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**WHEN THE BOTTOM LINE ISN'T THE END OF THE STORY:
WOMEN'S EXPERIENCES WITH
MICRO-ENTERPRISE, CREDIT AND EMPOWERMENT
IN MBEYA, TANZANIA**

by

Corey L.B. Huntington, B.A.

A thesis submitted to the
Faculty of Graduate Studies and Research
in partial fulfilment of
the requirements for the degree of

Master of Arts

The Norman Paterson School of International Affairs

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A large, stylized handwritten signature in black ink, likely belonging to Professor Martin Rudner, positioned above a horizontal line.

Professor Martin Rudner, Director
The Norman Paterson School
of International Affairs

A handwritten signature in black ink, likely belonging to Professor Fiona Mackenzie, positioned above a horizontal line.

Professor Fiona Mackenzie, Supervisor

Abstract

Micro-enterprise credit has recently gained increasing prominence as a tool for achieving poverty alleviation in the name of 'development'. Although 'empowerment' is frequently assumed to ensue from such projects, the term itself is often left undefined and the process through which it is expected to be achieved remains unclear. This thesis explores the assumed connection between micro-enterprise credit and empowerment in the context of donor-funded projects. The analysis is based on research carried out with women who participated in one such project in Mbeya, Tanzania. The case study reveals that the assumptions upon which credit projects are based frequently do not coincide with women's realities. In this context, the case study findings demonstrate that women actively engage in efforts to redefine the political space afforded by the project in ways which will enable them to achieve their self-defined empowerment objectives.

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Table of Contents

Abstract	iii
Acknowledgements	iv
Table of Contents	v
List of Tables	viii
List of Figures	ix
List of Appendices	x
List of Acronyms and Abbreviations	xi
Glossary of Swahili Words and Phrases	xii
Map I: Tanzania, East Africa	xiv
Map II: Mbeya and Surrounding Area, Southwest Tanzania	xv
Chapter One Conceptualising Development Projects as Political Spaces: An Introduction and Framework for Analysis	1
Chapter Two Theories of 'Development' and 'Empowerment': Conflicting, Converging or Co-opted Approaches?	18
Problematising 'Development'	21
Conventional 'Development'	24
Alternative 'Development'	30
The Co-option of Alternative Development	43
Conceptualising Poverty and Gender Inequality	50
Converging and Conflicting Approaches to Micro-Enterprise Credit	65
Conclusion	68
Chapter Three Contextualising the Issues: Assessing Credit Needs and Opportunities in Tanzania	70
Credit Needs	71
Informal Finance Opportunities	77
Donor-Funded Credit Projects	82
Mbeya Credit Facility	94
Conclusion	102
Chapter Four Fieldwork Methodology: Principles, Praxis and Process	104
In Search of an Appropriate Methodology	105
Developing a Research Framework	113
The Fieldwork Process	115
Reflections on Fieldwork as a Dynamic Social Process	131
Interpreting Socially Constructed Truths	148
Presentation and Discussion of Research Findings	153

Chapter Five	Women's Business Experiences	156
Women and their Businesses		157
Hadija		158
Estelle		159
Jamira		161
The Diversity of Women's Business Experiences		164
The Dynamic Nature of Women's Businesses		168
The Flexibility of Women's Businesses		175
Personal and Household Circumstances: Placing Women's Businesses in Context		176
Women's Motivations for Engaging in Business		179
Women's Business Income: Contributing to Household Sustenance		182
Women's Business Income: Supporting Aspirations for a Secure Future		185
Conclusion		188
Chapter Six	Women's Experiences with Credit	189
The MCF Loan Process		190
Women's Experiences with MCF Loans		194
Celina		196
Rebeka		196
Naomi		197
Magdalena		199
'Tizo Group: Daria, Helena and Rachel		200
The Difficulties of Regular, Weekly Repayment		203
Other Problematic Policies		211
Jirani Group		220
Women's Strategies for Coping with Repayment		223
Women's Motivations to Complete Repayment		227
Consoleta		228
Benefits of the Loan		232
Conclusion		236
Chapter Seven	Women as 'Beggars', Women as Providers: Gendered Discourses of Power and Resistance in the Division of Household Economic Responsibilities	238
Mama Katavu		240
Gendered Responses to Women's Business Initiatives		243
Gendered Responses to Women's Newfound Income		247
Gendered Responses to Women's Access to Loans		261
The Loan Process: Inciting New Perceptions of Women's Business Income		267
Conclusion		273

Chapter Eight	'Keeping Women from Being Idle': Gendered Discourses of Power and Resistance in the Allocation of Household Labour	275
	When Women's Tasks Exceed Women's Time	276
	Household Labour: Perfectly Substitutable or Profoundly Political?	277
	Productive and Reproductive Activities: All in a Day's Work	279
	Mama Katavu	280
	Magdalena	281
	Felisia	282
	'Keeping Women from Being Idle'	285
	Recruiting Substitute Labour	288
	'Liberation by Substitution'	295
	Conclusion	296
Chapter Nine	Beyond Credit: Creating Space for Women's Empowerment	298
Appendices		310
References		325

List of Tables

Table 5.1	Sources of Women's Start-Up Capital	169
Table 5.2	Marital Status and Household Headship as reported by Survey Participants	177
Table 5.3	Multiple Uses of Women's Business Incomes (Ranked)	182
Table 5.4	Primary Source of Household Income by Household Headship for all Survey Participants	183
Table 5.5	Primary Source of Household Income in Male-Headed Households as reported by Married Survey Participants	184
Table 6.1	Jirani Group - Use of <i>Mchezo</i> Earnings Designated for Business Development	210
Table 6.2	Jirani Group Members' Evolution of Working Capital	222

List of Figures

Figure 5.1	The Broad Spectrum of Participants' Business Activities	165
Figure 5.2	Seasonal Fluctuations in Women's Businesses	167
Figure 5.3	Amount of Capital which Women Used to Start their Businesses	170
Figure 6.1	MCF Solidarity Group Loan Balance Sheet	192

List of Appendices

Appendix A	Proposal to Conduct an Impact Assessment of the Mennonite Economic Development Associates' Micro-Enterprise Business Development Project (MEBDP) in Mbeya, Tanzania	310
Appendix B	Topic-Focused Interview Guide - Credit Recipients	314
Appendix C	Feedback Seminar Findings - August 5th, 1996: Participants' Policy Compliant and Recommendations	316
Appendix D	Feedback Seminar Findings - August 6th, 1996: Benefits of MEDA Loans	320
Appendix E	Feedback Seminar Findings - August 8th, 1996: Struggles and Hardships Associated with the Loan Process	321
Appendix F	Currency Conversion Chart	323
Appendix G	Deposit, Payment and Savings Amounts for MCF Solidarity Group Loans	324

List of Acronyms and Abbreviations

BHN	basic human needs
BRAC	Bangladesh Rural Advancement Committee
CAD	Canadian Dollars
CIDA	Canadian International Development Agency
CRDB	[Tanzanian] Credit and Rural Development Bank
CTM	[MCF's] Credit and Training Manager
DANIDA	Danish International Development Agency
GAD	gender and development
GDP	gross domestic product
GOT	Government of the United Republic of Tanzania
ICL	Individual Credit Line
<i>lit.</i>	literally
MCF	Mbeya Credit Facility
MEBDP	Micro-Enterprise Business Development Programme
MEDA	Mennonite Economic Development Associates
NBC	[Tanzanian] National Bank of Commerce
NGO(s)	non-governmental organisation(s)
NISS	National Informal Sector Survey [URT, 1991]
PR	participatory research
ROSCA(s)	rotating savings and credit association(s)
SBDP	[MEDA's] Small Business Development Programme
Tanzam	Tanzania-Zambia Highway
TAZARA	Tanzania-Zambia Railway
Tsh	Tanzanian Shillings
UNICEF	United Nations Children's Fund
URT	United Republic of Tanzania
USD	United States Dollars
WID	women in development

Glossary of Swahili Words and Phrases

<i>bahati mbaya</i>	bad luck
<i>bustani</i>	small garden adjacent to the home
<i>chai</i>	tea
<i>debe(s)</i>	twenty (20) litre container(s)
<i>hoteli</i>	restaurant
<i>jirani</i>	neighbour
<i>katavu</i>	contradictory, argumentative, obstinate
<i>kaya</i>	household
<i>khanga</i>	traditional cloth with Swahili proverb written on it; commonly worn by women as a wrap or cover-up
<i>kibanda</i>	commonly refers to a semi-permanent market place stall, often constructed of wooden poles and boards, but having no secure closure; may also refer to a more permanent shop structure, constructed of cement and having a secure door.
<i>kusaidiana</i>	to help each other
<i>maandazi</i>	small deep-fried cakes
<i>maharage</i>	beans
<i>mama ntilie</i>	woman who runs a canteen selling tea and small cakes in the morning and hot meals at lunch time; also used to refer to the canteen itself
<i>mboga</i>	vegetables
<i>mchango</i>	<i>lit.</i> , collecting, joining in contribution; in Mbeya, commonly used to refer to ROSCA activities
<i>mchele</i>	husked rice
<i>mchezo</i>	<i>lit.</i> , game, pastime, amusement or sport; in Mbeya, commonly used to refer to ROSCA activities
<i>mgahawa</i>	woman who runs a canteen selling tea and small cakes in the morning and hot meals at lunch time; may also refer to the canteen itself

<i>miradi (pl.); mradi (sing)</i>	<i>lit.</i> , projects; frequently used to refer specifically to women's income-generating activities
<i>mitumba</i>	used clothing
<i>mkuu</i>	person in a position of power; ruler, head, master or governor
<i>mkuu wa kaya</i>	head of household
<i>mna dani</i>	<i>lit.</i> place of public sale; refers here to rural marketplaces
<i>mpunga</i>	rice paddy
<i>msaada</i>	aid, assistance or support
<i>msafiri</i>	a traveller
<i>Mzee</i>	<i>lit.</i> , an elder; broadly used as a respectful title to address <i>male</i> elders or household heads
<i>mzungu</i>	<i>lit.</i> , European; used broadly to refer to all Caucasian foreigners
<i>pilao</i>	rice dish made with spices (cardamon, cinnamon, cloves, cumin, garlic), vegetables (carrots, onions, peas, potatoes) and sometimes beef; usually prepared only for special occasions
<i>pombe</i>	local beer made from millet or maize
<i>sambusa(s)</i>	deep-fried pastry filled with meat, onions and spices
<i>shamba</i>	farming plot
<i>'Tizo</i>	abbreviation for <i>matatizo</i> ; <i>lit.</i> problems or difficulties
<i>ugali</i>	stiff porridge, usually made of maize flour; may also be made of cassava or millet flour
<i>uji wa ulezi</i>	thin porridge or gruel (<i>uji</i>), in this case made of millet (<i>ulezi</i>)
<i>ukindu</i>	dried grasses used for mat making
<i>upatu</i>	<i>lit.</i> , refers to the tradition of placing contributions for the bridal couple on a collective plate at a wedding; also refers to ROSCAs
<i>vitambaa (pl)</i>	<i>lit.</i> pieces of cloth; often refers to table clothes and doilies
<i>vitenge (pl); kitenge (sing)</i>	length(s) of printed cloth, worn by women as wraps or used to sew traditional dresses

The map displays Lake Victoria, the largest lake in Africa, with its extensive shoreline and surrounding landmasses. Major cities are marked with symbols: Entebbe (a circle with a dot) and Kampala (a circle with a dot) are on the northern shore, while Mwanza (a circle with a dot) is on the western shore. The map also shows the Nile River flowing into the lake from the south. A legend in the bottom right corner defines symbols for International Boundary, National Park, Other Reserve, Railroad, Major Road, Minor Road, Track, Trail, River, Stream, Church, Major City, and Small City. A scale bar at the bottom right indicates distances of 0 km, 200, 400, and 600 km.

Source: Microsoft Encarta, Virtual Globe, 1998 edition.

Map II: Mbeya and Surrounding Area, Southwest Tanzania

Chapter One

Conceptualising Development Projects as Political Spaces: An Introduction and Framework for Analysis

In recent years, micro-enterprise credit has gained increasing prominence as a tool for achieving poverty alleviation in the name of 'development'. Hoping to duplicate the 'success' of early models such as the Grameen Bank in Bangladesh, diverse agencies, including grassroots organizations, bilateral donors and the World Bank, have established a plethora of similar projects in various countries around the world. In February 1997, the scope of this increasing prominence was evidenced by the attendance of more than 2,900 people, representing 1,500 organisations working in 137 countries, at the Microcredit Summit in Washington, D.C.. At the time of the Summit, it was estimated that microcredit was currently being made available to eight million people living in poverty around the world. Those present at the Summit - grassroots leaders, independent business people and financiers, representatives of government, donor and UN agencies, heads of government, and heads of state - demonstrated their commitment to the expansion of such initiatives through the launch of a nine year, global campaign, the objective of which is "to reach 100 million of the world's poorest families, especially the women of those families, with credit for self-employment and other financial and business services by the year 2005" (Microcredit Summit Secretariat, n.d.).

Microcredit initiatives are defined as "programs [which] extend small loans to very poor people for self-employment projects that generate income allowing them to care for themselves and their families" (Microcredit Summit Secretariat, n.d.). The procedures for

distributing these loans represent a number of variations on a single theme. Some programmes lend to individuals, others favour group lending schemes. Some lend only to those who are already engaged in a 'successful' market-based economic activity, others provide loans as start-up funds for new initiatives. Loans may be made in cash or in kind, ranging in value from \$ 100. or less to \$ 1,000. or more. Micro-enterprise credit programmes may also have very different policies with regard to interest rates, membership fees, length of payment periods, and incentives to encourage rapid repayment.

Although the details of these programmes vary, each of them is built around a simple formula based on a sequence of common assumptions. As a starting point, micro-enterprise credit is expected to be invested in a lender-approved, market-based activity which is owned and operated by the borrower. As a result of this investment, the business activity is expected to generate increased profits. It is expected that these increased profits will be sufficient to allow the borrower to repay the loan, reinvest in the business, and be left with a cash surplus. It is anticipated that the borrower will use the balance of this newfound income to invest in their household, thereby increasing the well-being and standard of living of their families. Given that the loans are assumed to have been distributed to the poor in the first place, this increase in standard of living is presumed to contribute to the alleviation of poverty.

'Empowerment' is frequently cited as an ancillary benefit of micro-enterprise credit projects. Although the term itself is most often left undefined, it is generally assumed that a tacit link exists between empowerment and the alleviation of poverty. Based on the claim that micro-enterprise credit assists project participants in their quest to overcome their own poverty, it is further assumed that such projects contribute to the empowerment of these

participants. In addition, given that the majority of micro-enterprise credit projects focus on the delivery of credit to poor women, it is assumed that through their participation in the project these women will also experience empowerment in the context of gender subordination.

This thesis focuses on exploring the assumed connection between micro-enterprise credit and empowerment. While I do not dispute the notion that a link exists between empowerment and the transcendence of relations of poverty and gender subordination, I question whether it is appropriate to assume that such a link exists in the context of micro-enterprise credit, or, at the very least, to assume that the form and direction of empowerment which arises from participation in a given micro-enterprise credit project can be planned or predicted. The purpose of this research is, therefore, to challenge these assumptions.

In an effort to locate these challenges in the context of current micro-credit practice, this thesis engages in an in-depth study of a donor-funded micro-enterprise credit project for women in Mbeya, Tanzania. The original research which is presented in subsequent chapters identifies and examines the specific circumstances which have (or have not) enabled credit recipients in Mbeya to challenge the oppression which they experience as a result of poverty and gender inequality. Through the presentation and analysis of these research findings, assumptions regarding the link between micro-enterprise credit and empowerment will be explored and challenged on both a practical and a theoretical level.

Micro-Enterprise Credit and Empowerment

Documentation and in-depth discussion of the empowerment effects of micro-enterprise credit projects have been sparse to date, especially when compared with the abundance of literature and project materials which blindly assume the empowering effects of micro-enterprise credit. Although the link between micro-enterprise credit and empowerment has recently been the focus of a number of studies and academic papers (Ackerly, 1995; Carr *et al.*, 1996; Hashemi *et al.*, 1996; Holcombe, 1995; Mayoux, 1995b; and, Yaqub, 1995), these have been limited both in geographic and institutional scope, as they focus primarily on the experiences of the Bangladesh Rural Advancement Committee (BRAC) and the Grameen Bank. The preliminary conclusions drawn from these analyses are therefore far from complete, pointing to the need for further research. In particular, such research must examine the empowerment potential of micro-enterprise credit projects which are currently being implemented in other regions by other institutions, many of which may have adopted and adapted various parts of the BRAC and Grameen methodologies. In addition, greater effort must be made to challenge the prevailing assumptions, not only at the theoretical level, but also at the level of project planning and implementation.

In current practice, project level evaluations and progress reports often allude to positive social impacts and new levels of participant empowerment, but such claims are rarely substantiated. Three factors contribute to the ambiguous nature of these claims. In the first place, the concepts in question are themselves poorly defined. Secondly, the priorities and objectives of such projects are not always clearly identified. Finally, conventional methods of project evaluation are not appropriate for assessing empowerment.

In order to understand whether or not micro-credit programming will facilitate the process of poverty alleviation, the promulgation of gender equality and the promotion of empowerment, it is essential to examine the various ways in which these concepts have been defined in the context of micro-enterprise credit, as well as in the broader context. Discussion and analysis of these definitions and their interrelations will form the basis of arguments developed in subsequent chapters. By way of introduction, I suggest here that poverty and gender inequality, like other 'problems' in the 'development' spectrum, may be conceptualised either in terms of the superficial symptoms which signal their existence or in terms of the root causes which perpetuate these symptoms. The ways in which these 'problems' are subsequently dealt with - the 'treatments' prescribed or actions undertaken - are fundamentally tied to the way in which the 'problems' themselves are conceptualised in the first place. I argue that while treatment of the symptoms may provide temporary relief, the 'problems' themselves can only be transcended when the root causes have been eradicated.

Following Kate Young's (1993: 158) assertion that "empowerment is about people taking control over their own lives: gaining the ability to do things, to set their own agendas, to change events in a way previously lacking", I define empowerment as a process of self-determination and self-actualisation - the capacity to act on one's own behalf. Inherent in this definition is the understanding that the capacity of a group or individual to act on their own accord has hitherto been constrained. The process of empowerment must therefore begin with an analysis of prevailing power relations, in order to identify the factors of oppression, and to determine appropriate strategies for overcoming these constraints. It is my conviction that empowerment can only be achieved through analysis and action which focuses on the

root causes of poverty, gender inequality and other relations of oppression. Projects which seek only to 'treat' or 'manage' the symptoms of oppression situate project participants as objects of the actions of others. In this manner, projects which are based on expert-prescribed 'treatments' to externally identified 'problems', may further constrain participants' capacity to act on their own accord. Such projects are, therefore, contrary to the very notion of empowerment.

A reciprocal relationship exists between the evasive manner in which project priorities and objectives are often set out, and the current lack of clarity around the definition of empowerment and its assumed links to poverty alleviation and gender equality. I posit that much of this ambiguity derives from a confusion of purposes resulting from an attempt to conflate objectives which may be inherently incompatible. The contradictory nature of the proposed objectives of micro-enterprise credit projects will be discussed further in subsequent chapters.

Clarification of these concepts and priorities is not sufficient, however. If a better understanding of the empowerment experience and potential of micro-enterprise credit projects is to be achieved, such clarification must be accompanied by more appropriate methods of assessment. Conventional assessments of development projects tend to focus on the success with which these projects have delivered prescribed social and economic goods and services to a designated target population (Shettima, 1997: 1). In keeping with this convention, micro-enterprise credit projects are generally evaluated in terms of the number of 'clients' served, the amount of credit delivered and the percentage of prompt repayments. In these instances it is generally assumed that higher figures represent greater success of the

project.

