said they had taken MFI loans ‘out of love for my family, because my husband *requested* [my emphasis added] it’. When needed, loan officers or clients’ husbands employ narratives using images of love and duty to convince or guilt women into participating in microfinance. While clients’ in-laws are at the ‘core’ of the household, clients are often at ‘the periphery’. Those at the core are involved in major formal decision-making processes that concern that household, whilst the later tend to be excluded from it (Kabeer, 1999).

[11] Although the daughter-in-law mother-in-law relationship has been subject to much stereotyping generally incriminating the later, Vera-Sanso (1999) explains the difficulty ageing women can face to secure their son’s guardianship after their marriage in North India, a context characterised by pattern of male inheritance, village and kin exogamy and vitrilocal residence.
[12] The society and village arbitration
[13] The boundaries of the moral order can also be subject to situational elasticity and be re-defined. It is generally accepted that for survival purposes (husband illness, widowhood, abandonment) women can transgress specific norms in specific ways. The breaking of these norms is interpreted differently however whether it is considered transgressive or subversive. This difference is central to understanding how women navigate and experience the moral order.

For women too, microfinance represents a means to conform to expectations and avoid relational and moral risks. Imitation in this context represents a form of humility and risk aversion, features of 'good wives'. The fact that other young *bo* do borrow, creates an environment where comparisons are drawn across households. If many other women in the vicinity take loans, MFI borrowing has gradually become a socially accepted practice, and a norm. Female respondents often explained that they felt pressured to take loans, a new social expectation. With two-thirds of the respondents borrowing or having borrowed from microfinance organisations, the 'decision' to borrow represents a way to adhere to that local norm. They expressed fearing that their husbands or in-laws would compare them to other wives or daughters-in-law who took or topped-up loans. Given the values associated with MFI borrowing, daughter-in-laws and wives would take a significant relational risk by refusing to access them, and might be considered less deserving of guardianship and protection. Making a choice, as Kabeer argued (1999: 497) implies the possibility of alternatives which in certain contexts of extreme poverty and patriarchy cannot be presumed.

Once highly opposed and contested, borrowing from microfinance institutions has clearly become a commonplace too, in some places. In the process of social imitation, morality is a compelling motivation for both men and women to choose to participate in microfinance. This decision is hardly a proposition to challenge or break the established rules of the game, but rather, inscribes itself within a process of social imitation and conformity that serve pre-established hierarchies. This translation of the entrepreneurship discourse illuminates the political economy of brokering development by actors "for whom development constitutes a resource, a profession, a market, a stake or a strategy" (Bierschenk, Chaveau, & Olivier de Sardan, 2000; Olivier de Sardan, 2004, p. 11). What this suggests also is that MFI agents themselves encourage loans to be used for the performance and maintenance of the social and moral order.

5. 'Making do' managing the exigencies of repayment

Once recruited, clients manage micro-loans, or micro-debts, differently. In this section I argue that MFI agents are not only complicit with existing social institutions and hierarchies but again actively use them in combination with standardised and rigid products as disciplining catalysts for timely repayment. Furthermore, by discouraging risk-taking behaviours and favouring short-term repeated borrowing, opportunities for entrepreneurship are undermined. This constitutes a process I call 'making do'. Akin to Schumpeter's conception of the 'capitalist manager', vulnerable clients 'make do' with microfinance, using it as a tactic to cope with immediate contingency rather than as a strategic means to innovate. Strategy and the implication of deliberate choice it carries play only a minor part in making do. This process allows MFIs to extract the returns from their survival tactics, renewed borrowing and indebtedness. It can furthermore exacerbate the vulnerabilities experienced by women within the household.

MFI discipline and risk taking

Contrary to the stated intentions of microfinance, the majority of respondents described not pursuing businesses or so called 'economically productive activities' and use loans to cope with events and shocks. The data collected in this study aligns with accounts from MacDonald (2012), Islam and Maitra (2012), Cons and Paprocki (2010), Meyer (2002) and Zeller (2001) in showing that a large proportion of microfinance clients do not necessarily use the loan towards self-employment opportunities but towards consumption needs incuding: marriage costs, dowries, health care, children education and food. Other scholars termed this a 'diversion' of loan use (Roodman & Morduch, 2009). While some clients are successful at 'making do' with loans and manage to repay in a timely manner, others are far less successful.

Making-do is a function of the type of financial product offered by microfinance organisations and a process that feeds into the expansion strategies of microfinance institutions. Faced with the rigidity of banking products and standardised delivery channels vulnerable clients find themselves dis-incentivised to take risk and plan their livelihoods strategically. This discourages individuals from engaging in business activities that could be risky and thereby limit the potential future gain activities. De Certeau's distinction between strategies and tactics (De Certeau, Jameson, & Lovitt, 1980) is useful here to distinguish between a goal-oriented strategy with a clear end and everyday tactics that help individuals cope. The banking structures set up by MFI and their agents seem imperfect tools that impose a high degree of discipline on clients' expenses and earnings, constraining them into short-term weekly cycles (Montgomery, 1996). Decisions clients make by default induced by the disciplining and constraining features microfinance of products and delivery mechanisms. It is within the remit of these contingencies that clients mitigate risks associated with defaulting. This entails reducing or postponing essential outlays including food consumption, medical and school expenses, business investments. This pattern of compromise on short-term wellbeing is akin to the Faustian bargain theorised by Wood (2003).

Clients and former-clients explained how the loan enabled them to fulfil other social or medical obligations. During all nine focus group discussions (with declining and improving clients), as well as participant observation, the discourse of investment in 'productive assets' and 'productive use of loans' was challenged by clients. Clients' lived experiences reveal how the reality of the contingencies and moral obligations associated with their gender and how the unpredictability of shocks and events associated with their low-income status shaped their 'choices':

> *I couldn't use it properly. My husband is sick and I have children to take care of. My original purpose was not realized. I have too much payment to make.*
>
> *I wanted to buy land for farming. But I paid all my money for my medical expenses. […] Because of sickness and because the loan was quite small all the money I took had to be used for medical expenses. My husband suffered from diarrhoea twice. I could not even pay it in*

full. So I could not do business with it. One problem arises after another.

I couldn't use it properly. I also wanted to buy land. I really needed to. But I had to get my daughter married and my husband was sick. So I couldn't use it the way I wanted to.

Most clients who struggle through everyday lending borrow from multiple informal and formal sources each carrying social and financial obligations. Joynuddin's observes the challenge less successful borrowers' faced during the loan period and how this triggered a complex debt and credit 'circle'. He points to the risk of households borrowing from multiple MFIs in order to meet *kisti:*

they did not spend the money for the purpose the loan was given […] they paid instalments by borrowing more money from elsewhere so things did not work out for them. […] However once they had paid one loan back the bank gave them more loans which they used to pay back other lenders. It is a vicious circle.

Borrowing from MFIs does not occur in a social and political vacuum and clients are still exposed to structural vulnerabilities. The case of Nusrat Jahan (43) and Rofiqul (65) further illustrates this point. Nusrat and Rofiqul, a day labourer, got married in 1967. During the Liberation war their house was destroyed and they lived with one son and one daughter, hidden in a nearby forest for seven years. After these events they found some land and became clients of Grameen when it first established itself in the village between 1983-1985. Nusrat does not remember the exact year but she remembers being excited about this opportunity given only to the landless poor, 'people who have land property of less than one *bigha*'[14]. She heard about Grameen as they came to the village to give training, she explained:

I first took BDT1000 to buy a cow but it died six months later, they I invested in some tin to build a house, and then bought another cow, and then invested three loans and three years of labour in building a pineapple garden.