In particular, a great deal of significance is placed on a project's overall rate of repayment. Projects with repayment rates approaching one hundred percent are upheld as icons of 'success'. While such statistics may provide some indication of the economic and commercial aspects of project efficiency, they bear very little correspondence to the purported goals of poverty alleviation, promotion of gender equality and empowerment. If, for example, 'success' is to be measured by repayment rates, what does this indicate about a project's propensity to facilitate empowerment, or even to alleviate poverty? Based on the field work documented in subsequent chapters, I shall demonstrate that the sheer fact that loans are being repaid can not be assumed to indicate either that poverty is being alleviated or that project participants are necessarily experiencing new levels of empowerment.

Defined above as 'a process of self-determination and self-actualisation - the capacity to act on one's own behalf', empowerment is not something which can be planned or initiated by external actors or agencies. It is clearly not a resource or service which can be 'delivered' to the poor and oppressed in the way that other 'development' inputs have been delivered in the past. It follows that it can not be measured or evaluated in the same manner as these traditional attempts to deliver 'development'.¹ Thus it becomes evident that a very different approach to assessment and evaluation must be adopted if the empowerment potential of

¹ This is not to say that such an approach has not been tried. Two recent studies (Ackerly, 1995; Hashemi *et al.*, 1996) have attempted to measure empowerment and empowerment potential in quantitative terms. I argue that such an approach is untenable based on my understanding that in seeking to quantify empowerment - to measure it in terms of percentage gains - the most vital qualitative aspects of the process are marginalised as both the personal and the political elements are left aside. In this way, such attempts at quantification contribute to the depoliticisation of the very concept of empowerment (refer to Chapter Two for further discussion of the concept of depoliticisation).

micro-enterprise credit projects is to be explored and understood.

Conceptualising Political Space

In order to achieve a more informed understanding of the empowerment potential of micro-enterprise credit projects, I suggest that it is necessary to move away from the narrow conceptualisation of such projects as points of service delivery. To this end, I propose that micro-enterprise credit projects should be conceptualised as dynamic political spaces which can be interacted within and acted upon, rather than simply as static plans according to which services are scheduled to be delivered in passive environments.

Political space is a discursive venue which is actively created by people as they seek to effect social change in their immediate environment (Barker, 1996: 4). Development projects form an excellent example of the creation of new social, economic and political spaces. Such projects have conventionally been implemented from a top-down perspective which thrusts new forms of organisation of social, political and economic space on unexpecting project 'beneficiaries' who are obviously accustomed to other ways of organising that space (Barker, 1990: 48). The ways in which these 'beneficiaries' react in order to resist this new organisation of space, or to co-opt it to better serve their individual and collective interests, is crucial to determining the shape of the new political space created through a given project. It is important to note that the creation of political space is not an act which is restricted to development planners. In addition to accepting or rejecting the new organisations of space which are presented to them by planners, local actors may also choose to actively engage in the creation of their own spaces. As Norman Long (1992: 34) points out, local actors (project implementors and 'beneficiaries' alike) may work within the confines

of established project frameworks to "attempt to create space for themselves in order to carry out their own 'projects' that may run parallel to, or perhaps challenge, government programmes or the interests of other intervening parties".

Political space is therefore continuously created and recreated through an iterative process of interaction between structure and agency. 'Structure' refers here to the combination of norms and precedents, rules and regulations, plans, policies and projects, which are constructed and perpetuated through various attempts to order and organise all levels of society. In this context, 'agency' refers to "the ways in which people deal with and manipulate these constraining and enabling elements" (Villarreal, 1992: 257), the capacity of individual actors "to process social experience and to devise ways of coping with life, even under the most extreme forms of coercion" (Long, 1992: 22). Thus, in the case of 'development', the interface between structure and agency is situated at the point at which the structure of development projects - generally determined in a top-down fashion by central and/or external powers - is influenced and reformulated through the exertion of agency by local actors.

In focusing attention on the interaction between structure and agency, an analytical approach which takes political space as its starting point recognises the opportunities and constraints posed by each of these elements and emphasises their mutual roles in determining the shape and direction of the future. Such an approach is therefore neither blindly optimistic with regard to grassroots initiatives, or hopelessly mired in structuralist debates (Barker, 1996: 5). Conceptualising development projects as political spaces may therefore provide a means of bridging the "serious theoretical gap in the analysis of social change and rural

development", which Long (1989: 4-5) attributes to "the tendency to formulate problems either from the point of view of how [local actors] react to development intervention without really analyzing the nature of the wider encapsulating system, or from the point of view of how external forces determine local patterns of change without taking account of how the actions of [local actors] themselves or of other local groups may shape these processes".

At this juncture, it is necessary to make a number of clarifications in order to ensure that the understanding of the fluid and dynamic nature of political space is not constrained by the language used to describe it. In the first place, it is important to understand that neither political space or the development projects which such spaces represent are isolated in time or space. Spatially, each particular project or political space is situated within a broader framework of on-going social, political and economic relations. Temporally, each space is located in a continuous flow of events such that it is influenced by previous events and has consequences for future ones (Long and van der Ploeg, 1989: 228).

Secondly, in spite of the generalisations outlined above, neither the relationship between agency and local power, or the relationship between structure and central power are mutually exclusive. Individual actors within central power-holding institutions are also active agents who may assert their agency in order to influence decision-making with regard to plans and structures. Local actors, on the other hand, may contribute to the construction of norms and precedents which form the basis of powerful, often exclusionary, local structures.

Furthermore, it is important to note that the categories of 'central' and 'local' power do not represent two distinct homogeneous constituencies. Instead, each of these power groups is made up of a plurality of individual actors, each of whom has varied, and sometimes

conflicting, interests, which they pursue through the assertion of their own agency. This is particularly important to note in the case of local power where it might be "tempting to entertain romantic ideas about the beauty and appropriateness of local action to solve local problems, to embody local values, and to pursue goals of local people" (Barker, 1996: 7). In reality, however, there exists at the local level, as at any other level, "a complexity of relationships and discontinuities which will cut across - and within - the diverse structures and systems" (Villarreal, 1992: 251). It is therefore necessary to understand the interface between structure and agency, between central and local power, as one which operates on many different levels, and which may result in a multiplicity of different outcomes depending on the way in which it has been manipulated by actors with varied interests.

Finally, although it is useful to begin an exploration of political space by distinguishing between 'external' and 'internal' initiatives, it is important to note that this distinction becomes obsolete at the point where 'external' efforts are 'internalised' at the local level. The process of internalisation is understood by examining the way in which "[externally-defined] interventions enter a particular social order, interact with existing social phenomena, transform them, and are themselves transformed" (Long, 1984: 174). Through this process, the 'internal' and the 'external' become intertwined in a manner which precludes observation of distinct outcomes resulting directly from the efforts of one or the other.

The conceptualisation of a development project as a political space, therefore emphasises the fact that it is a dynamic and iterative process. It stresses the interaction and mutual determination of structure and agency, 'internal' and 'external' factors, and multiple sources of power. Perhaps most importantly, this conceptualisation draws attention to the

central role of human action and consciousness in this process. Together these elements of political space constitute an informative setting in which to explore a project's empowerment potential and experience

To situate empowerment in the context of political space, it is first necessary to define its relationship to structure and agency, the key determinants of political space. According to the definition outlined above, empowerment entails a process of identifying and overcoming the oppressive factors which pose constraints to self-determination. The role of agency in this process is very clear: agency is the very quality which enables individual actors to assess their situation, devise a strategy and take action which they determine will best serve their interests. Empowerment may therefore also be understood as a process through which the effectiveness of agency is incrementally improved as constraints which previously inhibited choices or action are overcome or removed. Such constraints are often structural in nature, grounded in long-established relations of power, or in restrictive organisational configurations, including planned intervention. Thus structure may generally be understood to be a constraining factor which serves to circumscribe agency and therefore to inhibit empowerment. Where structure restricts local action, guiding its direction by limiting the possible choices, it is proposed that local actors will assert their agency to create new spaces or co-opt spaces in a manner which will permit them to accomplish their own goals (Long, 1984; 1992). Through this act of creating or co-opting space, these actors may be considered to have achieved a new level of empowerment.

Although structure is generally held to be the constraining factor against which groups or individuals assert their agency in an effort to achieve empowerment, structures which

provide enabling conditions for empowerment might also be imagined. In this regard, Young (1993: 142-44) envisions organisational structures which are specifically planned to provide space - a venue for discourse - in which participants may choose to engage in comparison and analysis of mutual experiences. Through provision of this discursive space, such structures may actually facilitate, rather than frustrate, the process of empowerment.

Empowerment and political space are therefore interdependent concepts. Like political space, empowerment is predicated on the interface between structure and agency. Whereas political space exists, albeit in different shapes, regardless of the nature of the interaction between structure and agency, the very potential for empowerment to exist is determined by the nature of this interface. Thus, while the potential for empowerment exists within particular political spaces, the realisation of empowerment will fundamentally alter the shape of these spaces.

In order to gain further insight into the empowerment potential and experience of a given political space, it is necessary to cultivate a deeper understanding of the relationships of power and interest which are particular to that space. These relationships are elucidated through the examination of social interfaces (Long, 1989) and the adoption of actor-oriented approaches (Long, 1992). Long defines a social interface as "a critical point of intersection or linkage between different social systems, fields or levels of social order where structural discontinuities, based upon difference of normative value and social interest, are most likely to be found" (1989: 1-2). In the context of development, Long identifies interfaces as "the critical points at which not only policy is applied but at which it is 'transformed' through acquiring social meanings that were not set out in the original policy statements" (1989: 3).

Thus, interface analysis focuses on the point of convergence between structure and agency, the nexus of political space as defined above.

Interface analysis is edified by an actor-oriented approach which "begins with an interest in explaining differential responses to similar structural circumstances" (Long, 1992: 21). Such an approach aims not only to place actors at the centre of the analysis, but also to emphasise the heterogeneity of interests, priorities and capacities which will inevitably exist among any group of actors.

In an effort to draw out the diverse interests and multiple understandings which are anticipated in Long's definitions of social interface analysis and actor-oriented approaches, the primary research for this case study sought to place project participants at the centre of both the research and the analysis, through the use of participatory methods in the collection of qualitative data. The details of this methodology are elaborated in Chapter Four. At this point it is sufficient to note that by placing project participants at the centre of the research and analysis, this methodology seeks to uncover a multiplicity of different actions and reactions emerging from the interface between structure and agency. With regard to empowerment, this methodology aims to reveal multiple patterns of interaction based on various actors' unique interpretations and understandings of their own situations, interests, priorities and capacities vis-à-vis their perception of the project structure.

Thesis Framework

The remainder of this thesis is divided into eight chapters. Using the framework for analysis outlined above, I seek, in these chapters: to conceptualise the donor-funded, micro-credit case study project as a political space; to identify the key determinants of structure and

agency which shape this space; and, to examine the multi-layered social interfaces which emerge, the diverse interpretations and differential responses which ensue, in an effort to determine the nature and extent of the empowerment which occurs as a result of these interactions.

Chapters Two through Four present the theoretical, contextual, and methodological elements which shape the case study findings, analysis and conclusions detailed in the remaining chapters. Building on the points presented in this introduction, Chapter Two serves to further develop the theoretical basis of the research question. Focusing on the structural elements of political space, this chapter explores various approaches to 'development' and 'empowerment', highlighting a number of contradictions which are particularly pertinent to the structure of micro-enterprise credit projects. Chapter Three provides the contextual background for the research, beginning with an examination of some of the key factors which shape the Tanzanian credit environment, and concluding with a profile of the case study project. Chapter Four outlines the methodology used in the case study. The chapter begins by highlighting key concepts from some of the recent literature on qualitative methods in social science research, placing particular emphasis on participatory and feminist perspectives. This discussion is then used to inform a detailed reflection on the proposed research design and the ways in which this evolved in the field.

The case study findings and analyses are presented in Chapters Five through Eight. Based on the themes which emerged during the course of the field research, these chapters draw on women's own descriptions, explanations, and analyses to challenge the assumptions upon which many donor-funded credit projects, including the one in which they participate,

are built. In this manner, Chapters Five and Six detail women's business and loan experiences, respectively. Through the exploration of women's daily experiences as micro-entrepreneurs, Chapter Five establishes the broad, and sometimes conflicting, character of women's self-defined needs and interests, thereby challenging the assumption that women and their businesses can be treated as one homogeneous category or target group. Chapter Six demonstrates the ways in which the diversity of women's needs and interests contributes to their very different experiences with credit. Highlighting women's focus on the difficulties they encountered in the loan repayment process, this chapter challenges the assumption that loan repayment can be taken as a reliable indicator of business 'success' and increased financial security. In this context, the chapter also explores the ways in which participants seek to manipulate project policies so as to meet their self-defined needs and objectives.

Chapters Seven and Eight focus more directly on the social and political implications of women's participation in independent business and loan activities. Identifying the household as a primary site of power struggle and negotiation, these chapters explore the ways in which women use their independent incomes and access to credit to renegotiate their positions within this context. In this regard, Chapter Seven explores the gendered elements of control over economic resources and division of financial responsibility within the household; Chapter Eight explores the gendered and intergenerational elements related to the control and allocation of household labour.

Chapter Nine serves as a conclusion to the case study, drawing together the various themes elaborated in the preceding chapters and forging links between the case study findings and the theories and concepts elaborated in earlier chapters. Focusing on patterns of

empowerment which emerge from within, and act upon, the political spaces in and around the case study project, this chapter discusses some options for creating more enabling spaces and circumstances within the current structure of the case study project. This chapter also identifies lessons from this case study which may extend beyond the culture- and context-specific parameters of this micro-study to inform analysis of other development initiatives, and raises questions regarding the relationship between 'development' and 'empowerment'.

Chapter Two

Theories of 'Development' and 'Empowerment': Conflicting, Converging or Co-opted Approaches?

In its narrow meaning, [development] refers to the *planned* process by which resources, techniques and expertise are brought together to bring about improved rates of economic growth in an area variously designated as the Third World, the developing world, the periphery, the South, and so on. In its broader sense, it refers to a purposeful project, no doubt, but one with unacknowledged assumptions and unanticipated outcomes. Development then becomes the broader processes of social transformation unleashed by the attempts of diverse development agencies at local, national and international levels, both within the official domain and outside it, to achieve various, and often conflicting, goals (Kabeer, 1994: 69).

The purpose of this chapter is to explore the ways in which various approaches to development influence the structure of particular development initiatives. Throughout this chapter, I seek to draw attention to a number of the 'unacknowledged assumptions' and 'conflicting goals' to which Naila Kabeer refers in the above quotation, and to suggest some of the ways in which these may contribute to 'unanticipated outcomes' of the development process in general, and of micro-enterprise credit projects more specifically.

Approaches to 'development' are grounded in broader views of society which provide a basis for understanding and explaining how the world works. Such 'views of society' may also be referred to as 'paradigms'. A paradigm may be defined as "a world view, a general perspective, a way of breaking down the complexity of the real world" (Patton, cited in Maguire, 1987: 10). Patricia Maguire (1987: 10) describes a paradigm as "a 'place to stand' from which to view reality". It is essential to note, however, that numerous 'places to stand' may exist, each offering different vantage points, and thereby generating multiple perspectives

and interpretations.

Because they form our basis for understanding the world in which we live, paradigms are extremely powerful. They shape "what we look at, how we look at things, what we label as problems, what problems we consider worth investigating and solving, and what methods are preferred for investigation and action" (Maguire, 1987: 11), yet the paradigms themselves are rarely acknowledged in this process. Rather, they influence our thoughts and our choices in nearly unconscious and imperceptible ways which are frequently taken for granted. As such, paradigms contribute significantly to the unacknowledged assumptions which underlie many decisions.

Development theory and practices can be conceptualised in terms of their relation to 'dominant' and 'alternative' paradigms. Patricia Maguire (1987) constructs a framework for understanding the nature of these two perspectives. Based on her framework, the dominant paradigm is primarily concerned with the "maintenance or evolutionary change of the status quo" (Maguire, 1987: 12). Seeking to identify and satisfy individual needs through existing social and political structures, this paradigm focuses on increasing the efficiency of the current structure without questioning the legitimacy or appropriateness of the system itself. The alternative paradigm, on the other hand, seeks to effect radical change which will result in a complete restructuring of the current status quo. Based on the belief that human needs can not be satisfied through the current system, the alternative paradigm calls for a rigorous analysis of structural conflicts, with a view to "dismantl[ing] systems of domination", thereby "transforming social systems" in order to create a more just and equitable system (Maguire, 1987: 12). Thus, while those using the dominant paradigm attempt to solve society's problems

by working within the structure of current power relations, proponents of the alternative paradigm challenge these power relations, claiming that it is this structure itself which is at the very root of society's problems. The point I wish to underline here is that these two paradigms are fundamentally opposed: one seeks to transform that which the other seeks to maintain. Based on this understanding, it seems clear that there can be no compromise between these two paradigms.

While I recognise that there are numerous dangers in presenting an oversimplified, dualistic model such as this one, I feel that this distinction remains useful as a conceptual tool. The dichotomy which is set up in the model is, however, a false one. Although it may be possible to place theoretical models of development wholly within the boundaries of one paradigm or the other, in practice there will be apparent overlaps and crossing of boundaries which make such classifications improbable. It is for precisely this reason that I have drawn attention to this dichotomy in the first place; I wish to use it as a framework for exploring the contradictions and confusion which result when such fundamentally opposed approaches are merged and conflated.

This chapter begins by problematising the concept of 'development', presenting it as a paradigm unto itself, and continuing with an overview of conventional and alternative 'development' within this paradigm. This discussion provides an opportunity to further explore the concept of empowerment and the various ways in which it has been interpreted. Building on this framework, the chapter goes on to examine the ways in which poverty and gender relations have been problematised in development practice. The concepts of poverty, gender and empowerment will then be drawn back together in a discussion of specific

approaches which are taken in the context of micro-enterprise credit projects. The chapter concludes by posing a number of questions which forge links between the foregoing discussion and specific issues related to micro-enterprise credit projects.

Problematizing 'Development'

The very notion of 'development' is grounded in a particular way of viewing, ordering, understanding and explaining reality. As such, 'development' forms a paradigm unto itself. Through this paradigm a particular discourse which shapes our understanding of the Third World is constructed and perpetuated. This discourse constructs the Third World and its peoples as objects in need of fixing, representing life in the Third World as a series of abnormalities - "the poor", 'the malnourished', 'the illiterate' - which can be treated or reformed through the application of Western knowledge and technology (Escobar, 1995: 214). Although this explanation does not necessarily coincide with - indeed it often bears little resemblance to - other interpretations of reality in the Third World (Crush, 1995: 4-5), the pervasive nature of this discourse has served to silence and marginalise other ways of understanding the world. The discourse of development has therefore emerged as the principle means through which the Third World is defined and determines its own identity (Escobar, 1995: 212).