The profits generated by the pineapple garden – which is common in the area - were used to pay some of the wedding costs for their daughters. With three daughters and one son, Nusrat and Rofiqul used this investment 'just so that I could get them [the girls] married. We didn't pay any dowry since our daughter was the second wife to that man.'[15] Four years later however the pineapple business had to stop because Rofiqul was forcefully evicted from his land by local elites. They lost everything, he explained. Rofiqul estimates having lost about five lakhs[16] and became ill: 'I lost my senses', he says 'I could not eat anything but only drink tea and smoke'. When their son-in-law abandoned their eldest daughter and their two children in 2006, Rofiqul and his son

[14] In Bangladesh, one *bigha* is approximately one third of an acre.
[15] Some scholars have found that the absence of dowry payment is relatively common in the context of extreme poverty in Bangladesh, particularly when it is the husband's second marriage (Davis, 2008; Maîtrot, 2017).
[16] BDT500,000

struggle to earn enough as daily labourers to meet the needs of four dependents and repay their debts.

The majority of products MFIs offer tend to be uniform across large geographic areas. To individuals who organise themselves in groups, they all mostly deliver a loan product with a term of about a year (43 to 58 weeks), repaid in frequent installments (usually weekly), coupled with a savings element. In the studied rural settings, committing to repaying fixed sums weekly requires a degree of predictability of the interactions between idiosyncratic (illness, labouring capacity, mobility, knowledge, connections, health and experience) and structural (seasonality, market fluctuations and opportunities) dynamics. Clients and former clients interviewed pointed to a frustrating mis-match between rigid weekly repayment schemes and their unpredictable and variable earnings. In the studied areas, respondents' livelihoods are less characterised by constant income deficit than they are by variable earnings. With a considerable proportion of respondents' livelihoods relying on engaging in hazardous day labouring activities (often seasonal), exposed to unpredictable climate conditions, unpredictable politics, price fluctuation and re-occurring health hazards on daily wages their earnings and needs are relatively unpredictable. Low-income vulnerable households in particular, pointed to specific periods during which loans are significantly easier (*Jaistha* and *Ashar* months[17] of harvest) or harder (*Ashin* and *Kartik*[18]) to repay. Unbefitting rigid weekly repayment schedules acutely constrain poor and vulnerable households who have a limited number of income sources.

Amid their everyday efforts to earn and spend in a timely and disciplined manner, opportunities to become entrepreneurs are limited. Joynuddin, the 'idol', described extensively how the nature of microfinance products and the mechanisms through which they are delivered limit what most people aspire to do and can achieve with these loans. He insisted that his experience in trading prior to the loan predisposed him to being a 'disciplined spender', which is necessary when borrowing from rigid financial institutions he said. Other clients contended that 'being calculative' everyday and prioritising mobilising money for loan repayment before 'spending on the family' was necessary for timely repayment.

The structure of the products offered to poor clients prevents strategic and long-term planning. Repeatedly, former and current-clients demanded for a better alignment of product design with the reality of running a business. Flexibility in repayment and for large liquidities was deemed essential to set up a viable business, which echoes Navajas, Schreiner, Meyer, Gonzalez-Vega, and Rodrigez-Meza (2000). It also concurs with Field, Pande, Papp, and Rigol (2013) found that a two-month 'grace period' are better than classically structured microfinance contracts at encouraging business ventures than generate sufficient profits to sustain livelihoods in the long-

[17] Jaistha: mid-May to mid-June; Ashar mid-June to mid-July
[18] Ashin: mid-September to mid-October; Kartik mid-October to mid-November

term. The time between the money transfer and the first due repayment was considered crucial to entrepreneurial clients like Zoshim:

> *If I take money from you and start a business, I will not see profit at the beginning, will I? First I need to learn how to do that business. I will face losses at the beginning, so I should be given time. […] Otherwise it's like you have given me money to start a business, but you didn't give me time to start it.*

Secondly, bearing the power of social institutions in mind, group lending is found to create risk-averting dynamics in loan use by increasing peer-to-peer scrutiny. For MFIs group-lending disciplines clients at minimum costs (de Aghion & Morduch, 2005). From the clients' perspective creating a group forms an informal moral contract based on members' trust in each other's' financial capacity and discipline. This contract legitimises judgements of members on fellow members' choices of loan use, earning and expenditure. This is particularly significant as in village communities people often have close knowledge and people's consumption choices (including diet, clothes, housing, medication, jewellery) can become subject of 'gossip' and damage clients' reputation. The risk of experiencing everyday peer pressure therefore discourages clients from undertaking business initiatives that others perceive as risky. As a result clients tend to spend loans on low-risk low-return activities or consumption that align with obligations and expectations.

Dealing with 'crocodiles'

After having taken a loan, a critical part of the microfinance experience for clients in rural Bangladesh is negotiating relationships with credit officers. MFIs and their agents want to protect themselves against the risk of client default and minimise the costs associated with client recruitment (Churchill, 2000). This is important to maintain steady and predictable cash flows at the branch level (Meyer, 2002). The tactics deployed by agents to avoid 'drop-outs' however often contradict entrepreneurial spirit of initiatives, erode trust and can exacerbate violence towards the most vulnerable. Rural households depict MFI agents' practices that alienate clients into unsustainable borrowing patterns set *by* and *for* MFIs rather than clients.

Many respondents who experience everyday struggles to repay expressed a feeling of betrayal. Testimonies often feature emotional stress and a sentiment of guilt for having made 'the wrong choice'. The *idol*, Joynuddin, presented as a successful entrepreneur, explains this ubiquitous fear of violence and abuses from agents. He, who borrowed from both ASA and BRAC, described the pressure other people were under to repay their loans. He explains that 'many of the banks [microfinance organisations] don't behave well. [...] they convince clients to sell their belongings just so that they can take back the money. They use fear and it is worsening'. He pauses before adding: 'they are very rude and they just take away the belongings when needed.' Common experiences include staff 'knocking on our [clients] doors', 'constantly visiting houses', 'convincing' and ‘persuading’ clients, holding clients’ savings to stop them from quitting an MFI, as part of a set of forceful tactics (Hulme & Maitrot, 2014).

Nusrat and Rofiqul, the pineapple farmers also protested against the violence exerted by MFIs when they struggled to repay their loans. They alleged that their relationship with the organisation deteriorated when its agents threatened him and his wife with physical violence. ‘But I told them that they do not scare me’, he says before adding bitterly:

> *we helped them start the organization here and now they act like they do not even know us. […] Instead, they demanded that even if we had to sell our cheap clothes, we must pay back the instalments. They sucked money from people like us and built a seven storied building.*

The significance of the threatening and sometimes abusive behaviour of agents in explaining borrowing behaviour is particularly striking in the case of Anowara Begum. At 65 years old she is a widow who currently lives on her own in a small straw hut. When I first visited her in November 2010, she was classified as a former-client but started borrowing by the time I visited her for the second interview in March 2011. In 1990, 17 years after her husband’s death, she became a client of the Grameen Bank and borrowed BDT2000 to BDT5000 every year for about 13 years for her five sons to use. At the time, she says, she was scared of the future. Eight years into her Grameen membership, in 1998, she decided to borrow money from BRAC in order to plant few trees. She remained a client of BRAC until 2003. When asked why she decided to borrow from BRAC she answered:

> *I thought I would take loans BDT2000 each time to buy a calf for my son but he was confused as to what he would do with only BDT2000 but I didn’t have the guts to take more loans and pay higher instalments. […] It was hard to earn, feed ourselves and then pay instalments. I bought my son a rickshaw with BDT4000 but he died a few months later.*

In 2004 her other sons experienced difficulties in repaying her loan so they decided to stop borrowing from MFIs. Loan officers however came with the police and ‘put a lock on my house’ Anowara explained. ‘None are good’ she said:

> *They would take clothes, crockery. […] When my son rebelled then they left us alone for a while till they again forced us to take more loans again. I said I don’t want any sort of loans, I have been through so many hardships yet they didn’t help me even for a bit. They were crocodiles telling us ‘take money, take more money!’ […] So later after listening to my son I borrowed BDT5,000 […] and he took it. He brings me rice from others for me to sell and eat.*

When I saw her again early 2011, she explains how her survival depended on her son’s financial support.