'Development', however, is more than just a paradigm, a discourse or a hermeneutic construct which shapes ideas and concepts which contribute to the formation of knowledge. It has also emerged as a set of practices and relationships based on these ideas and concepts and embodied in what James Ferguson (1990) has referred to as the "'development' apparatus", a veritable industry unto itself. As Escobar describes, it is this apparatus which

"links forms of knowledge about the Third World with the deployment of forms of power and intervention, resulting in the mapping and production of Third World societies" (Escobar, 1995: 213). 'Development' has therefore become a mechanism for control and management of the Third World. It is a mechanism of neo-colonial control which has been used by the North to maintain the subordinate position of the South, an ideological tool which serves to maintain global power relations. Thus, 'development' must be understood not as an objective state, but as a politically constructed interpretation of reality (Gardner and Lewis, 1996: 1)

In response to the pervasive power and hegemonic control of 'development', Arturo Escobar (1995) calls for a radical departure from the 'development' paradigm and all things associated with it. Warning of the potential for any new approaches which promise alternative forms of development to be co-opted by the dominant paradigm, Escobar calls for alternatives *to* development. Such alternatives, as Escobar describes them, will represent a new paradigm, offering alternate ways of viewing, understanding, organising and explaining society; they will bear no relationship to notions of growth, progress and the 'natural' need to develop (Escobar, 1995: 215) which are created and perpetuated through the dominant discourse. Instead, they will be created by social actors themselves as they engage in the process of constructing their own identities based on their "daily production of alternative frameworks of meaning" (Melucci, cited in Escobar, 1995: 220) which correspond to their own understanding of the circumstances which they face. Given the variable and ever-changing nature of these circumstances, such alternative frameworks of meaning will be fluid and flexible, drawing on what Escobar (1995: 223) describes as "nomad (or popular) knowledge" rather than "summoning the power of the conceptual apparatus or a pre-established form of

intervention". Moreover, such alternatives will be structured by social actors so as to enable them to make the best use of the resources, including social networks, to which they have access. The key to such alternatives resides in the individual agency and collective action of social actors who engage in "the search not for grand structural transformations but rather for the construction of identities and greater autonomy through modifications in everyday practices and beliefs" (Escobar, 1995: 217).

In light of Escobar's poignant argument for alternatives *to* development, this thesis begins by recognising that 'development' and the 'aid industry' as we know them are fundamentally problematic. While the establishment of sound alternatives *to* development must constitute a priority, it can not be the only focus. It is necessary to recognise that such alternatives will require radical change in current attitudes and behaviour, that such change is likely to evolve at a slow pace, and that, in the meantime, various initiatives will continue to be launched in the name of 'development'. Regardless of their inherent shortcomings, such initiatives become part of the resource base of changing variables around which social actors construct their own coping strategies, and frameworks of meaning. At this juncture, 'development' and the efforts of groups and individuals to construct alternatives *to* development interface, and may potentially become intermingled.

This thesis seeks to explore the nature of these interfaces between 'development' and alternatives *to* development. Specifically it seeks to examine the extent to which mainstream 'development' approaches may support or create spaces for the emergence of new frameworks of meaning and alternatives *to* development, either by design or by default. Thus, my objective here is neither to legitimate or perpetuate the dominant paradigm, but rather to

explore whether or not this type of 'development' may create room for the birth and nurturing of 'alternatives'. In this regard, I endeavour throughout this thesis to search for patterns of resistance which may emerge from within the current approach, and to query the nature and potential of such forms of resistance.

With this in mind, I seek to identify the development project itself as a site of struggle over interpretations of needs and needs satisfaction. In so doing I seek to challenge a number of the assumptions upon which such projects are based, namely: that modernisation and economic growth can be equated with to 'development'; that poverty can be overcome through application of technical solutions, such as the injection of capital; and, that empowerment is something which can be imparted to a group of project 'beneficiaries' by outsiders without challenging the political inequalities inherent in the current status quo. Such an analysis is fundamentally important in order to gain a more complete understanding of the inherent shortcomings of the development paradigm. In addition, this analysis will assist in the identification of sites of resistance which have potential to pose a viable challenge to that paradigm.

Conventional 'Development'

In the context of the dominant paradigm, conventional 'development' has been associated with concepts of modernisation, economic growth and hierarchical administration. Modernisation theory has formed the cornerstone of this approach. Building on W.W. Rostow's (1971) conceptualisation of development as an evolutionary process of unilinear change which moves through an established sequence, modernisation theory is grounded in the assumption that the transition from tradition to modernity is primarily a technical problem,

a question of putting the prescribed preconditions in place (Rostow, 1971: 6-7). From this perspective it is posited that traditions of 'backwardness' have been the main obstacle to development in the Third World. It is therefore argued that in order for 'development' to be achieved, it is necessary to eradicate 'traditional' practices in the South, replacing the former with those 'modern' methods of thinking, acting, producing, distributing and consuming, such as capitalism and liberal democracy, which are enshrined in the Western industrial model. Societies which meet these preconditions are assumed to advance to the next stage of economic growth. Rostow (1971: 7) refers to this as the "take-off" stage, describing it as "the great watershed in the life of modern societies ... the interval when the old blocks and resistances to steady growth are finally overcome". From here, it is assumed that a pattern of simple unilinear progression toward the "age of high mass consumption" (Rostow, 1971: 10) will be launched. Under modernisation theory, the attainment of the "age of high mass consumption" is equated with the achievement of 'progress' and 'development'.

In its application, modernisation theory has typically promoted liberal and neo-liberal ideologies which privilege faith in the free market system. The focus of such approaches is on 'development' through economic growth. In accordance with neo-liberal ideologies, this approach favours a laissez-faire attitude toward redistribution of resources, relying on market forces to allocate resources in the most efficient manner. The benefits of economic growth are therefore assumed eventually to 'trickle down' to all members of society and 'trickle out' to all sectors through the 'natural' reallocative forces of the free market system.

Based on the understanding that 'development' will follow a single ubiquitous pattern which can be accelerated through the application of technical solutions, an ideology of

planned development has evolved. This ideology manifests itself in the form of national development strategies and five-year plans, as well as in the myriad of disparate development projects and programmes which have traditionally been initiated and implemented by bilateral, international or foreign non-governmental development agencies. Long and van der Ploeg have categorised such foreign-sponsored projects as "cargo interventionism" which they describe as the

delivery of some kind of material or organizational input or 'package' from outside (or the 'world beyond') which is designed to stimulate the emergence of certain 'internal' activities geared towards the achievement of higher levels of production, income-generation, economic 'efficiency' or better utilization of existing resources and the 'human factor' (Long and van der Ploeg, 1989: 230).

This method of "projectised development" (Gardner and Lewis, 1996: 106) has become the hallmark method of the modernisation approach to 'development', the primary means through which the North seeks to 'develop' the South. A whole industry has been established around these projects. It is this 'industry' which Ferguson (1990: 10) refers to as the "'development' apparatus" and characterizes as "a practical tool for the solution of universal problems". This apparatus is controlled in and by the North to the point of exclusion of Southern views and voices.

It is in this context that development 'experts' have emerged and have come to play what is regarded as an essential role in the 'development apparatus'. Although these experts are generally far removed from the development 'problems' which they seek to fix, it is assumed that their modern, technical knowledge gives them greater capacity to posit viable solutions to these 'problems' than the 'backward' populations who are engaged in the daily

process of survival in the local environment. The primary task of these experts is to identify development 'problems' which can be 'solved' through the transfer of Western technical expertise via the development apparatus (Parpart, 1995: 225). As their understanding of the problems at hand is firmly grounded in the dominant paradigm, the solutions which these experts propose seek to resolve such problems within the existing framework of current power relations. As such, these solutions are technical, rather than political, that is, they focus on the techniques which may be applied to alleviate symptoms of inequity (i.e., through injection of capital), rather than engaging in the politics which might eradicate such inequities (i.e., through redistribution of power and resources).

The approaches to 'development' conventionally invoked under the auspices of modernisation and neo-liberalism have been critiqued on many counts. They have been widely criticised, not only for their ethnocentric assumptions which equate 'progress' with the Western experience of capitalism and industrial growth, but also for the arrogant underpinnings which lead to the false assumption that Southern target populations need not be consulted by Northern experts as they plan 'development' solutions which they expect beneficiaries to accept passively.

The process of assessing people's needs and planning projects and programmes which are purported to fulfil these needs has been referred to by Nancy Fraser (1989) as an 'expert needs discourse'. By situating the process of needs assessment as a discourse, Fraser draws attention to the fact that while the definition of needs is often taken for granted, interpretation of people's needs is a fundamentally political act. The expert needs discourse which operates within the development apparatus of the dominant paradigm depoliticises people's needs in

two key ways.

In the first place, the process of needs assessment takes people's needs out of their original context, that is, the context of their politically and culturally shaped lived experience, and recontextualises them in an administratively defined situation which tends to ignore politics, culture and a myriad of other factors which may indeed contribute to the creation of those needs (Fraser, 1989: 155). In this context, the importance of competing needs may be overlooked or dismissed by 'experts' because it does not fit into the administrative setting as defined by those 'experts'. Thus, people's needs are subject to "a series of rewriting operations", which Fraser (1989: 174) describes as "procedures for translating politicized needs into administrable needs".

This expert discourse of needs assessment is further depoliticising in that it objectifies those in need. Rather than recognising 'beneficiaries' as active agents - fully engaged in the process of shaping their own lives, more than capable of interpreting their own needs, and perfectly able to make valuable contributions to strategies which seek to meet those needs - the expert needs discourse denies them voice and constructs them as passive recipients of the service to be rendered through the project (Fraser, 1989: 174).

These critiques of expert needs discourses are paralleled in the broader context of the 'development apparatus'. The project approach, for example, is critiqued on the grounds that it serves to isolate and decontextualise the 'problems' it purports to address, based on the way in which it separates a particular 'target group' with a particular 'need' out of the broader social, political, economic and historical context in which they exist. Furthermore, the technical nature of the solutions prescribed through these projects caters only to the

superficial symptoms of the problems at hand. In their failure to recognise the root causes of these problems, such 'solutions' are depoliticising. At best they will serve to temporarily alleviate the symptoms of the problems identified, but in the long run such solutions actually contribute to the perpetuation of such problems.

In like manner, various dominant paradigm approaches to development planning and project implementation also overlook the 'human factor' in the development process. A top-down approach to planning, for example, privileges Western experts, thus denying a voice to local actors and discounting local knowledge (Parpart, 1995). This is compounded by the linear approach to planning which envisions that projects will be implemented exactly as planned and that outcomes will be measurable in comparison with planned objectives. This approach does not allow for human agency and other dynamic factors which inevitably interact with 'planned development' resulting in an iterative rather than a linear process (Long and van der Ploeg, 1989). Moreover, the packaged nature of 'cargo interventionism', which assumes homogeneity of needs and capacities both within and across target groups, attributing the same characteristics to all members of a larger group referred to as 'the mass poor' (Gardner and Lewis, 1996), may result in the inappropriate replication of projects in different contexts which are assumed to be 'similar enough'. Together these approaches reduce 'development' to an objective, mechanical process which is fundamentally dehumanising in the way it neglects, and even ignores, the fact that the subjects at the centre of this process are human beings.

Based on these critiques, the failure of conventional 'development' to achieve its goals may be attributed to two key factors. First of all, the presentation of 'development' as a

"politically neutral" endeavour (Gardner and Lewis, 1996: 73) results in the failure to identify and address the structural causes which are at the root of the problems which such 'development' purportedly seeks to overcome. Secondly, the ignorance of the importance of social and cultural conditions (Gardner and Lewis, 1996: 73) contributes to the failure to recognise and provide appropriate space for local agency in the development process. The end result is that conventional 'development' ignores the real causes of underdevelopment and poverty, and remains oblivious to the ways in which these are experienced and dealt with by groups and individuals at the local level.

Alternative 'Development'

In response to growing criticism of the type of 'development' outlined above, several variations have emerged. Commonly referred to under the rubric of 'alternative development', these approaches place greater emphasis on the role of 'beneficiary' populations, seeking to nurture self-determination, collective action and 'development from within'. In an effort to incorporate a greater understanding of the role of local participants in their own 'development', such initiatives are "based on close, face-to-face interaction between organizations and their constituencies so that ideas and policies are shaped in the crucible of everyday practice rather than in the upper echelons of remote and rule-bound bureaucracies" (Kabeer, 1994: 223). By placing greater emphasis on the needs, aspirations and knowledge of local actors, alternative 'development' challenges the basic power structure which prevails in conventional 'development', but stops short of questioning the 'development' paradigm itself.

Since the late 1980s, 'empowerment' has been the keyword in most strategies

promoted under the auspices of alternative 'development'. Although it is hailed as a panacea for the problems of development by many practitioners and theorists, the exact meaning implied by 'empowerment' remains ambiguous. The first step in assessing the potential for alternative 'development' to challenge conventional 'development', and to transcend the limitations encountered in that approach, is to establish a clear definition of the concept of empowerment. In Chapter One, empowerment was defined as a process of self-actualisation through increased critical consciousness and assertion of agency. Before further elaborating this definition, it is necessary to develop a deeper understanding of the meaning of 'power' in this context.

In its most observable form, power may be understood as the capacity to affect the outcome of a decision. In a situation of competing interests, the capacity to sway the decision in one's own favour involves overriding, co-opting or suppressing the interests of others. Such power is based on the capacity to control material and intellectual resources. Power therefore accrues to those who are able to control the distribution of such resources. It is these power-holders who shape prevailing social, religious and political ideologies (Batliwala, 1994: 129). Where control over material and intellectual resources is dominated by one particular group, their pervasive power to shape the patterns of knowledge may enable them to develop an ideological hegemony in which existing power relations are perceived by all parties to be legitimate and non-contestable (Mayo and Craig, 1995: 6). Thus, in the context of the development paradigm as described above, the dominant source of power is held by the Northern experts who preside over the 'development apparatus', using their power not only to make decisions on behalf of 'others' in the South, but also to shape the way in which

the available choices are understood.

The 'powerful' are therefore able to assert power over other groups. It would, however, be a mistake to categorise these 'others' as powerless. As Naila Kabeer (1994: 224) notes: "powerlessness suggests a total absence of power whereas in reality even those who appear to have very little power are still able to resist, to subvert and sometimes to transform the conditions of their lives". Therefore, while the capacity to control the distribution of resources and shape ideology may contribute to the formation of the dominant source of power in a given situation, such power should never be misconstrued as the only source of power. As argued in Chapter One, all members of society are active agents who may act in their own interest by asserting their own agency or power. Benno Galjart (1995: 18) has noted that "[n]ot even coercive, let alone remunerative or normative, power is so absolute as to leave the least powerful persons without agency". Thus, in the context of development projects, he argues that "people supposed to benefit from some planned development project and therefore believed to accept it wholesale, may very well 'deconstruct' it, adopting only those parts which suit them, or setting themselves alternative goals" (Galjart, 1995: 18). As such, local actors are not wholly constrained by the constructions and decisions of dominant powerholders, but are able to assert their own agency, albeit in a limited capacity, to redefine the circumstances which are thrust upon them.

Power is therefore held by multiple parties and is manifested in many forms. The fact that a dominant source of power exists, however, indicates that the power is not distributed equally among all parties. Unequitable power relations such as these mean that while the dominant party is able to act on and achieve their own goals and objectives, others are

constrained from doing so because they lack sufficient power and control over their own circumstances. Empowerment is about all social actors having control over the resources which would enable them to set their own goals and have the capacity to see these goals through. If empowerment is to be achieved, it will therefore be necessary for the less powerful to increase their share of power and their ability to control resources. Thus a discussion of empowerment also requires an understanding of the ways in which power is generated and distributed. This gives rise to a debate between conceptions of power in terms of fixed or variable sums (Mayo and Craig, 1995; Wilson, 1996).

When power is conceptualised as a fixed sum it is understood that power and resources exist only in limited amounts and that an individual or group may gain access to a larger share of these only at the expense of others. This is the distributive dimension of power. Under this conceptualisation new balances of power can be achieved only through redistribution which would necessitate radical changes to the current status quo. The concept of variable sums of power, on the other hand, assumes that every member of society has power, and that increased amounts of power will be generated as society pursues its collective goals. This is the generative dimension of power. Under this conceptualisation empowerment of the relatively powerless could occur within the current social, economic and political structure as new power is generated through the pursuit of societal goals. Both of these conceptualisations are somewhat problematic.

I argue here that power should be conceptualised as both generative and distributive, and that it is only through the combination of these two dimensions of power that a new, more equitable balance of power can be achieved. First of all, I believe that it is possible to

increase the total sum of power in a given society or context. Such increases in power may be achieved through increased control by individuals over their own personal resources. This may be achieved through processes which nurture increases in individuals' sense of self-confidence and self-worth, as well as in their capacity to critically analyse their own circumstances and to organize collective action in an effort to effect change. Such increases in collective power, however, are not sufficient to assure that a new balance of power will be achieved. This argument is based on the notion that the powerful are also capable of increasing their power (at least nominally, but probably exponentially) in the same manner, thus retaining the dominant proportion of power in society.

Ultimately, I believe it is necessary for redistribution of power to occur in order to achieve more equitable power relations. Such redistribution of power implies a certain degree of conflict as it requires the dominant holders of power to relinquish part of their holding. The less powerful will be in a position to mount this challenge to the dominant power holders only after they have increased the total sum of power in society by harnessing and amalgamating their own personal resources of power. Thus, the generative and distributive dimensions of power are both essential in the pursuit of a new and more equitable balance of power in society.

Srilatha Batliwala (1994: 130) has observed that "[e]mpowerment is thus both a process and the result of that process". The result of the empowerment process is the redistribution of power which enables social actors to have greater control over their own lives. The process of empowerment itself entails challenging existing power relations with a view to gaining greater control over the sources of power. This process incorporates

elements of consciousness-raising and action, and is facilitated through the existence or creation of an enabling environment.

Consciousness-raising is a learning process which heightens people's awareness and understanding of the reality of their social, political, economic and cultural environments and the factors which shape that reality (Singh and Titi, 1995: 13). New levels of consciousness may be achieved through opportunities for discussion and comparison with others which entails "reflection, analysis and assessment of what has hitherto been taken for granted so as to uncover the socially constructed and socially shared basis of apparently individual problems" (Kabeer, 1994: 245). However, the recognition that inequality and oppression are socially constructed may be constrained by the hegemonic forces which shape that reality. As Kate Young (1993: 143) notes: "individuals may well be aware of their subordinate position and powerlessness, but the force of ideology may render this 'natural' or 'god given'. Equally, even when it is recognised as social, the structural roots of discrimination and inequality are not always easily identified".

Given that hegemonic forces can render the status quo apparently unquestionable, there may be a role for external catalysts (political activists, educators or non-governmental organizations) who might introduce local actors to new perspectives from which to view their situation. Such perspectives may offer the potential to break the hegemonic stronghold. In order to be empowering rather than colonising, however, such catalysts must focus on "raising the self-reflected awareness of the people rather than educating or indoctrinating them" (Rahman, 1995: 25). This process is based on Paulo Freire's (1970, in Wilson, 1996) conceptualisation of *concientización* through adult education. Freire's approach to

concientización is informed by his understanding that "education is a mutual process: no one person has the answer; each person has knowledge based on his or her own experience and reflection; everyone needs to be both learner and teacher; knowledge is not deposited by teacher and consumed by learner; all learn together through dialogue about experience and reflection" (Wilson, 1996: 626).

Processes of mutual learning not only contribute to new levels of analytical and critical consciousness, they may also contribute to a positive self-image, improved self-confidence and an increased sense of self-worth for the relatively powerless as they realise that they are not alone in their oppression and subordination (Young, 1993: 158). Through these processes, the relatively powerless may achieve a sense of collective identity thereby increasing their access to intangible resources such as solidarity, social networks and organizational strength (Kabeer, 1994: 245-6). Together these attributes and resources may generate new levels of power among the relatively powerless which will enable them to challenge the current power structure.