Women loan holders most acutely feel experiences of violent dispossession and pressure. Because women consent to the loan they often feel complicit in the processes of material dispossession and marginalisation that unfolds. As one respondent put it: 'I want to say something but I am helpless as I borrowed the money so I can't tell them [the MFI and my in-laws] anything.'

Saleha, a self-reported heavily indebted client explained how she borrowed more to avoid default and protect her reputation outside her household too:

> *I feel bad. I feel like crying. I took loans and now I am not able to pay back, people will say wrong things.*

When households struggle to make do, women feel the brunt of the conflation of unpredictable earnings and expenditures with rigid banking products. Providing loans for women means that it is them who are held responsible in case of default, as it is their names that will be blemished first if they fail to repay. This exacerbates their anxieties and socio-economic obligations. During interviews women reported *having to* micro-manage their husband's daily expenses and consumption making sure that the weekly *kisti* can be repaid, as well as *having to* maintain good relations with him and their in-laws. To avoid intra-negotiations many seek credit from other women. One described *having to* cry and tell them [other women] about our misery'. Molida, a poor and heavily indebted woman has 'ran out of options', financially and relationally. She says she has no one she can rely on anymore:

> *I do not like any loans. They are a torture, not to me but all of us. I do not know how to leave it, I want to. Like I have to pay BDT1,000 and it is late already, from who shall I borrow? That is why I am sitting here. Sometimes I feel like killing myself.*

This point however needs to be situated within the women's relational kinship context. Much of the scholarship concerned with the impact of microfinance on women empowerment obscures or underplays the indirect effects of microfinance on men. While 'women empowerment' is a highly valuable objective from a social justice perspective, changes in women's agency should not be imposed and assumed to take place in isolation from other power configurations. Given the moral duty of guardianship men have towards women, it is crucial to consider how men experience the negative psychological and reputational effects on women. This dimension featured widely in men's testimonies.

The process of making do, when intertwined with regular malpractices and abuses threaten the moral status of the entire household through harming the reputation of its female member(s)[19]. Some male respondents explained that they felt responsible for not being able to make ends meet and that at the start loans had been a valuable help that reduced their burden and frustration. Yet, in case of default-induced abuses from the MFI agents, they bitterly explain feeling complicit in having exposed their wives to

[19] It is not uncommon that in one household several women are microfinance clients. The liquidity of loans means that the burden of multiple repayments is shared across them and their respective guardian (husbands, brother, father, brother-in-law).

loan-related pressures. For instance, many reported feeling ashamed by the necessity to withstand their wives' weekly public humiliation (before their eyes or having it reported to them by neighbours). Some households in the village 'ran away' from the village and hid from MFI agents as a consequence of not being able to repay the loans and not being able to bear the shame. One example is Shamsul, who was deserted by his wife, and blamed himself for not being able to protect her dignity and stop the abusive behaviour of the three different MFI agents who would visit them every week. He had to rely on his ill and elderly mother for the care of his two children work and struggled to repay the *kisti*. For some of the former-clients interviewed, the misconduct of MFIs agents with women was a strong motivation to quit microfinance, at whatever cost.

The above analysis calls for a re-consideration of the differentiated gendered effect of microfinance on entrepreneurship by paying more attention to the moral dimension of individual and collective agency and complex array of relational responsibilities and hierarchies they entail. According to logical considerations the provisional and unequal terms on which power is exerted and experienced within the household has negative impacts on women's wellbeing and empowerment but is also, to some extent constitutive of the identity of their guardian. Husbands and fathers feel humiliated by the suffering of their wives and children. Indeed, individual agencies in a household are often relational, mutually-defined and processual- not absolute nor dichotomous.