The acts in which the relatively powerless engage in order to challenge the power structures which oppress them range from individual acts of informal resistance to organised collective action. James Scott (1985: 29) refers to 'everyday forms of resistance' as "the ordinary weapons of relatively powerless groups". He includes in this category actions such as false compliance, pilfering, feigned ignorance, slander and sabotage. Such forms of resistance are generally informal and unorganized. Because they do not mount an open challenge to the status quo, such acts of resistance are unlikely to draw attention or be accorded social significance unless they occur on a massive scale. They may, however, have

a cumulative effect of reconfiguring the dominant patterns of social relations in subtle but significant ways. Although they are unlikely to contribute to large scale changes which would permanently alter the shape of the political space in which such interaction occurs, everyday forms of resistance may, in fact, create space for groups or individuals to tacitly achieve their own intermediate objectives within a given structure.

In the context of 'delivered' development, 'beneficiaries' may resist a given project by silently reconstructing it to meet their own self-defined needs. Thus, where needs and needs satisfaction are defined and interpreted by 'experts', targeted beneficiaries may deconstruct the 'solutions' which have been laid out for them through resistance, subversion or transformation of the official interpretations on which those programmes are built (Galjart, 1995: 17). In addition to these informal forms of resistance, Fraser (1989: 180-81) notes that "formally organised, explicitly political" forms of resistance may also emerge from situations where 'targeted beneficiaries' meet one another and begin to socialise their common experiences as they wait in line to see their project officer, or assemble for training sessions or other project-related activities. Such meetings can act as catalysts in a process of consciousness-raising which may, in turn, prompt these 'beneficiaries' to engage in purposive, organized collective action.

However, the potential for spontaneous creative resistance to cultivate alternatives to development alternatives from within the dominant paradigm should not be romanticised. Indeed, Scott (1985: 29) cautions against over-estimating the potential of these 'weapons of the weak'. Indeed, In the first place, it is necessary to recognise that even the most apparently steadfast forms of resistance may never rise to challenge the dominant paradigm, remaining

perpetually limited to the daily manifestations which are their current form. Secondly, it is necessary to consider the possibility that resistance to a given project may not be grounded in what has been defined here as the 'alternative paradigm' which seeks to challenge the structure of current power relations. Instead, in some cases, projects may be manipulated and negotiated in ways which promote individualistic aspirations for power and economic accumulation. Rather than challenging the status quo, such forms of resistance may enable certain individuals to secure for themselves new positions of more prominent status within the dominant hierarchy. Although empowerment incorporates elements of both individual change and collective action, individual changes which correspond only to individual advancement, thereby neglecting the collectivity and contributing to the perpetuation of dominant relations of power, are incongruent with our definition and do not fit within the alternative paradigm (Young, 1993: 158-59).

Sharma (1991-1992, in Batliwala, 1994: 130) has noted that "empowerment begins when [people] not only recognize the systemic forces which oppress them, but act to change the nature and direction of systemic forces". While I agree that the empowerment process must extend beyond the recognition of systemic forces of oppression, and that action based on this knowledge is an integral part of the process, I argue that these components are interdependent, that is, that the process of empowerment can not be assumed to be linear. Instead it must be understood as an iterative and holistic process the components of which are mutually interdependent and must therefore both be recognized as integral. Furthermore, this process is non-sequential: in some cases, consciousness and action may occur simultaneously; on some occasions, consciousness-raising may be a prelude to transformative

action; and, on other occasions, coincident acts of resistance may lead to a new sense of collective awareness. Finally, it is important to emphasise the on-going nature of this process. As noted above, empowerment is both the process itself and the outcome of that process. New levels of empowerment may therefore be achieved throughout the process, not only upon attainment of the final objective. It is therefore important not to discount the changes that may have taken place through previous processes of consciousness-raising by assuming that empowerment does not begin until action is taken. It is also important to understand that new levels of empowerment may be achieved even in the absence of pervasive changes in the structure of power relations.

I have argued above that all social actors possess agency, that is, the ability to assess one's own circumstances and determine a plan of action based on this assessment. Thus, all social actors possess the elements of consciousness and power which are integral to the empowerment process. I have also argued, however, that the capacity of certain groups or individuals to assert their agency, and therefore to attain new levels of empowerment, may be constrained by structures and power relations which are currently beyond their realm of control.

Former Tanzanian President Julius K. Nyerere once proclaimed that ". . . people cannot be developed; they can only develop themselves" (in Holmquist, 1984: 171). In like manner, empowerment is something that must be achieved by individuals and groups through their own efforts. As John Friedmann (1992: 77) notes, "[g]enuine empowerment can never be conferred from outside"; it is necessarily self-generated. It is therefore a fundamentally 'grassroots' process which must be driven by those who are empowering themselves. This

does not, however, preclude the possibility of simultaneous complementary or supportive actions on other levels or by other actors. Such actions might contribute to the creation of an enabling environment through which the grassroots process of empowerment might be facilitated. For example, advocacy groups may emphasise the necessity for current power holders to "accept the obligation to change themselves" (Young, 1993: 159); governments may amend national and sub-national structures to incorporate changing power relations (Holcombe, 1995: 18). Although neither of these changes actually empowers the relatively powerless; both encourage and support the continued efforts of those at the grassroots to empower themselves.

The notion that the empowerment process might be facilitated by external catalysts or third party change agents which interact more directly at the grassroots level has been widely accepted within the alternative paradigm. As John Friedmann (1992: 77) notes, "[i]n the struggle against poverty and for political inclusion, the role of external agents is to provide support in ways that encourage the disempowered to free themselves of traditional dependency". External agents may therefore contribute to the empowerment process by stimulating consciousness-raising, providing political space for critical reflection and solidarity building, and supporting local actors in their collective quests to increase their control over vital resources. Denis Goulet (1989: 167) emphasises the temporary nature of such 'catalytic action', referring to it as "'facilitation' or 'pump priming', destined to disappear after the people awaken to their dormant capacities to decide and act for themselves".

Non-governmental organizations (NGOs) are assumed to be ideal external agents of empowerment and other alternative development initiatives. This assumption is based on the

belief that they are more committed and better able than most government agencies to reach local people effectively. It is also believed that NGO field personnel are more dedicated to their work and have a greater affinity and concern for local people which favours closer contact and the establishment of trusting and respectful relationships. These attributes, together with NGOs' presumed commitment to participatory development, seem to provide excellent conditions for the promotion of grassroots empowerment initiatives (Galjart, 1995: 16 - 18; Gardner and Lewis, 1996: 106).

Under the rubric of alternative development, NGOs are therefore encouraged to take on the role of catalytic agents by mounting projects which aim to support grassroots empowerment strategies through application of participatory approaches to development. Such projects are built on a number of assumptions about the nature and quality of participation, empowerment and NGOs. These assumptions must be acknowledged and problematised before any assessment can be made of the enabling circumstances provided through a given project.

'Participation' is the primary means through which NGOs are expected to nurture and promote grassroots empowerment initiatives. The relationship between participation and empowerment appears to be obvious: "Participation is seen as an essential ingredient of empowerment. To be empowered means that you are participating. To participate in turn modifies the nature of the access, control, deciding aspects of empowerment" (Holcombe, 1995: 17). Conceptualised in this way, the relationship between participation and empowerment is predicated on the precarious notion of 'full participation'. The nature of participation must therefore be explored. On one level, 'full participation' requires that

participation be introduced at the very beginning of a project, and followed through at all subsequent stages and in each of the primary activities from decision-making and implementation through to evaluation and collection of benefits. In addition to determining whether participation exists and what forms it takes, it is also important to identify who is participating, in what ways and at which stages (Uphoff, 1997: 4). These elements of participation are of vital significance to projects which seek to promote empowerment, as non-recognition of gender, age, knowledge, wealth and other status differentials in participation patterns may contribute to the reinforcement of structures of power and domination at the local level.

Where grassroots empowerment is supported through a project framework, there is a risk that project participants will develop a sense of dependency on the project. In this situation, the enabling circumstances which the project is intended to create will, in the end, be circumscribed by the project structure itself. This process has been referred to in Latin America as *asistencialismo*: "the realisation that rather than having empowered the low-income residents, the NGOs have made them dependent on outside assistance, even if the assistance itself is focused on providing the rod and not the fish" (Fundación Carvajal, in Wilson, 1996: 617). Such dependency may result when NGOs provide access to resources without concomitant emphasis on strengthening and supporting the participants' own initiatives to organise and take collective action around their self-defined needs (Kabeer, 1994: 262). Another form of *asistencialismo* may result through the creation of "dependent groups, well-versed in the rhetoric of consciousness-raising but remaining essentially unchanged by the experience" (Gardner and Lewis, 1996: 119). This might occur is when

participatory discussion is used first to allow local people to understand what the development agency is seeking, and subsequently gives them the opportunity to tell the developers what they want to hear (Gardner and Lewis, 1996: 112). Viewed from this perspective, one might wonder if such 'dependence' may not be classified as a calculated coping strategy and therefore considered as a form of empowerment unto itself.

The final set of assumptions to be reviewed here are those concerning NGOs. The assumptions highlighting 'NGO approaches' outlined above are, as Galjart (1995: 16) points out, "not based on a systematic evaluation of project results but on the wide, though uncritical acceptance of certain ideas and practices". At the very least, NGOs must be understood to be heterogeneous, each having different strengths, weaknesses and priorities which must be evaluated separately. Importantly, NGOs, like other institutions, are structured and directed by social actors whose individual philosophies and perspectives of reality will contribute to the shape of politics within their organisation. On this note, it is important to consider that these individuals will each have their own agendas which may not coincide with the needs and interests of the communities in which they are working. Of particular importance is the recognition that 'local' field workers and 'local' NGOs may be no more familiar with or sympathetic to the needs and interests of those at the grassroots, than external NGOs and expatriate field workers; indeed, they may have starkly conflicting agendas (Parpart, 1995: 231).

The Co-option of Alternative Development

As noted in the introduction to this chapter, the dichotomy which has been set up here between conventional and alternative development is, at best, only a conceptual tool. In

practice these approaches do not operate in isolation. Rather, they co-exist in the limited space of the development paradigm, constantly influencing and being influenced by each other. As such, the stark (imagined) lines between conventional and alternative development often become blurred. Gardner and Lewis (1996) note that although conventional development practice has been increasingly challenged by the growing presence of alternative development, the potential of such challenges to effect significant transformation of the dominant paradigm remains to be seen. Gardner and Lewis warn against the continued "risks of cooption and dilution within the still powerful logic of the top-down development paradigm" (1996: 103), acknowledging that "ideas which start their life as radical alternatives all too often become a neutralised and non-threatening part of the mainstream" (1996: 104).

It is important to remember, however, that the theoretical basis for conventional and alternative development remain fundamentally opposed: the latter - understood in terms of Maguire's 'alternative paradigm' - seeks to transform that which the former - understood in terms of Maguire's 'dominant paradigm' - seeks to maintain. As such there can be no compromise between these two approaches. Points of apparent convergence, such as the increasingly common use of 'participation' and 'empowerment', must therefore be deconstructed with great precision.

Following widespread 'failure' of conventional development, concepts such as 'participation' and 'empowerment' have gained prominence not only through promotion by alternative development organisations, but also through increased interest and support from mainstream institutions (Mayo and Craig, 1995: 3; Rahman, 1995: 32). This apparent convergence between the dominant and alternative paradigms raises a number of questions.

First and foremost, one must question how it is possible for paradigms with such opposite objectives to embrace the same concepts as means of reaching those objectives. Following this line of thinking, Mayo and Craig (1995: 3) question whether this apparent consensus might, in reality, be a façade which serves to "conceal very divergent interests and meanings". They pursue this notion by further questioning whether terms such as 'participation' and 'empowerment' are always used in the same way, whether the World Bank applies the same meaning as does a 'progressive' NGO (Mayo and Craig, 1995: 5).

Indeed, as 'participatory development' has gained increasing prominence, the meaning of 'participation' has also broadened in scope. Gardener and Lewis (1996: 111) claim that the term 'participation' has been used to such an extent that it is now "virtually without meaning"; it has become "a degraded term" which is frequently used for nothing more than "to 'soften' top-downism". This can be observed in two primary respects. In the first place, whereas alternative development places a significant emphasis on the creation of opportunities for local participation beginning in the early stages of project planning and decision-making, conventional development usually incorporates local participation only at the implementation stage of a project. In keeping with the basic framework of conventional development, such projects have usually been planned and designed by outside experts. In this way, participation is constructed primarily as a means of integrating 'beneficiaries' into 'development' plans which have been formulated by others on their behalf (Goulet, 1989). Participation of this sort removes the concept from its 'radical' roots, taking away the political implications of 'allowing' people to participate in the decisions which are made about their own 'development'.

Secondly, whereas under the rubric of alternative development the purpose of

participation is to facilitate consciousness raising in pursuit of (collective) empowerment (Gilbert and Ward, 1984), in conventional development initiatives, participation is promoted in the name of efficiency. Conventional development projects therefore invoke participation as a means of contributing to the overarching goals of neo-liberal strategies to 'roll-back the state', providing an opportunity to compensate for cutbacks in public sector funding by transferring responsibility to the people in the name of self-help (Mayo and Craig, 1995: 4). This has led some critics to question the extent to which 'participatory development' has become a façade for transferring the costs of development away from development agencies and the state onto the backs of the poor whom such projects were originally intended to assist (Mayo and Craig, 1995: 4; Mayoux, 1995a: 253).

In addition to the ways in which it is affected by the depoliticisation of participation, the concept of empowerment has also been manipulated and co-opted by conventional development initiatives. As Yash Tandon (1995) points out, those who are the dominant power-holders within the current structure of social relations are threatened by the volatile political potential of empowerment. It is therefore not difficult to understand why such power-holders would find it necessary to co-opt the concept of empowerment. Tandon posits that when faced with the threat of potential empowerment of a subordinate group, such power-holders engage in a process of 'management of power' which allows them to control and contain the redistribution of power. Such approaches "talk about 'empowering the people' as if power was for them to give and not for the powerless to take" (Tandon, 1995: 33). This notion of empowering others is directly linked to the neo-liberal assumption that money measures power. Based on the assumption that the powerholders possess financial resources

which they are willing and able to make available to the powerless, it is therefore possible to conceive of "empowering the powerless". This assumption contradicts two key assertions found in the alternative definition of empowerment. In the first place, access to additional financial resources does not change the balance of power on its own, especially if such access is simply granted by the 'powerful' in order to control the 'powerless'. This understanding not only reduces power struggles to cash-flow charts, thereby depoliticising them, it also allows the original power-holders to condition power by defining the terms on which it is given. This gives rise to the second contradiction: 'power' can not be given, it must be taken, that is, true empowerment must come from within.

A second approach to 'empowerment' manifest in the contest of conventional development initiatives equates empowerment with 'entrepreneurial self-reliance'. In its emphasis on individualistic values which envision "people 'empowering themselves' by pulling themselves up by their bootstraps" (Young, 1993: 159), this approach incorporates the alternative paradigm notion that empowerment must come from within. In its emphasis on "entrepreneurial capitalism and market forces as the main saviours of sick or backward economies", however, this approach demonstrates that it is firmly grounded in the dominant paradigm. Finally, through its neglect of the need to transform existing power structures, the 'entrepreneurial self-reliance' approach, like the 'management of power' approach, serves to depoliticise the concept of empowerment, thereby rendering it virtually meaningless in these applications.

The point I wish to illustrate here is not simply that these 'alternative' concepts have been co-opted by conventional development initiatives, taking on completely different

meanings in the process, but that these new meanings are moulded by the theoretical underpinnings of such initiatives. Thus it is fundamentally important to understand the theoretical underpinnings of a given 'development' initiative in order to understand the meaning which it imputes to certain apparently 'alternative' concepts. Without this understanding, it is not possible to assess the empowerment potential of a given project. A project which gives primacy to empowerment and participation in its proposal, but remains fundamentally grounded in the dominant paradigm in all other aspects of its work, is unlikely to challenge the status quo and therefore remains structurally bound in its inability to promote true empowerment or participation. The conflation of two paradigms which results when components of one are added to the other, may result in confusion of purposes, but it will not fundamentally change the principles of the underlying framework upon which the project was built.

Thus the language of alternative development has been co-opted by conventional development to serve its own purposes. It is important to note here that the theoretical underpinnings of conventional development are not compromised in this process in any way. It is only the language, not the theory which underlies alternative concepts such as participation and empowerment, which have been subsumed by conventional development. The concepts themselves have been moulded and manipulated to fit within the structure of the dominant discourse. In the process, these concepts have been transformed: new meanings have been ascribed to them; only the name remains the same.

The co-option of alternative development has two particularly interesting applications when development projects are conceptualised as political spaces. In the first place, the use

of identical terms to represent vastly different concepts compromises the integrity of the original meaning and causes a great deal of confusion, both in terms of the actual purpose and the reported achievements of specific initiatives. This has implications for the structure of development initiatives, for as Gardner and Lewis (1996: 22) suggest "[a]s the notion of development loses credibility, development practice is becoming increasingly eclectic. This can be both confusing and directionless, and liberating: a source of potential creativity". In the context of this thesis, this proposition raises the question of whether such confusion and eclecticism leads to greater space for creativity, affording more room for project participants to manoeuvre in order to accomplish their own goals.

Secondly, evidence of the co-option of alternative development indicates that it is essential to engage constantly in critical questioning of the meanings which are ascribed to certain concepts and the contexts in which they are invoked. Building on the notion that all development initiatives are iterative processes, subject to modification and transformation as they proceed, Gardner and Lewis (1996: 246) assert that such on-going assessments of meaning must not be restricted to the usage which the institution and its managers invoke in the initial project documents, but must also include the ways in which such meanings evolve and are re-interpreted by different actors throughout the various stages of the project. Thus the co-option of alternative development, like all other elements of the political space, is not limited by structure but is also shaped and influenced by agency. In keeping with this argument, the aim of this thesis is therefore first to problematise the imputed meanings of presumed 'alternative' development tools at the level of the institution, but not to dwell on this issue, rather, to move on to examine the ways in which these problematic meanings are

themselves transformed at the project level by implementors and participants alike.

Conceptualising Poverty and Gender Inequality

Poverty and gender inequality are the two primary issues which micro-enterprise credit projects aim to resolve. This section explores the ways in which each of these issues have been constructed and problematised within the development apparatus.

Poverty has been variously defined as "a state of economic, social and psychological deprivation occurring among people or countries lacking sufficient ownership, control or access to resources to maintain acceptable living standards" (North-South Institute, cited in Holcombe, 13); "a state in which people are denied access to the material, social and emotional necessities of life . . . a social relationship, the result of inequality, marginalisation and disempowerment" (Gardner and Lewis, 1996: 25); and, "a condition of systematic disempowerment whereby implied structural conditions keep the poor poor and confine their access to social power to the level of day-today survival" (Friedmann, 1992: 70). Drawing on these definitions, poverty may also be understood as "a symptom of powerlessness" (Ferguson, 1990: 11). When poverty is conceptualised in this way, the its eradication is through redistribution of social, economic and political power. Such a solution is fundamentally political in both its approach and its ultimate objectives, as it seeks to challenge and transform the structure of current power relations.

In seeking to alleviate poverty, however, conventional development initiatives make no pretence of orchestrating the kind of radical changes in political and economic structures which would shift the balance of power toward the poor. Instead, it is posited that "poor countries are poor because of lack of capital", and that "poverty can be eliminated through

the application of further capital to production" (Tandon, 1995: 31). In this manner, poverty is reduced to a technical problem, that is, lack of capital. Through their promise of technical solutions, that is, infusion of capital, conventional development initiatives address only the observable symptoms of this fundamentally political issue, thereby serving to de-politicise the question of poverty (Ferguson, 1990: 256). As such, these initiatives remain superficial and largely 'unsuccessful'. Their primary shortcoming is their failure to address those dimensions of poverty which are deeply rooted in the current social, political and economic structures. Unless they move beyond symptomatic prescriptions and practical welfare issues to engage in strategic analysis of the political economy of class and gender, conventional anti-poverty strategies will be neither equitable nor sustainable (Kabeer, 1994: 161).

As it currently stands, however, the mainstream approach to poverty alleviation is inherently tied to the neo-liberal understanding of needs satisfaction, that is, the "belief that whatever [basic] needs are, they can be satisfied through a sufficient level of purchasing power" (Kabeer, 1994: 139). Such approaches tend to take only a partial view of needs: reducing basic needs only to those imperative to physiological survival; neglecting to recognise that human need extends beyond the capacity to purchase the minimum recommended daily caloric intake. Kabeer (1994: 139) posits that "[a] more inclusive definition of basic needs would therefore encompass culturally defined levels of physical well-being (health, housing, clothing, sanitation) while a still broader definition results if the concept is stretched to cover the more intangible aspects of deprivation - powerlessness, dependence, isolation". These less tangible aspects of deprivation can only be dealt with through more holistic approaches to poverty alleviation which extend beyond the proposed

technical solutions to challenge existing power relations.

In addition to neglecting the wider array of human needs which can not be satisfied with increased purchasing power, mainstream approaches to poverty alleviation may overlook ways of meeting recognised needs if these do not correspond to the dominant paradigm approach. In this regard, Vandana Shiva (1988: 10) draws attention to the distinction between "a cultural conception of subsistence living as poverty" and "the material experience of poverty that is a result of dispossession and deprivation". Shiva points out that although subsistence living satisfies basic needs through self-provisioning, some may classify it as a deprived state because it does not include participation in the market economy and consumption of market goods. Thus, Shiva argues that although culturally perceived poverty may not always start out as real material poverty, when market solutions are applied the resources which were originally the basis of the survival economy are subsumed by the market economy, and a new state of poverty, which is both real and absolute, is created (Shiva, 1988: 10 -13). In this manner, the narrow definition of poverty and needs satisfaction ascribed to under the dominant paradigm, not only constrains our understanding of people's lives, but may also contribute to the generation of real poverty where only relative poverty existed previously.

The confusion of culturally perceived poverty and real material poverty is further exacerbated by "the mistaken identification of growth of commodity production as a better satisfaction of needs" (Shiva, 1988: 13). In this regard, those defining the satisfaction of needs seem to have lost sight of the fact that: "[t]he value of the standard of living lies in the living, and not in the possessing of commodities, which has derivative and varying relevance"

(Sen, 1987, cited in Kabeer, 1994: 136). Rather than increasing the standard of living or contributing to better satisfaction of needs, the growth of commodity production serves to increase the minimum conditions considered acceptable for ordinary living. As C. Douglas Lummis (1991: 58) points out, "[t]his is not a case of meeting an existing need but of restructuring society so as to establish a need where there had been none before, so that now the people who cannot buy these things, including those who had never dreamed of owning them, are to that degree impoverished". Thus, industrial development creates needs and cultivates consumerism. It "does not bring people 'freedom from want'; rather it operates to keep people in a state of perpetual domination by want" (Lummis, 1991: 58).

Holistic approaches to poverty alleviation must therefore challenge the reigning orthodoxy of the current capitalist world system which "concentrate[s] on the 'practical' issues of alleviating poverty rather than examining the (systemic) causes that create poverty" (Tandon, 1995: 30). Tandon argues that this strategy is primarily a function of the fact that those who dispense the aid which is applied to the 'practical' issues of poverty alleviation are also the powerholders in the current system. These powerholders use aid as a means of deliberately discouraging further analysis of the root causes of poverty which might yield conclusions unfavourable to their project. Building on this notion, Ferguson (1990: 256) argues that the portrayal of development projects as neutral, humanitarian efforts to which no one can object, is, in fact, a highly political act. While at first glance such projects may appear to be depoliticised, they actually serve to divert attention away from a far more insidious underlying political objective: the maintenance and reinforcement of current power relations and the perpetuation of the status quo.

Conventional 'development' therefore de-politicises poverty by reducing it to a technical problem which it aspires to alleviate through the infusion of capital. It also serves to perpetuate the status quo by circumscribing attempts to expose the systemic causes of poverty, while using its apparently neutral projects to preserve those systemic forces. Furthermore, such approaches assume that poverty is the problem of a large, homogeneous group, the 'mass poor'. In their failure to recognize the dynamics of local power relations and the effects that these have in determining poverty, dominant paradigm approaches to poverty alleviation may also serve to reinforce unequal power structures at the local level.

Ignorance of the existence of varied and different needs and experiences among project beneficiaries is not exclusive to dominant paradigm approaches to poverty alleviation. As noted above, conventional approaches to development generally took a homogeneous view of the constituency they set out to develop. Such approaches assumed that what was determined as beneficial for societies and economies would also be beneficial to all members of those societies. These approaches did not account for, or even consider, the fact that their plans and projects might have very different implications for persons of different class, race, ethnicity, age or gender who were to be 'beneficiaries' of the efforts of 'development' in different societies, at different times, under different social, political and economic conditions. The failure of conventional models of development to fully understand the differential impacts that their projects might have on individuals within a given society, is perhaps nowhere more evident than in the litany of approaches which have been taken to women's development.

The welfare approach, "the oldest and still most popular social development policy for the Third World in general, and for women in particular" (Moser, 1994: 58), provided the

first means through which Third World women were dealt with by 'developers'. This approach focused on women in their reproductive role as mothers and nurturers, assuming that this was their most important, if not their only, role in the development process. Under the welfare approach, Third World women's needs were assessed by foreign experts far removed from the daily reality of the 'beneficiary' women's lives. The solutions to these women's 'problems' were thus determined and applied in a top-down approach which practically discounted the women themselves as participants in the process altogether. In this manner Third World women were perceived as passive recipients of the technical solutions determined up by Western 'experts'. These technical solutions typically took the form of inputs injected into a given situation, treating the symptoms rather than addressing the root causes of the situation at hand. Such welfare schemes were implemented simultaneously with the prevailing notions of 'development' through modernisation and industrialisation, yet they were marginalised from the beginning as the development apparatus placed priority on capital-intensive production and acceleration of growth (Moser, 1993: 58-62).

For all accounts and purposes, the welfare approach remained the exclusive means through which 'development' was delivered to women in the Third World during the 1950s and 1960s. By the beginning of the 1970s, however, dissatisfaction with this approach was mounting. This growing dissatisfaction coincided with a number of events which drew new attention to the situation of women in Third World countries, and led to new approaches to meeting their needs. The 1970 publication of Ester Boserup's *Women's Role in Economic Development* is often cited as the catalyst which sparked this new attention. By drawing attention to the fact that Third World women were not only mothers and nurturers, but also

economic actors engaged in agricultural production, informal sector trading and industrial employment, Boserup's book required the development apparatus to rethink its construction of, and approach to, women's roles in development. Not long after Boserup's publication, came the emergence of the Women in Development (WID) lobby, and the United Nations declaration of the 1975 International Women's Year Conference which, together with the 1976-85 Women's Decade, served to "formally 'put women on the agenda'" (Moser, 1993: 62).

Women in Development (WID) represented the institutionalisation of an informal network composed mainly of American feminists and development professionals who were concerned about evidence which showed that development projects were having negative impacts on women in the Third World. Grounded in liberal feminist theory which attributes women's oppression to their exclusion from the public sphere of economic and political life, WID promoted women's complete integration into the mainstream development process as its primary objective. In keeping with the fundamental premises of the liberal world-view, WID "began from an acceptance of existing social structures" (Rathgeber, 1990: 491), seeking not to transform these, but rather to promote equality within them. Indeed, the WID approach did not question the nature and underlying assumptions of current approaches to development in order to determine why women had not benefitted from these. Instead, WID supporters advocated full and immediate integration of women into the existing system based on the assumption that relations of subordination and oppression would "change of themselves as women become full economic partners in development" (Rathgeber, 1990: 492).

In pursuit of its primary objective, WID policy followed the evolution of mainstream development policy, from basic human needs (BHN) and anti-poverty strategies to efficiency approaches, very closely. The resultant policies remain part of the mainstream thrust for modernisation, commercialisation and market-led development, and followed the general trend of depoliticisation as witnessed in other areas of mainstream development policy. In the first place, women's agency was ignored as decisions were made and actions taken on their behalf by WID experts. Furthermore, women's self-defined needs and interests were neglected as WID experts isolated and promoted those aspects of women's lives which they felt best coincided with current development initiatives. To this end, shifts in the focus of mainstream development thinking were mirrored by changes in the representation of women's roles in development. Whereas women were constructed as previously neglected beneficiaries and "conduits for the well-being of others" (Young, 1993: 148) under BHN and anti-poverty approaches, renewed interest in promoting the efficiency of the development apparatus, shifted attention to women's role as economic actors. In an effort to induce full integration under the efficiency approach, women were constructed as the neglected resources of the development process. WID advocates argued that "continued neglect of women's productivity was a costly mistake that planners could no longer afford to make. The issue was not so much that women needed development, but that development needed women (Kabeer, 1994: 25)". Thus the argument for integrating women into the development process shifted from one based on need, to one based on merit (Jaquette, cited in Kabeer, 1994: 25).

In their attempts to market Third World women as suitable targets for investment of development resources, these approaches focus on singular aspects of Third World women's

reality, decontextualising these by viewing them in isolation from all of the others aspects. None of these approaches is entirely wrong in its presentation of women's roles, simply incomplete. Third World women are indeed mothers, wives and nurturers; by virtue of these facts, they are likely targets for intervention and assistance to children and other family members, as well as for issues related to reproduction of the household and the labour force. They are also economic actors in their own right, as recognised in the efficiency approach. The problem with these approaches is that they fail to recognise the interdependent nature of women's multiple roles. Approaches which focus on women's productive roles, for example, often do so to the very exclusion of their reproductive roles. As a result, projects implemented under the efficiency approach tend to emphasise women's role as economic actors, encouraging and supporting income-generating activities and so on, while neglecting to consider the implications that such policies will have for their other responsibilities such as their reproductive labour in the household. This has led some to question whether women's participation in the productive sector has been promoted at the expense of the devaluation of their 'traditional' household duties. If this is the case, it may be argued that women's increased participation in the 'productive' sector has actually contributed to their increased subordination as the tasks which they were originally responsible for remain unvalued, the only difference being that they are now responsible for (more) tasks in the productive, as well as in the reproductive, sector.

Like other dominant paradigm approaches, WID tends to assume homogeneity of its constituency, thereby failing to recognise the various influences of age, class, race and culture as fundamental parts of women's individual and collective experiences, identities and needs

(Parpart, 1993). It is also critiqued for prescribing "technological fix" solutions (Rathgeber, 1990: 491). In addition to the ways in which they depoliticise women's needs as elaborated above, WID approaches are further criticised for focusing on "women's material condition rather than their position in society relative to men" (Young, 1993: 43), that is, for attempting to isolate women's needs and interests out of the broader societal context.

Perhaps the most fundamental critique of WID approaches is that they failed to problematise, or even to question, the nature of the process into which women were being integrated (Sen and Grown, 1987: 16). For example, WID approaches have accorded significant priority to securing access to cash incomes for women through participation in market economies. Based on the understanding that "structures of gender inequality are embedded within the market system" and that this system "has rarely been shown to be an egalitarian distributor of wealth", Young (1993: 142) questions WID's blind acceptance of the assumption that the participation in market economies will lead to greater equality between women and men in the development process. While she posits that entry into the market may be beneficial for some women at an individual level, Young (1993: 142) remains "doubtful [as to] whether individual gains will translate themselves into the overall empowerment of women as a gender".

The Gender and Development (GAD) approach offers "a critical perspective, a different way of seeing the world" (Young, 1993: 141) which overcomes a number of the weaknesses apparent in the WID approach. While the GAD approach acknowledges the progress that the WID lobby made in drawing attention to women's roles in the development process, it critiques the way in which WID policies have limited and segregated women's

participation in the development process. Rather than focusing on the condition and/or position of women in isolation, GAD takes a more holistic approach to the development problematic, placing relations between women and men at the centre of its examination of women's subordination in this context: "[f]rom this perspective the basic problematic is not women's integration into development, or their invisibility, or their lack of training, education, credit, self-esteem, but the structures and processes that give rise to women's disadvantage" (Young, 1993: 134). This approach is centred around the understanding that gender relations are socially constructed, and that the potential to transform them - that is, to dismantle the structures of oppression - lies in the hands of social actors who engage in processes of critical analysis and collective action. The GAD approach is therefore in many ways analogous to the empowerment approach as it seeks to promote equality through grassroots challenges to dominant power structures.

Rathgeber (1990: 499) posits that projects designed from a GAD perspective would question not only the traditional sexual division of labour, but also the sexual division of responsibility, and the very concept of 'development'. Like other approaches within the alternative paradigm, however, GAD is susceptible both to limitation and co-option by the dominant discourse. It is important to note, for example, that although WID and GAD represent two fundamentally different approaches to development, the terms are often used interchangeably (Gardner and Lewis, 1996: 123). In such cases WID projects and policies are often misrepresented as more 'progressive' GAD projects, in spite of the fact that they continue to focus attention exclusively on women, and fail to question the structural nature of persistent inequalities which they claim to strive to overcome. Furthermore, precisely

because GAD challenges the basic structures of society, projects which begin from this perspective are often limited to the realm of development theory and research rather than that of development practice and implementation. Indeed, as Rathgeber (1990: 495) notes, "[GAD] demands a degree of commitment to structural change and power shifts that is unlikely to be found either in national or in international agencies".

In addition to the ways in which they are shaped and constructed through WID and GAD, gender issues in development are also influenced by the expert discourse surrounding women's development needs. This discourse is based on the distinction between practical and strategic gender interests which was first introduced by Maxine Molyneux (1985) for the purpose of assessing the impact of socialist state policies on women's condition and position in society. Borrowing Molyneux's framework, Carolyn Moser (1993) adapted it to the purpose of development planning from a gender perspective. In this context, practical gender interests are understood to "arise from the concrete conditions of women's positioning in the gender division of labour . . . usually a response to an immediate perceived need" (Molyneux, 1985: 233). Strategic gender interests, on the other hand, are those which are derived "from the analysis of women's subordination and from the formulation of an alternative, more satisfactory set of arrangements to those which exist" (Molyneux, 1985: 232).

In spite of the fact that this application of practical and strategic gender needs has been widely accepted in development planning and policy analysis fora, the very notion of separating needs into categories which can be labelled 'practical' and 'strategic' remains controversial. This controversy stems from the fact that rather than conceptualising practical and strategic gender interests as interdependent factors in the process of needs identification

and needs satisfaction, it has become commonplace to construct a dichotomy based on this distinction. Where this occurs, planners may create a hierarchical system which values one category of interests over the other (Wieringa, 1994).

Planners who work from the perspective that women's interests can only be served when the structures which perpetuate their subordination are addressed will dismiss projects which deal only with practical needs as insufficient 'welfare' promoting activities, choosing instead to focus on those projects which address strategic interests based on the assumption that these alone will lead to 'empowering' circumstances. While these generalisations might hold true in many cases, Young (1993: 155) notes that "the usefulness of the distinction between practical needs and strategic interests as a tool of analysis and reflection will be nullified by being used in a mechanical, non-dynamic way: as a blueprint". In order to determine the empowerment potential of a given initiative, it is therefore necessary to move beyond a cursory assessment of whether it seeks to meet practical or strategic needs.

In this regard, it should be noted that not all efforts to meet practical needs are necessarily limited to welfarist activities. Young (1993) suggests that within certain projects which seek to satisfy women's practical needs there may be space for the development of new levels of collective consciousness and empowerment. This suggestion is reaffirmed by Saskia Wieringa (1994: 843) who argues that "[a]ny project concerning women can potentially have a transformative element. Sewing courses, literacy programmes, cooking lessons can be given in a way which allows for discussion of the gender division of labour, of women's control over their finances, of sexual violence". The size and shape of the space available for transformative activities will depend on the method which is chosen for the purpose of

meeting a particular need. Recognising that a given need may be addressed through a variety of different methods, Young suggests that approaches to meeting women's practical needs may be assessed from a perspective which determines their 'transformatory potential' (1992: 156). To illustrate this point, Young evokes as an example a number of ways in which women's practical need for cash income may be met. These range from home-based piecework to work within a small, non-hierarchical collective to factory work. While the home-based work keeps women as isolated as before and the factory work plunges them into a rigid and hierarchical environment which is unlikely to increase their self-confidence or encourage them to assert their agency, Young identifies the locally-based collectivity as having the greatest transformatory potential as it provides an opportunity for women to come together on their own terms, to work together toward a common goal, while increasing their collective consciousness as they share experiences along the way. In this manner, Young (1992: 156) postulates that the organisational format through which practical needs are met may "enable the women to gain a greater sense of self-worth, agency and common purpose, and the recognition of difference" which they may then use "as a springboard to other activities which have a more clearly directed objective of collective empowerment".

Furthermore, in the case of those activities which are considered to promote women's strategic interests it is necessary to question who determines the nature of these strategic interests. In many cases, such interests may be determined by foreign expert planners whose conception of strategic gender interests may be limited to their own understanding of gender relations based on their own personal and cultural experiences. Wieringa points out that because the definition of a strategic need is dependent on cultural variables, such needs must

necessarily be self-defined by women in their own individual socio-economic contexts. Where 'expert' definitions of strategic interests are invoked, projects may be both disempowering for local women participants and have a negligible, or even detrimental, impact for local gender relations.

Whereas in the above scenario planners privilege strategic gender interests over practical gender needs, it is also possible for the dichotomous presentation of practical needs and strategic interests to legitimate the propensity for another group of planners to identify women's practical needs independent of their strategic interests. In this scenario, planners may choose to address women's easily identifiable and administrable practical needs only, setting aside women's strategic interests as a 'feminist' concern that is beyond the realm of 'neutral' and 'benevolent' 'development' planning. In this way, the feminist discourse relating to strategic gender interests is co-opted by the dominant paradigm and used to fashion a perfect loophole for perpetuating the depoliticisation of women's development needs (Young, 1993; Wieringa, 1994).

The promotion of gender equality in development is therefore shaped and influenced by the interaction of WID, GAD and the expert discourse of gender planning. Like the concept of poverty, these processes are, in turn, constructed and problematised by both dominant and alternative paradigm approaches within the development apparatus. Although both poverty and gender inequality are profoundly political issues, rooted in the current structure of unequal power relations, they are often depoliticised through application of technical solutions, or co-option of alternative approaches, in the context of the dominant paradigm. It is, however, encouraging to note that some dominant paradigm approaches may

harbour space for transformatory potential.

It is therefore essential to fully deconstruct all of the development approaches which converge and interact in the process of structuring a given project, in order to gain a complete understanding of the potential and constraints which these set out. The next section focuses on the convergence of different development approaches, and the implications of the corresponding potential and constraints, in the context of micro-enterprise credit projects.

Converging and Conflicting Approaches to Micro-Enterprise Credit

In her recent review of the literature pertaining to gender and micro-enterprise development, Linda Mayoux (1995b) identified two major sites of contradiction in current approaches to micro-enterprise credit delivery. The first of these centres around conflicting approaches to poverty alleviation in the context of micro-enterprise credit projects; the second brings to light conflicting approaches to the promotion of women's development in project implementation.