6. Conclusion

Entrepreneurship is energetically promoted in developing countries as a means for people living in poverty to better negotiate or escape from adverse institutions. Other studies have contested the effectiveness of microfinance in fostering entrepreneurship (Bateman, 2012; Brigg, 2006; Cons & Paprocki, 2010; Fernando, 2004) and the transformative, poverty-alleviating potential of self-employment (Karnani, 2007, 2009; Khavul, Chavez, & Bruton, 2013). This article has approached the study of microfinance entrepreneurship by adopting an original angle focused on unpacking the microcosm that constitutes the conditions of choice in participating in microfinance. It finds that the very organisational structures and products that were set up to support self-determination, foresight and innovation are actually recast to curtail and preclude it.

Firstly, I find that in a context where relations of kinship and patronage structures organise people's lives (Devine & White, 2013; Lewis, 2017; Van Schendel, 2009), imagining loans as a liberating device through which poor women entrepreneurs can pursue risks and opportunities is often at odds with the rules of their agency, which is deeply embedded in social relations. Based on qualitative data collected from former and current-clients in rural Bangladesh it identifies that aspirations and borrowing patterns simultaneously express and reinforce aspirations to conform to the social norms and hierarchies constituting the moral order. Both men and women are found to borrow in an attempt to restore or preserve their moral status inspired by stories of successful local *idols*, created and diffused by MFI agents. Thus, microfinance participation and entrepreneurship, for many poor people, first epitomised a socio-moral worth that motivated them borrow.

Secondly, I suggest that the interplay and convergence of organisational processes and local social institutions encourage a process of making-do that limits the relational and moral risks of default and retains the compelling prospect of improving ones livelihood. I would argue that, in practice, microfinance can undermine rather than endow and strengthen self-determination, personal agency and entrepreneurship. Although 'entrepreneurial idols' exist, the present research demonstrates how, once loans are made, MFIs subsequently discourage entrepreneurial and business initiatives by discouraging risk-taking. The analysis of client narratives unveils how institutional interactions organise on-going disciplining process and products aimed at minimising institutional risks through constraining client agency into low-risk short-term arrangements. Case studies of former and current-clients shows how the terms of the financial products offered can discourage risky investment and limit the potential use of loans for long-term investment purposes. The scheduling of household expenses and earnings according to MFIs' needs has potentially considerable negative consequences for entrepreneurial initiatives. In particular, it explains why households seek out and accept debt from one or more institution(s) and moneylenders that are beyond their repayment capacity (Maitrot, forthcoming). The data points to group-lending dynamics and weekly repayment schedules play as exacerbating the perceived risks associated with pursuing innovative economic activities and thereby discouraging entrepreneurship and business initiatives.

Thirdly, forceful, coercive and sometimes violent attitudes of MFI agents featured highly in client narratives of microfinance experiences. To recruit and retain clients MFI agents often use tactics that disrupt and impinge on clients' entrepreneurial pursuits, by behaving 'immorally'[20]. This undermines self-determination and encourages continuous loan renewal and loan top-up. I found that while some clients have the agility to navigate the requirements of multiple MFIs and that of their livelihoods, others, struggle to maintain the rhythm and discipline of multiple repayment this imposes. Most of all, the data suggests that MFI agents are not only complicit with the negative implications generated by the convergence of moral obligations institutions and organisational rules but actively use them as catalysts to maintain repayment discipline. As a result for the most vulnerable and unlucky clients the convergence of the dynamics depicted above can engender inter-locking relationships and coping tactics that considerably limits the number of options available and carry long-term negative implications for their wellbeing. The gendered consequences of the dispossession and marginalisation process that unfolds are significant. To conclude, MFIs' reliance on the very social structures they claim to enable women to overcome, shackle microfinance's potential to foster the entrepreneurship of the vulnerable poor.

[20] Clients often said of MFI agents that they have no *dharma.*

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