With regard to poverty alleviation through micro-enterprise credit, Mayoux refers to a 'market approach' and an 'empowerment approach'.² These approaches are consistent with Maguire's descriptions of the dominant and alternative paradigms respectively. While the 'market approach' focuses primarily on poverty alleviation and 'development' through increased and more efficient integration of micro-entrepreneurs into the open market, the 'socio-political approach' privileges consciousness-raising and solidarity-building activities

² As will be demonstrated in the paragraphs which follow, both of these approaches profess to incorporate the concept of empowerment, albeit under very different understandings of what this word actually means. To avoid possible confusion between references to the 'empowerment approach' and 'empowerment' as a concept which might be applied under the auspices of either of the approaches identified by Mayoux, I shall henceforth refer to Mayoux's 'empowerment approach' as the 'socio-political approach' following Gail Omvedt's (1986, in Carr *et al.*, 1996) phrasing.

which may lead to the greater empowerment of marginal peoples, considered a necessary prerequisite in the struggle for 'development' and the eradication of poverty.

As preoccupation with both participatory development and market realism becomes more pervasive across development approaches, however, a tendency toward apparent convergence between the market and the socio-political approaches emerges. In this regard, it is essential to recall, based on the analysis presented in the preceding sections of this chapter, that the paradigms upon which these approaches are based are fundamentally opposed, thereby precluding compromise. As such, any apparent convergence between the two approaches is likely to be a mere façade, and therefore requires careful deconstruction with a view to interpreting the project rhetoric and revealing the true nature of its theoretical underpinnings. Such analysis may be informed by questioning the capacity of the project to meet its purported goals through the structures it has put in place and the practices it encourages within these structures. Where collective credit schemes are initiated, for example, these are generally assumed to encourage processes of consciousness-raising and solidarity building with a view to achieving collective empowerment. Close assessment of regulated institutional practice, however, may reveal that such schemes were designed for reasons of cost-effectiveness and efficiency rather than empowerment (Holcombe, 1995: 18; Mayoux, 1995b: 54). This scenario serves here to illustrate the dual process of depoliticisation whereby a political concept is co-opted as a technical solution to a fundamentally political problem.

The second contradiction which Mayoux identifies concerns the participation and integration of women in micro-enterprise projects. Mayoux refers here to a debate between

'instrumentalists' and 'feminists'. In this context, the 'instrumentalist' approaches are consistent with WID and dominant paradigm approaches as they seek to use women as vehicles for achieving wider goals such as the alleviation of poverty, without giving attention to issues of gender equality. The 'feminist' approach to which Mayoux alludes, on the other hand, is consistent with GAD and alternative paradigm approaches in its view of gender equality as an integral part of any development goal. The tension which arises between these two approaches may be conceptualised in terms of attempts to promote the efficiency of the process and aspirations of promoting empowerment among participants.

Mayoux (1995b: 55) recognises that any attempt to make micro-enterprise credit more accessible to women is both "a necessary corrective to past and on-going discrimination in 'malestream' entrepreneurship development programmes" and "a necessary corrective to previous interventions which saw women only in terms of their reproductive role". However, she expresses concern over the fact that "much of the recent enthusiasm for micro-enterprise development for women is [grounded] in the wider context of neo-liberal market reform, particularly 'rolling back the state', the removal of welfare provision and the dismantling of all forms of labour protection" and that it is often portrayed as "a viable and less socially and politically disruptive alternative to more focused feminist organizational strategies" (Mayoux, 1995b: 55-56). In view of these concerns, it is important to examine a project's objectives with regard to gender relations. In this regard, questions might be posed about the reason for targeting women in the first place: does the project seek to perpetuate or to overturn women's current status in society?

Thus, approaches to poverty alleviation and gender equality through micro-enterprise

credit are inevitably tied to the theoretical underpinnings of both conventional and alternative development thinking. As such, they are also bound up in the conflicts which pervade these approaches, and are therefore inherently complex themselves. Due to the nature of this complexity, clear understanding of the empowerment potential of micro-enterprise credit projects will best be achieved through individual case studies which seek to problematise and deconstruct the multiple approaches which contribute to the formulation of the project structure.

Conclusion

This chapter has served to develop a broad understanding of the nature and range of the 'unacknowledged assumptions' and 'conflicting goals' which are inherent in the development process. To this end, I have focused thus far on the theoretical and structural elements of development planning and projects. I have drawn attention to the fact that project structures and the concepts which they invoke must not be taken as a given. It is crucial to go beyond the words of the project document to understand not only the structures through which the project proposes to accomplish its professed agenda, but more importantly, to understand the theoretical underpinnings upon which these projects are built. It is insufficient, however, to base analysis solely on structures without considering actors' influence on and interaction within these.

Once structural and theoretical frameworks have been duly noted and taken into account, it is essential to explore the ways in which participants interpret these structures, moving within the spaces which have been created by design or by default, appropriating what they like, adapting what they can, and avoiding those aspects which do not appeal to

them. It is at this juncture, where structure and agency meet and interact, that the real potential for creation of alternatives begins. The theoretical arguments presented in this chapter, will therefore be used to inform the subsequent analysis of the interaction between structure and agency in the exploration of experiences of empowerment within the political space of the Mbeya Credit Facility.

Chapter Three

Contextualising the Issues: Assessing Credit Needs and Opportunities in Tanzania

The terms and conditions of donor-funded credit programmes are typically determined in a top-down fashion, based on expert analysis and needs assessments, and conforming to external or bureaucratic policy, leaving little room for local input or opinion. As such these programmes attempt to create a local client-base which conforms to externally derived criteria. In many cases, these criteria may have been developed in other countries and in different contexts and may therefore bear little relevance to the local situation. As Charles Abugre (1993: 25) points out, much of the enthusiasm for micro-credit programmes, upon which donors gauge their decisions about credit provision, is based on "[a] few successful cases, mostly in Asia, [which] have attracted immense attention and led to programmes created by donors for replicating these models. In the case of Africa, this pre-occupation may well be misplaced . . .". He goes on to argue that "[g]reater caution may need to be expressed against the donor promotion of the newest donor obsession . . . the uncritical replication of financial models developed under different environments" (Abugre, 1993: 27).

In an effort to contextualise the donor-funded credit project upon which the case study for thesis is based, this chapter seeks to examine the prevailing trends which characterise the Tanzanian credit environment. To this end, recent assessments of local credit needs, informal financing opportunities, and the experiences of donor-funded credit projects, are reviewed and problematised. Together, these needs, opportunities and experiences portray some of the socio-economic conditions, historical precedents, established norms, and

existing power relations which shape the political space of the Tanzanian credit environment. It is therefore appropriate that the discussion of these elements should be followed by the presentation, in the final section of this chapter, of the structure and policies of the case study project which was introduced into this pre-existing credit environment and political space.

Credit Needs

The prevalence of recent support (both in terms of supply and demand) for micro-credit programmes in Tanzania is due in large part to the rapid growth and increasing economic importance of the informal sector which "has become the most dynamic part of the Tanzanian economy" (Koda, 1995: 145). The sudden mushrooming of this sector is the result of a combination of changes in economic policy and changes in economic behaviour which constitute the macro- and micro-level coping strategies initiated in response to prolonged economic crisis. Since the late 1970s, deterioration of the agricultural subsistence base (Tovo, 1991), the erosion of the "family wage" (Bryceson, 1995: 56) through sharp declines in real wages and increased formal sector layoffs (Tripp, 1992), the declining value of money (Swantz, 1988) and the monetization of subsistence (Nkhoma-Wamuza, 1992: 199), have led increasing numbers of Tanzanians to engage in informal sector activities in order to generate cash for the purpose of meeting household subsistence needs. Although by definition informal sector activities operate outside the realm of government regulation, the conditions of entry, and the nature of activities within this sector, are profoundly influenced by government policy. In the case of Tanzania, the government's decisions to ease trade and price controls (Tovo, 1991), followed by the liberalization of external and internal trade (Tripp, 1992: 164), have facilitated entry into, and thereby contributed to the expansion of, the informal sector.

The sheer magnitude of this sector has forced the Tanzanian government to examine it more closely. The National Informal Sector Survey (NISS) carried out in 1991 reported that 2.37 million Tanzanians³ participate in informal sector activities (URT, 1991: 1-5). Overall participation in this sector accounts for 22 per cent of the total labour force, but this average figure disguises a significant difference in informal sector participation in urban and rural areas. Whereas 56 per cent of the urban labour force participate in the informal sector, only 15 per cent of the rural labour force reportedly engages in such activities (URT, 1991: 1-5). Based on data collected in the survey, the informal sector is estimated to have generated an income amount equivalent to 32 per cent of the official gross domestic product (GDP) for 1991. The total annual estimated gross output for the Tanzanian informal sector in 1991 exceeded (by a factor of 1.5) the entire parastatal sector output (URT, 1991: 1-14).

Although these figures are impressive, they may very well underestimate the levels of informal sector participation. For example, whereas the NISS reports the presence of at least one informal sector operator in every three households in mainland Tanzania (URT, 1991: 1-3), Bertha Koda (1995: 146) estimates that the informal sector "involves at least one member in almost every household". This difference is surely related to the discrepancy in women's reported participation in the informal sector. While the NISS reports that one third of all informal sector participants are women, and that 15 per cent of employed women participate in this sector (URT, 1991: 1-5), a number of recent smaller-scale qualitative research efforts have yielded much higher estimates of women's participation. In this regard,

³ That is, approximately 10 per cent of the total population of 22,856,000, as per the 1988 national census (URT, 1995: 21).

Aili Tripp's (1992: 165) survey of women in Dar es Salaam revealed that 66 per cent of urban women were engaged in informal sector activities, and Mauriza Tovo's (1991) research in Morogoro and Ruvuma regions revealed that 90 per cent of rural women undertake at least one informal sector activity.

Tovo (1991: 22) posits that these discrepancies arise from the invisibility of women's income-generating activities, which may be accounted for in part by differences in the definition of informal sector activities, including the way in which questions to respondents are phrased. In this regard, she notes that women's *miradi*⁴ may be excluded from some surveys because the income they generate is too small and intermittent, or because these activities are considered part of women's everyday work. Moreover, in the context of her own survey, Tovo found that women initially listed their occupation as housework or farming, and only began to talk about their *miradi* if the interviewer persisted with more specific questions.

In addition to documenting participation in the informal sector, the NISS sought to identify barriers to entry and constraints to the continued growth of this sector in Tanzania. Asked to rank the problems faced when establishing an enterprise, 41 per cent of informal sector operators surveyed indicated that lack of capital or credit posed the most important problem (URT, 1991: 1-42). Similar results were revealed when informal sector operators were asked to rank the obstacles encountered in the daily operation of a business: 32 per cent of those surveyed indicated that lack of credit posed the greatest problem in their daily

⁴ (Swahili) *lit.*, projects; frequently used to refer specifically to women's income-generating activities. Each Swahili word or phrase which appears in the body of this text is defined in a footnote upon first usage. A glossary containing definitions of all of the Swahili words and phrases which appear throughout this text is included at the beginning of this document.

operations (URT, 1991: 1-43). It is therefore not surprising that when asked what kind of assistance they required, informal sector operators indicated an overwhelming preference for loans. Sixty-one per cent of those interviewed ranked loans as their first priority in terms of assistance (URT, 1991: 1-44).

These figures indicate an overwhelming perceived need for credit among informal sector operators in Tanzania. It is important to keep in mind that lack of access to capital is by no means the only constraint to starting or expanding an informal sector enterprise. Other obstacles mentioned in the NISS include unavailability of capital equipment, raw materials and spare parts, difficulty of finding a reliable market, and the persistent non-repayment of debts owed by customers (URT, 1991: 1-39, 1-42). In addition, Kobb (1995: ii) cites "a lack of general business education and management skills", "a small growth in demand", and, "scarcity of new ideas which leads to 'over-supply' and 'market gluts'" as further constraints to informal sector entry or expansion.

At this juncture, it is interesting to examine more closely the growth and expansion of Tanzania's informal sector to date in an effort to determine what lessons can be learned from this growth and expansion which took place in the absence of credit. Historically, most enterprises in Tanzania form and expand using small amounts of capital drawn from personal savings or informal savings networks. Seventy-two per cent of the NISS enterprises were established with a capital of less than 5,000 Tsh, 41 per cent with a capital of less than 1,000 Tsh (URT, 1991: 1-26).⁵ Informal sector operators indicated that 66 per cent of this start-up

⁵ In view of the considerable inflation in the past several years, these figures must be assessed cautiously. In 1991 (the year these figures were reported), 5000 Tsh was approximately equivalent to US \$15., 1,000 Tsh to US \$3. (Kobb, 1995: 23), but because these figures refer to the initial capital of enterprises which were started in various years in the past, it is not possible to verify or compare the real value of the original start-up

capital came from their own savings, 12 per cent was borrowed from friends or relatives and 17 per cent was given as assistance from friends or relatives (URT, 1991: 1-30). While these figures may appear to corroborate the claims that limited capital and lack of access to credit constrain the growth of the informal sector, alternate explanations should also be considered. For example, in at least some cases, low capital requirements, which can be fulfilled through readily available personal savings or informal networks, may serve to confirm that entry into the informal sector is easy and that the optimal size of informal sector enterprises is small (URT, 1991: 1-26; Kobb, 1995: 23).

Furthermore, recent studies have drawn attention to evidence which indicates that it is possible to succeed in business without access to credit. These studies suggest that it may even be advantageous to avoid obtaining credit, at least in the initial stages of business development. For example, Kjaerby's (1993, in Kobb, 1995: 28-30) research with "successful" Tanzanian business people found that savings as a source of capital was more important than access to either formal or informal credit as a precondition for business success. In this regard, Kjaerby argues that the commitment of personal investment from one's own savings and the slow pace of expansion play a significant role in the success of the business as they afford the entrepreneur the opportunity to accumulate knowledge about the business and develop good management skills. Whether this learning process can be accelerated to keep pace with a business which grows rapidly as a result of a large injection of capital seems rather dubious.

Another study of a project in Moshi, revealed that when an administrative lapse left

capital for each project (URT, 1991: 1-26).

the project without funding to support its credit component, project participants continued to form groups, using their own savings and other creative means of obtaining capital to launch their income-generating activities. Although these groups' activities began smaller and proceeded more slowly than those which had previously received credit, they also demonstrated greater stability and self-reliance. This led the project manager to conclude that an "artificial demand" for credit had been created; that "groups wanted formal credit because it was there, not because it was really needed" (Kobb, 1995: 35-36).

Kobb posits that this 'artificial demand' is tied to confusion between 'need' and desire' for credit. He assumes that it is quite natural that "people without money would like more" (Kobb, 1995: 31), and suggests that "[w]hen poor people say that they need loans . . . they are simply expressing a desire for more money, for a better life" (Kobb, 1995: ii). From this perspective, Kobb (1995: ii) claims that it is "virtually impossible" to establish "credit need" among the poor.

This issue is further complicated by the assertion that "everyone wants 'credit', but no one is willing to repay" (Kobb, 1995: 23). Indeed, it seems ironic that in the very survey which indicated the overwhelming need for credit among informal sector operators, 20 per cent of those surveyed cited non-repayment of debts, that is, the inability to collect credit which they had extended to their own customers, as the most important obstacle which they faced in the daily operation of their enterprises (URT, 1991: 1-42).

Credit demand and attitudes regarding repayment are closely related to previous local experience with credit, the prevailing level of credit supply, local perception of the lender and the position which a particular loan takes in the borrower's personal hierarchy of priorities.

These issues will be discussed in further detail below in terms of the specific experience of credit delivery in Tanzania.

Informal Finance Opportunities

The absence of formal credit institutions in a given community must not be assumed to be indicative of a total absence of credit opportunities in that area; those who do not have access to government programmes, NGO projects, or commercial banks are not without access to loans. Although the channels of their credit economy may be less evident to outsiders, many people are involved in lending and borrowing cash, goods and services through personal and kinship networks (Shipton, 1992: 28). Before turning to the experience of formal credit delivery in Tanzania, it is therefore necessary to acknowledge and understand the existence and prevalence of other local credit systems.

Kobb (1995: ii) estimates that approximately 30 per cent of the Tanzanian population have participated in informal lending with friends, neighbours, relatives and local business people.⁶ Whereas in many countries local moneylenders charging exorbitant interest rates might also be included in this list of lenders, in Tanzania the phenomenon of 'professional'

⁶ This estimate is probably rather conservative, although it may be a reasonable approximation of the percentage of the population which has engaged in strictly *cash* transactions. However, if entire systems of generalized reciprocity are to be considered, so that intergenerational trade in goods and services is also included as part of the informal credit system, it is likely that nearly 100 per cent of the population would be involved in this system in one way or another at some point in their lives.

For example, it is not at all uncommon for members of one household to 'host' the child of an immediate or extended family member, raising this foster child as one of their own for periods lasting up to several years. This is often done as a 'favour' to the child's biological parents who, for various reasons, are unable to provide a comparable level of care or opportunities (i.e. education) for that child. Arrangements such as these are not assumed to be directly reciprocal. That is, it is not necessary (or even desirable) that the biological parents render the same service for the relatives who 'fostered' their child. The expectation is more likely to be placed on the foster child who may eventually be in a position to host one of the foster parents' grandchildren. In this way, the service rendered can be understood as an investment which might be recovered in the next generation.

moneylenders is not really known, and informal lending is rarely subject to interest (von Roemburg and Graham, 1993: 17). Instead, informal lending in Tanzania most often takes the form of generalized reciprocity and mutual assistance (*kusaidiana*⁷) based on an intricate set of unwritten customs and obligations to one's relatives, neighbours and friends. In many cases, this sort of informal credit might be more appropriately classified as aid (*msaada*⁸) since money is transferred from 'lender' to 'borrower' without a fixed or formal agreement regarding repayment. It is generally assumed, however, that 'favours' such as these will eventually be returned in one form or another, or that the 'lender' will be otherwise compensated through the broader system of community reciprocity. Providing family members with small enterprise start-up capital or financial assistance in times of emergency, and participating in 'fundraising' for local weddings and funerals, are some examples of this type of informal financing arrangement.

Rotating savings and credit associations (ROSCAs) represent another form of informal finance practiced by Tanzanians. Locally these ROSCAs are referred to by a number of different names, including *mchango*,⁹ *mchezo*,¹⁰ and *upatu*.¹¹ Although the operational details (number of members, frequency and amount of contributions) vary widely, the general

⁷ To help each other.

⁸ Aid, assistance or support.

⁹ *lit.*, collecting, joining in contribution; in Mbeya, commonly used to refer to ROSCA activities.

¹⁰ *lit.*, game, pastime, amusement or sport; in Mbeya, commonly used to refer to ROSCA activities. The significance of referring to savings and credit activities as a 'game' or 'sport' was not revealed in this research.

¹¹ *lit.*, refers to the tradition of placing contributions for the bridal couple on a collective plate at a wedding; also used to refer to ROSCA activities; sometimes used to refer broadly to ROSCA systems in Tanzania, however, many of the women who participated in this research in Mbeya were not familiar with this term.

principle of such associations is simple. Members 'save' by contributing a fixed amount of money on a regular (daily/weekly/monthly) basis. Immediately following each contribution, the total amount collected is 'loaned' to one member of the group. A rotation is complete when every member of the group has received payment once.

Participation in ROSCAs affords individuals the opportunity "to save without seeming selfish to their neighbours and kin" (Shipton, 1992: 38). It may also allow them to escape the burden associated with refusing others' requests for assistance, by giving them "a socially acceptable excuse to deny loans or handouts" (Shipton, 1992: 34). These opportunities may be of particular significance to women, who are said to represent the majority of ROSCA participants in Tanzania (Abugre and Mwaniki, 1994: 55). In many cases, ROSCAs may represent an opportunity for a woman to save part of her income outside of the purview of the household, thereby avoiding requests to contribute to expenses which she considers to be non-essential or of low priority (Kobb, 1995: 28). ROSCA contributions are generally small enough so as not to affect the regular household cash flow negatively. When taken together, however, the total contributions which are loaned to each member in turn are significant enough to make purchases which might not otherwise have been possible. ROSCA earnings are typically used to smooth consumption (particularly by purchasing foodstuffs and other household items in bulk), to purchase consumer durables, to cover unexpected expenses (funerals or medical costs), or even to support the cost of operating a small enterprise.

The informal nature of ROSCA activities makes it difficult to measure their prevalence. While Bagachwa and Nyagetera (1991, in Kobb, 1995: 27) estimate that less than five per cent of the population participates in such activities, Abugre and Mwaniki's (1994:

34) survey yielded a 60 per cent participation rate. However, the actual number of people who participate in ROSCAs in Tanzania is, perhaps, of less significance than the fact that, where people are engaged such activities, these have proven to be a reliable and relatively efficient means of stretching limited cash incomes to meet financial needs.

The fact that these associations are amenable to local norms and culture and can be adapted to meet members' needs has led Abugre (1993: 28) to declare that ROSCAs should actually be considered "superior to formal financial systems in several respects". This argument is supported by the fact that ROSCAs rarely exact administrative fees, and are therefore less costly to participants (Abugre, 1993: 28). Furthermore, because loan amounts are regulated according to the amount that members have agreed that they can manage to contribute regularly, loans are automatically tailored to repayable levels so that members cannot easily become overburdened with debts (Shipton, 1992: 37). Finally, the simplicity of the rules, the social pressures formed by the group, and the fact that there are no assets being held at any time, minimizes the potential for fraud (Abugre, 1993: 28; Kobb, 1995: 27).

Evidence of thriving systems of informal finance such as these in Tanzania has led some to ponder the possibility of delivering donor-financed credit through existing local mechanisms. A number of proposals have been put forward which suggest the potential to harness current ROSCA activity as a means for more appropriate (in addition to 'culturally appropriate' and 'participatory', read: lower-cost and more widespread) delivery of donor-funded credit (Abugre and Mwaniki, 1994). This notion of institutionalising local informal systems of finance must be approached with great caution. In the first place, the addition of external capital and the presence of an external stakeholder may have a negative and

irreversible impact on the group dynamic, thereby rendering the entire process unworkable (Abugre, 1993: 28). Furthermore, the fact that Tanzanian entrepreneurs have indicated an overwhelming desire for credit as a form of assistance in an environment where a wide range of informal credit opportunities appears to exist already, may indicate that they perceive a different role for formal credit. This different role may indeed be very legitimate (larger amounts available, etc), but it is nonetheless important to the success of both the credit programme and the borrower to understand these expectations and priorities very clearly.

In this regard, it must be kept in mind that, especially in informal finance systems, "credit and debt are socially constructed and controlled" (Shipton, 1992: 29). The social construction of credit is particularly significant in two aspects of the comparison between formal and informal credit systems. First of all, because debt is socially constructed, priorities regarding repayment are often based on social relationships between the borrower and the lender. In many cases, borrowers construct their own personal hierarchies of repayment priorities. These hierarchies are based on degree of intimacy between the borrower and the lender, the sense of reciprocity and mutual obligation inherent in the loan, and the borrower's perception of the lender's 'need' to be repaid. Impersonal, formal lenders will often be placed near the bottom of an individual's list of priorities (Shipton, 1992: 28, 29; Kobb, 1995: 31). As Peter Shipton notes, "Cooperatives, banks, and foreign funding agencies rank low in [peoples'] priorities for repayments: rural people always have more pressing personal debts" (Shipton, 1992: 39). Secondly, the social construction of credit and debt in informal financial circles may carry with it an element of social welfare equity which is of great importance in the broader scope of generalized reciprocity, but is considered 'uneconomic' in terms of formal

credit. Recognition of these different priorities may facilitate the smooth operation of more appropriate mechanisms for the delivery of formal credit. However, it may also support an argument for the continued coexistence, rather than the merging, of formal and informal credit systems.

Donor-Funded Credit Projects

The experience of donor-funded credit programmes is often recounted in terms of loan repayment rates. As I have argued above, the 'success' of a credit project is dependent on a broad range of factors which extend far beyond loan repayment. To determine project success solely on the basis of high levels of repayment would therefore be inappropriate. However, repayment rates which are less than satisfactory provide an excellent starting point from which to explore some of the reasons why a given project might not be meeting its objectives. The beauty of taking low repayment rates as a starting point is that the investigation will be supported by those who take a narrow view of 'success' in credit projects, but it is likely to reveal multiple reasons for low repayment which will necessitate the consideration of a broader interpretation of project 'success'.

Tanzania's 'Grant-Culture'

Kobb's 1995 study of credit and savings in Tanzania reports an average repayment rate of just less than 60 per cent based on a sample of 21 externally-funded projects. This tendency toward low repayment is often attributed to what has been called the "grant-culture" in Tanzania (von Roemburg and Graham, 1993: 22), that is, the widely held perception that loans are the same as grants and that credit is just another name for aid (*msaada*) (Kobb, 1995: ii). These perceptions are based on Tanzanian experience with government-funded

credit which was widely distributed through institutions such as the Cooperative and Rural Development Bank (CRDB) in the 1970s and 1980s. Frequently left unpaid, these debts were routinely forgiven for political reasons. In some cases, these 'loans' had been given as gifts of political patronage, with no expectation of repayment (Kobb, 1995: 8). In other cases, it simply was not politically attractive for the same government and politicians who had won favour with villages and farmers by helping them obtain credit, to vigorously support the recovery of such loans (Kashuliza, 1992: 339). These patterns led many borrowers to "[interpret] CRDB credit as another form of government assistance or subsidy, *msaada*" (Kashuliza, 1993: 224). Even if the political will to collect on these loans had existed, Kashuliza (1993: 224) notes a general level of scepticism among borrowers regarding the CRDB's capacity to follow-up on outstanding debts, especially in rural areas, given the poor conditions of the roads, the lack of communications systems, the enormous amount of time involved in making personal visits to widely dispersed borrowers, and the absence of any reliable system of redress. In this context, Kobb argues that the expectation that loans, if not intended as grants, will eventually be written off as such, is a "rationally formed perception given all available information" (Kobb, 1995: ii).

Due to the pattern of disbursement and debt forgiveness which emerged in Tanzania, future access to credit was not based on past performance. Default in loan repayment did not carry the usual negative implications. This pattern was perpetuated as government-funded credit gave way to donor-funded credit which often took the form of short-term projects. In these cases, those debts which had not already been forgiven on compassionate grounds, were simply written off at project closing. High turnover and lack of coordination and information

sharing between donors meant that when a new project started, those who had defaulted on loans received from previous projects appeared no less creditworthy than those who had repaid in full.

In view of these circumstances, it would appear that the solution to overcoming low repayment rates lies in the abolition of the 'grant-culture' (von Roemburg and Graham, 1993: 22). Two key factors which underlie the grant-culture attitude are the historical precedent of short-lived projects and the lack of negative consequences of non-repayment. In order to overcome the grant-culture attitude, it will therefore be necessary for donor-funded credit initiatives to establish sustainable projects (von Roemburg and Graham, 1993: 22) with firm and regularly enforced rules regarding debt collection (Kobb, 1995: 34).

With regard to enforcement of debt collection, Kobb (1995: 34) suggests that establishing a strong reputation from the beginning, by publicising the seizing of property or imprisonment of a few "sacrificial lambs", may create enough of a stir to ensure future repayment from all parties. However, even where strict rules about repayment have been established, it is necessary to question the degree to which the proposed sanctions against defaulters can be enforced. In many cases there is no reliable higher authority which can provide recourse if the project is unsuccessful in enforcing loan repayment. The notion of pursuing non-repayment through the courts has been rare in Tanzania.¹² This may be due in part to the 'arbitrary' nature of the Tanzanian legal system, which van Donge (1993: 435) describes as "an uncertain social universe". In this context, frequent procedural delays and

¹² Kashuliza (1992: 338) notes that there were no documented cases of legal action against defaulters prior to 1992.

the possibility of 'out-of-court settlements' between the judge and the defendants (and sometimes individual members of the credit project staff) may mean that it is more cost-efficient for the lender to write off bad debt than to pursue court action for repayment (Kobb, 1995: 9).

The notion of a 'grant-culture' places much of the blame for low repayment rates on credit recipients who refuse to acknowledge their responsibility to repay their loans. Although the solutions proposed to rectify this situation recognise that this attitude has been cultivated through previous creditor practices, and place the onus for establishing new norms of prompt repayment and project sustainability on current creditors, the objective of these new norms focuses on remoulding borrower attitudes. Far less attention is paid to other aspects in current creditor practice which also contribute to low repayment rates.

It is important to note at this juncture that although *average* repayment rates are low, many projects begin with relatively high repayment rates which subsequently drop (Kobb, 1995: 36). This scenario may be partially accounted for by the notion of a 'grant-culture' whereby a snowball effect is achieved once word spreads that a few borrowers have successfully avoided repayment and others decide to follow suit. However, a number of other factors - including creditor practices and supply-driven credit, empowerment and repeat borrowing, and resistance and manipulation of current policies - contribute significantly to the phenomenon of declining repayment over time.

Creditor Practices and Supply-Driven Credit

The first groups to be issued loans under most projects will be those which demonstrate the best potential for repayment.¹³ As the project continues, however, it is likely that not all applicant groups will demonstrate the same potential for repayment. Nonetheless, since money remains in the loan fund, credit will continue to be distributed, even if later groups are not necessarily a perfect match with project or repayment criteria. Such is the dilemma of supply-driven credit programmes, wherein a glut of credit availability may lead to the provision of subsidies to 'unproductive initiatives', i.e., those which do not demonstrate the potential to meet the terms of repayment (von Roemberg and Graham, 1993: 5).

Since credit itself is not a panacea, the provision of credit to those who do not have strong opportunities to invest in 'productive' activities will lead to indebtedness and possibly default (von Roemberg and Graham, 1993: 9). Loans extended to those who are deemed 'less creditworthy' from the outset should be expected to have an inevitably higher default rate. The effect of lowering credit standards in order to disburse remaining loan funds is, therefore, almost certain to create indebtedness and default which contribute to low repayment rates.

It must be recognised that credit is not an appropriate solution for everyone, in all cases, and that extending credit to those who are likely to be unable to meet repayment obligations does them no favour. However, as von Roemberg and Graham (1993: 9) suggest, "[p]eople short of cash will find it difficult to turn down a loan offered to them". In many

¹³ This may include non-target group members whose relatively 'better-off' position may have afforded them easy access to the project and may also afford them greater ability to meet the terms of repayment (Mayoux, 1995a). This sampling bias may distort the expectations that the project sets with regard to the target group's ability to meet repayment conditions.

cases, these potential borrowers may not be fully aware of the terms of credit; where they have been duly informed, they may be overly optimistic about their capacity to meet these conditions. In such cases, if credit is offered to an individual irrespective of their ability to invest 'productively', but simply because credit happens to be available in abundance, who should be held responsible for the default which will inevitably result from this process? A delicate balance must be struck between respecting borrowers' right to undertake entrepreneurial risks, and protecting both the borrowers and the credit fund from 'bad risks'.

Another factor which may contribute to declining repayment rates over time is the pressure for rapid project expansion in order to meet donor targets. Field staff are often the first to feel the pressures of expansion. In response to the pressure to get projects started quickly, initial training for credit promoters (field staff) is often minimal. The on-the-job adjustment period which follows this training may also be quite short, and large and expanding caseloads may mean that promoters have little time to complete careful calculations and full investigations of proposed projects. Under these circumstances loans will be disbursed based on a lesser degree of certainty regarding the borrower's potential to make a 'productive' investment. Lower rates of repayment should therefore be expected. In addition, as promoters case loads increase, the number of field visits and the amount of personal contact that they will have with each borrower will necessarily be reduced. This serves to make the lender seem more distant and impersonal in the borrower's perception and is therefore likely to contribute to declining interest rates over time.

Pressure to achieve rapid expansion may also affect the rigour and integrity of project reporting. This concern extends far beyond the fact that record-keeping suffers when

promoters are faced with unmanageable case loads. What is at issue here is the misrepresentation of project experience - the exaggeration and falsification of project statistics - in the interest of satisfying donor requirements and maintaining a successful reputation for the NGO. Although poor record-keeping may be a contributing factor, and some misrepresentation may occur innocently as a result of poor internal communication, Kobb notes that "[r]epayment data is often exaggerated and doctored" (Kobb, 1995: 35), "accounting is often employed to exaggerate a fund's success" (Kobb, 1995: 37), and that "[i]n Tanzanian credit circles, exaggeration is the rule rather than the exception" (Kobb, 1995: 43).

Misrepresentation of project experience such as this is facilitated and perpetuated by poor donor-project communication and lack of transparency at all levels. It also lends evidence to Susan Holcombe's (1995: 57) assertion that "[d]evelopment practitioners may become involved in specifying inputs and assuring implementation rates while forgetting where development efforts are supposed to be going, or how the form of implementation affects end results".

Exaggerated statistics and falsified records of current and past repayment rates may effect future repayment rates in two significant ways. First of all, consumed by their effort to cover up unsatisfactory repayment rates, many NGOs fail to investigate the reasons why actual repayment rates are low. Failure to adopt a learning approach through proactive monitoring and evaluation means that, in many cases, inappropriate policies are allowed to persist, and low repayment rates are perpetuated.

Secondly, the production of 'sanitised' records which portray projects as

overwhelmingly successful holds negative implications which may lead to distorted repayment rates both at the level of the project in question and at the broader policy level. At the project level, reportedly high repayment rates bring public and donor recognition which make it even more difficult to reveal the truth. From their position, donors are quick to accept positive reports and success stories which support their policies, and are therefore unlikely to question or critically investigate such claims (Kobb, 1995: 37). These factors work together to propagate news of the project's 'success'. Such reports create undue expectations of high repayment in other projects, and establish false pretences which serve as a platform to justify the widespread replication of credit projects.

Disbursement of credit to those less likely to repay, rapid expansion of promoter caseloads and pressure to report resounding 'success' to donors, are all directly related to the top-down orientation of supply-driven credit. The contributions which these factors make to the distortion and eventual decline of repayment rates are indicative of the struggle to meet externally-defined policy objectives which neither coincide with, nor allow flexibility for adaptation to, local circumstances. The solutions which have been implemented to bridge this gap aim to make local conditions fit into these foreign structures, often by simply ignoring the reality of the discrepancy. If repayment rates are to improve, it will be necessary for NGOs not only to admit their previous failures so that they might learn from them, but also to engage in a consultative process with potential borrowers in an effort to reconcile donor-defined terms of credit to local conditions.

Empowerment Effects and Repeat Borrowing

While many credit schemes aim to 'empower' borrowers through improvements in wealth, income, education and social status, empirical evidence has shown that repayment rates are often lower among those who enjoy positions of relative privilege as determined by these same factors (Yaqub, 1995: 7). This raises an interesting contradiction. Drawing on a case study of the Bangladesh Rural Advancement Committee's (BRAC) micro-credit programmes, Shanin Yaqub (1995) presents evidence which demonstrates that repeat borrowing may increase a borrower's skills, experience and confidence, and that these changes may lead to changes in behaviour including a lack of respect for monitoring and enforcement of loan repayment. Kobb (1995: 36) notes evidence of similar tendencies in Tanzania where groups appear to "test the waters", taking time to carefully assess the situation, as well as to build confidence, before entering into voluntary default.

The pyramidal structure of many loan schemes would appear to provide an added incentive for later default as subsequent loans increase in size. Indeed, Kobb (1995: 39) posits that borrowers may even sell assets or borrow from other sources to repay earlier, smaller loans, so that they may gain access to larger loans which are more worthy of the risks of default. It must be underlined here, however, that while default on larger loans may be a premeditated strategy in some cases, such deliberate behaviour can not be assumed in all cases. In many situations, borrowers with high previous repayment records may default on larger loans because the rate of increase in loan size is disproportionately high relative to the rate of growth of their enterprise.

A borrower's decision to engage in voluntary default, whether on a smaller first loan

or a larger subsequent loan, is often described in terms of cheating and corruption. Alternatively, however, such behaviour may also be thought of in terms of resistance. It may represent the only way in which individual borrowers are able to challenge the prevailing power structure which denies them input in the very question of how best to meet their own needs. Through acts of resistance and subversion, borrowers may be able to deconstruct the 'solutions' which have been provided to them by 'experts', silently transforming them to better meet their self-defined needs and objectives.

Resistance and Manipulation of Credit Policies

Resistance to the structure and underlying power relations of credit schemes may manifest itself in many ways. For example, a borrower may 'fail' to repay a loan based on the justification that lender is wealthy (or greedy), and thus 'does not need the money anyway' (Kobb, 1995: 31). In the borrower's perception, failure to repay this loan may constitute a just, albeit insufficient, redistribution of wealth. This might be likened to the act of pilfering from a wealthy employer. Resistance may also be enacted through false compliance. For instance, many credit programmes require borrowers to attend a training session prior to loan disbursement, so that they might be taught how to 'productively' invest their loan. Although borrowers may appear to comply with this requirement (i.e., through their physical presence at the training session) in order to obtain the loan, they may tacitly reject the content of the training session on the grounds that it does not correspond to the reality of their situation. This may have a negative effect on repayment if their own interpretations of 'productive' use of credit do not allow them to meet the project's predetermined repayment requirements.

Many credit projects may also unwittingly create a wide range of opportunities for

individuals to seek personal gains which have more to do with establishing privilege and advantage within the current hierarchy of power relations than with resisting or deconstructing it in any way. Examples of such strategies of personal gain may be witnessed at all levels within the current power structure. Individual borrowers may seek personal gains by forming a solidarity group with weaker borrowers whom they can subsequently manipulate in order to extract a larger share of personal benefits (Kobb, 1995: 33). Project staff, on the other hand, may use their position of authority to effect personal financial gain through acceptance of bribes in exchange for 'helping' groups and individuals to obtain loans (Kobb, 1995: 9, 41).

Moreover, individuals not normally associated with the project may seek opportunities for personal benefit within the project framework. For example, those who do not fit within the specified target group may find other ways to obtain access to project funds. Non-targeted borrowers with privileged status may use bribery or political influence in order to gain access to credit. Where credit is targeted specifically toward women, their loans may be appropriated by their husbands or other powerful or privileged members of their household or extended family. Finally, where the legal action is pursued with respect to non-repayment of loans, an opportunity is extended to the police and members of the judiciary to seek personal gain through extortion. The pursuit of personal agendas which manifests itself here through acts of manipulation, appropriation and extortion, diverts project funds from their intended use, and is likely ultimately to contribute to declining repayment rates over time, as demonstration effects lead to the uncontrolled diversion of more and more funds.

The notion that default and low repayment rates may be attributed in part to

manifestations of borrower 'empowerment' will be discomfiting for project planners and policy makers who aim to achieve perfect repayment and borrower empowerment simultaneously. This contradiction points to the need to re-examine the definition of empowerment, as well as the need to recognize acts of resistance as a legitimate expression of power and a force to be reckoned with. Any holistic solution to this dilemma will necessarily draw in elements of structural reform discussed in the previous section. The only reasonable terms of credit will be those which coincide with local conditions, are based on an appropriate definition of empowerment, and demonstrate a clear understanding of patterns of resistance. This can only be achieved through active collaboration with project beneficiaries.

The 'Credit Charade'

In light of these experiences of voluntary borrower default, falsified lender reports, and questionable donor policies - all of which have contributed to low repayment rates - Kobb (1995: 48) concludes that "[e]fforts to use credit to induce development have not worked well in Tanzania". In addition to the issues discussed above, Kobb criticises credit programmes in Tanzania for their lack of focus on savings, their (slightly) negative interest rates, and their high administrative costs. He also questions the empowerment implications of these credit delivery mechanisms, charging that in some cases credit projects have represented little more than "a one time only, non-sustainable, increase in 'beneficiary' income", and have even served to foster "aid dependency" (Kobb, 1995: 48). This pessimism leads him to suggest that "it is probably better to forget the credit charade and to drop the credit budget onto the 'people' from a helicopter" (Kobb, 1995: iii).

In spite of his pessimism, however, Kobb does find room to endorse a few select

credit delivery mechanisms which he believes demonstrate potential as they are "very professional", "competently managed", and "the only credit programs with a sufficiently developed monitoring and evaluation system" (Kobb, 1995: 49-50). Among those programs endorsed by Kobb is the Mennonite Economic Development Associates (MEDA), the NGO whose pilot credit facility in Mbeya formed the basis of the case study portion of this thesis.

Mbeya Credit Facility

The Mbeya Credit Facility (MCF) was established in July 1994. It was initially financed by the Danish International Development Agency (DANIDA), which made a two year funding commitment in support of the pilot project which aimed to create a Tanzanian-operated, sustainable credit facility for women in Mbeya region (von Roemburg and Graham, 1993; Abugre and Mwaniki, 1994). In December 1994 the DANIDA funding was supplemented by the a five year funding commitment from the Canadian International Development Agency (CIDA). The CIDA funding not only increased the budget and duration of the project, but also broadened the scope, creating a larger framework called the Micro-Enterprise Business Development Programme (MEBDP). The MEBDP incorporated MCF as its focal point and pilot project, but also envisioned the expansion of credit opportunities to Dar es Salaam, and the establishment of a Tanzania institution which would eventually assume full responsibility for the entire programme.

The Mennonite Economic Development Associates (MEDA), a North American-based, Christian NGO, were the executing agency responsible for both MCF and the larger MEBDP. MEDA was already well-known in Mbeya region. They had been the implementing agency for the CIDA-funded Mbeya Oxenization Project (1986-1994) through which 200

government extension workers and more than 4,000 women and men farmers had participated, and received training, in ox-cultivation (MEDA, 1996: 1). As an organisation, MEDA had also been involved in micro-enterprise credit delivery in Latin America and the Caribbean since the mid-1980s. Through this experience MEDA had formulated a Small Business Development Program (SBDP) methodology. Although it was not intended to be used as blueprint for new programmes (von Roemburg and Graham, 1993: Appendix V), the SBDP provided MEDA with a framework from which to shape the specific policies and approaches which would structure both MCF and the MEBDP.

Widely regarded as one of the most prosperous and dynamic regions in Tanzania (Abugre and Mwaniki, 1994; GOT and UNICEF, 1990; von Roemburg and Graham, 1993), Mbeya region seemed to be an apt location for a pilot project involving micro-enterprise. The existing supply and demand of credit opportunities in the region further supported this hypothesis. Assessing the availability of credit, Abugre and Mwaniki (1994: 33) note that formal financial support to small enterprises in Mbeya has been limited and irregular, provided mostly through special sectoral programmes which tend to be poorly managed and thus short-lived. As has been the case elsewhere, formal banking institutions have been unable to provide accessible credit to the majority of the population. The Regional Development Director for Mbeya describes these institutions as "too far away from people and unresponsive to their needs and interests" (Abugre and Mwaniki, 1994: 34). These needs and interests are reflected in part by Abugre and Mwaniki's survey (1994: 34), which found that 60 per cent of the 120 Mbeya region entrepreneurs interviewed belonged to some form of ROSCA, and that 55 per cent cited the ROSCA as the source of their initial start-up capital for their business. Taken

together with the region's prosperity, dynamism and potential for economic growth, the gap between the prevalence of informal credit activities and the unavailability of small-scale formal credit seemed to create a perfect space for the provision of donor-funded credit to micro-entrepreneurs in Mbeya.¹⁴

Project Objectives

The objective of the MEBDP is:

To contribute to the transformation of the Tanzanian economy by supporting the development of rural and urban micro-enterprises owned and operated by the poorest of the economically active; to be accomplished by establishing a viable financial institution to deliver credit and training services directly and through other organizations (MEDA, 1995b: 1).

In Mbeya, MEDA has sought to fulfil this objective by establishing MCF as a sustainable institution with a mandate to provide credit to resource-weak entrepreneurs, particularly women. It is assumed that the provision of such credit will enhance the role of women in the local economy, enabling them to generate increased incomes which will, in turn, increase their capacity to meet basic needs within their households. Furthermore, the pre-feasibility study suggests that, through provision of credit, the project should aim to improve women's "socio-economic well-being . . . as measured by the reduction in women's workload, increased food and income security, increased control and access to resources, and increased self-confidence" (von Roemburg and Graham, 1993: 38). The project document reiterates these aspirations in its commitment to "the gender-focussed development goal of meeting basic needs through

¹⁴ The decision to locate the pilot project in Mbeya was undoubtedly also influenced by donor and NGO interests. The initial funding from DANIDA consisted largely of the reallocation of undisbursed funds which had originally been ear-marked to create a revolving loan fund for women as part of the Mbeya Maize Mill Project, 1990-92 (von Roemburg and Graham, 1993). Moreover, Mbeya was the only region in Tanzania in which MEDA had recently been active.

bolstering women's self-confidence and economic self-reliance" (MEDA, 1995c: 37). In the context of these objectives, neither access to credit, nor the increases in income which it may facilitate, are considered as ends in themselves; rather, these are considered means toward reaching the broader goals of improved economic well-being and quality of life for resource-weak women and their families.

The MEBDP objective clearly states that the project is intended to support the development of micro-enterprises which are owned and operated by the 'poorest of the economically active'. This represents a significant departure from many projects which indicate their intention to serve the 'poorest of the poor'. This decision to discriminate in favour of the economically active poor arises from the assumption that "exclusive concentration on the very poor may not be effective" as they face a variety of constraints to poverty alleviation which extend beyond lack of access to credit (von Roemberg and Graham, 1993: 30). It is assumed, on the other hand, that lack of access to credit will be the primary constraint faced by those who have successfully initiated an economic activity. This supposes that the very existence of an economic activity represents the diminution (or absence) of other obstacles. It is also assumed that the economically active will have better opportunities to invest loans 'productively'. As better credit risks they represent a positive contribution to the financial sustainability of the project. In addition, it is hoped that their propensity to invest productively will generate greater returns to capital through backward and forward economic linkages, thereby constituting a more 'effective' use of project monies.

Who, then, are the 'poorest' of the 'economically active'? For its purposes, MCF defines the 'economically active' as those individuals 18 years of age or older who have been

the owners, managers and daily operators of the a legal¹⁵ business for at least one year. The 'poorest' of these are identified according to the size of their business. MCF policy states that entrepreneurs who have fewer than five employees, and whose total business capital is not less than 50,000 Tanzanian shillings (Tsh),¹⁶ and not more than one million Tsh,¹⁷ should be given preference for loans (MEDA, 1995a: 3). With regard to these definitions and target group parameters, Kobb (1995: 49) notes that "[MCF's] target population cannot truly be considered marginalized. Nevertheless, [it] is far more marginalized than many other projects and interventions".

The MEBDP objective also places importance on the viability of the institution(s) established under its mandate. In an effort to ensure that MCF has the potential to be sustainable in the long-term, MEDA has placed significant emphasis on elements of cost-effectiveness and managerial self-sufficiency in its institutional development. In the interest of fostering managerial self-sufficiency, for example, MCF has been fully staffed and managed by Tanzanians since shortly after its inception. Although the project continued to be overseen by, and to receive technical assistance from, expatriate staff at MEDA's country management unit in Dar es Salaam, no expatriate personnel are posted at the project site in Mbeya.

¹⁵ MCF does not require that applicants hold a business permit in order to qualify for loan eligibility. Legality here refers to the nature of the business activity itself, rather than the status of the business as a legally registered entity. In addition to activities which are illegal in nature, a number of other businesses are also ineligible for MCF loans. These include pawn shops and speculative activities, as well as those businesses which engage in the "[p]roduction of alcoholic beverages or the sale of the same as a main source of income" or the "[t]obacco industry or anything harmful to the community or to the environment" (MEDA, 1995a: 3).

¹⁶ Equivalent to CAD 113.50. Exchange rate information and Currency Conversion Chart are included in Appendix F.

¹⁷ Equivalent to CAD 2270.

The emphasis placed on cost-effectiveness and financial sustainability for MCF is evident in some of the decisions which have been made about approaches to credit delivery. For example, given that the provision of grants or subsidised credit, whether by default or design, can never be financially self-sustaining, MEDA has actively sought to distinguish MCF from other development projects which may have had a more charitable, welfare focus. These distinctions are reflected in some of MCF's credit policies, including: the application of service fees and interest charges; the policy of forced savings (which acts as a guarantee against non-repayment); and, the strict repayment rules (with penalties for late payment and threat of court action in the case of default).

The decision to target the 'poorest of the economically active' also enables the adoption of more cost-effective approaches to credit delivery. It is assumed here that because they are already economically active, members of this target group have a basic knowledge of how to use credit, and thus require less training and technical assistance. This allows for a more minimalist, and therefore more financially sustainable, approach to credit delivery (von Roemburg and Graham, 1993: 30).

MCF's policy of disbursing credit through solidarity groups represents another measure of cost-effectiveness. By requiring solidarity group members to guarantee one another's loans mutually, MCF creates a process of peer assessment, thereby effectively avoiding many of the costs that would normally be associated with the time-consuming process of assessing potential borrowers' individual creditworthiness. Through the solidarity group contract, borrowers also take on the financial risks associated with the assessments they have made. Insofar as the remaining members of a solidarity group are collectively

responsible for payment of the debt left outstanding when one or more of their colleagues defaults, this methodology also contributes to the financial sustainability of the project.

*Project Operations*¹⁸

The first MCF solidarity group loans for women were disbursed in November 1994. The project enjoyed high initial demand and repayment rates, on the basis of which it was quickly deemed a success. In September 1995, *The Business Times* reported that the rate of loan repayment was 98 per cent at MCF (Kitima, 1995). In October 1995, the disbursement of credit to MCF's 5,000th client¹⁹ was celebrated with a visit from the Canadian High Commissioner (Dihule, 1995). In light of this success, the solidarity group credit programme was expanded to include men, an Individual Credit Line (ICL) programme was launched to provide larger loans to individual women and men, and plans to replicate the project in Dar es Salaam moved ahead.

In March 1996, after 17 months of operation, MCF was reported to have disbursed a total of 1,763 loans, valued at more than US \$ 1.877 million²⁰ (MEDA, 1996). That same month, a routine internal audit uncovered wide-ranging fraudulent activity among senior MCF staff. The ensuing investigation revealed that a significant portion of the loans disbursed in Mbeya had been issued to 'ghost' solidarity groups which had been created by those involved

¹⁸ This section is intended to provide a brief overview of the general trends of project operations from the inception of MCF activities, up to and including the period during which the field research for this thesis was conducted, i.e., March to August 1996.

¹⁹ This represents the disbursement of 1,000 solidarity group loans, each of which was shared by five women.

²⁰ This figure is reported in US dollars in the project document (MEDA, 1996). Based on the April 1st, 1996 exchange rate of USD 1 = 1.355 CAD (OANDA, Inc., 1997-1998), USD 1.877 million is equivalent to 2.543 million CAD.

in the fraud as a front for their activities. Three senior staff members and five other employees were released in connection with these activities, and a criminal investigation was launched.

Although the full extent of the fraud had not yet been determined, MEDA's 1996 annual report estimated that at least half of the MCF loan portfolio for that fiscal year (July 1995 to July 1996) should be considered fraudulent. Based on this estimate, it is more realistic to approximate total actual disbursements in the order of 1,300 solidarity group loans, valued at US \$ 1.325 million²¹ by the end of March 1996 (MEDA, 1996).

Following discovery of the fraud, disbursement of loans was suspended from April 1st to July 31st, 1996, while new MCF management²² took time to assess the damage done by the fraud, separate the 'ghost' groups from actual groups, identify existing borrowers and prepare a recovery plan. During this period, borrowers' expectation that MCF was about to close brought repayment to a near halt. By the end of July, 96 per cent of all outstanding loans were late for repayment (MEDA, 1996: 22).

Contrary to the expectations of many, this interruption in lending was only temporary. By August 1996, MCF's credit policies and management procedures had been revised and restructured, a tighter monitoring system was in place, and, existing groups with outstanding loans were being encouraged to reschedule their repayments. During the first week of August, MCF staff was preparing to resume lending. Client training was scheduled to

²¹ This figure is reported in US dollars in the project document (MEDA, 1996). Based on the April 1st, 1996 exchange rate of USD 1 = 1.355 CAD (OANDA, Inc., 1997-1998), USD 1.325 million is equivalent to 1.795 million CAD.

²² Including an expatriate seconded from the country management unit in Dar es Salaam to fill the position of project manager.

recommence in preparation for the disbursement of a small number of loans to a few well-known and trusted previously faithful solidarity groups.

Conclusion

The rules, guidelines, policies and procedures which are outlined here contribute to the structure of the political spaces which have been created in and through the establishment of MCF. In order to gain a more informed understanding of the nature of these specific spaces, they must be considered in the context of those norms and precedents presented earlier in the chapter which structure the broader political space of the Tanzanian credit experience into which MCF was introduced. While these perspectives may furnish a great deal of information about the ways in which credit is delivered, they do not enable us to understand the ways in which credit is received, or to assess the impact that credit has had for those who have received it. As such, the perspectives presented in this chapter provide only a partial picture of the realities of credit programmes. In order to gain a more complete perspective of these realities, it is necessary to move beyond this examination of project structure, to explore the actions, reactions and interactions which take place within the political spaces which are created in part by these structures.

Thus, in order to assess whether or not receipt of credit from MCF truly bolsters women's self-confidence and economic self-reliance as the project document suggests it might, it is vitally necessary to understand these women's perceptions, not only of credit, but also their interpretations of self-confidence and economic self-reliance and the benefits that increases in each of these might bring. Furthermore, it is only based on a closer understanding of these women's lived experiences with credit that it is possible to begin to ascertain whether

or not the project itself impedes or facilitates the achievement of their goals, as well as to understand the ways in which these women have negotiated the political spaces afforded them in order to realise their goals. To this end, Chapters Five through Eight engage in an exploration of women's lived experiences in order to gain a more complete understanding of the struggles they have waged and the successes they have achieved through assertion of their agency within and upon the structures that shape MCF and their broader environment. Prior to engaging in this exploration, the methodological elements which connect the theories and concepts elaborated in the preceding chapters with the presentation and analysis of women's lived experiences in subsequent chapters are outlined in Chapter Four.

Chapter Four

Fieldwork Methodology: Principles, Praxis and Process

The conceptualisation of development projects as dynamic political spaces emphasises the importance of social interaction as a determinant of the ways in which projects unfold, recognising that various actors involved in the project influence and interpret its externally determined structure and objectives through the pursuit of their own interests and the assertion of their own agency. An analysis which conceptualises development projects as political spaces, therefore, moves beyond conventional analyses which seek to evaluate the 'success' with which externally derived development plans and policies have been implemented. Indeed, the primary objective of an analysis of development projects as political spaces is to investigate "what development has meant for those spaces and peoples who it defines as its objects" (Crush, 1995: 21). This objective is achieved through micro-level research which places actors, particularly project participants, at the centre of its analysis. Such research seeks to give voice to the attitudes, opinions and experiences of project participants, and to examine the ways in which these participants act upon, and interact within, the externally determined structure of the project, contesting, resisting and manipulating the original framework so as to create space for the achievement of their own goals and objectives.

In the context of the Mbeya Credit Facility, such an analysis would require an understanding of the interests, objectives, strategies and priorities of project participants, as well as an understanding of "[their] own perceptions of the consequences of change and their

own criteria of what constitutes improvement" (Mwaipopo Ako, 1995: 158). The development of such understandings would necessitate direct interaction, earnest communication and sincere interpersonal relationships with project participants in the context of their daily lives. These requirements could only be met by engaging in primary research to gather qualitative data which would give voice to participant experiences and perspectives.

The purpose of this chapter is to reflect upon the manner in which the primary research for this case study was conducted. The first section of this chapter addresses my concerns about ethical and appropriate methods and methodologies for this fieldwork, and highlights key principles, drawn from recent literature on social science research, which respond to these concerns. The remainder of the chapter focuses on the fieldwork experience, outlining the methods and approaches which were used, and reflecting on the dynamic social interaction which shaped the research process and the research findings. This discussion seeks to provide the reader with a greater understanding of the context in which the information presented in the subsequent chapters was collected.

In Search of an Appropriate Methodology

As I considered the prospect of conducting primary micro-level research in Tanzania, I was well aware of the rigorous critiques of previous attempts by Western feminist scholars to analyse the lives of Third World women. Non-Western scholars denounce these analyses as exploitative in their disregard for the specific social and historical contexts from which they were extracted. Chandra Mohanty (1991: 53) criticises the ways in which such analyses "discursively colonize the material and historical heterogeneities of the lives of women in the third world, thereby producing/re-presenting a composite, singular 'third world woman'", and

Ifi Amadiume (1987: 8) criticises the ways in which such analyses create distorted portrayals of the conditions in which Third World women live, and inappropriately impose concepts of Western feminism as if these were ubiquitous. I wanted to ensure that my own research would, to the extent possible, avoid the perpetuation of such spurious analyses which I recognised as a joint product of development discourse, which privileges expert knowledge, and positivist research, which purports to create politically neutral knowledge. The combinations of these dominant paradigms yields monolithic interpretations and universal solutions which perpetuate the status quo and preserve the hierarchical relations of power which structure processes of knowledge and development.

Dissatisfaction with the tenets of positivist research, and concern over the exclusive and mutually reinforcing relationship between power and knowledge, inspired critics of the dominant paradigm to explore new, more equitable and inclusive approaches to social research. Aspects of critical feminist and participatory approaches to research which evolved as part of this critique mount a fundamental challenge to existing power structures, calling into question the monolithic and hegemonic epistemologies upon which these structures are founded and through which they are perpetuated. This challenge is manifest in three key principles common to critical feminist and participatory approaches to research: 1) recognition of the role of human subjectivity in knowledge creation; 2) rejection of the hierarchical power structure which has traditionally shaped the process of knowledge creation; and, 3) reinforcement of a dynamic link between the creation of knowledge and transformative action (Maguire, 1987; Mies, 1983 and 1991).

Embracing multiple subjectivities

Critical feminists and participatory researchers premise their work on the understanding that all knowledge is shaped by the perceptions of the knower, and that these perceptions vary according to each knower's identity which is, in turn, shaped by their individual experiences and positions within society. Critical feminists, for example, assert that "women are differentiated . . . divided by class, race/ethnicity, nationality, gender identity, marital status, age, individual psychology" and, furthermore, that "each 'woman' has multiple identities, over time and at any one time, often conflicting with each other" (Mbilinyi, 1992: 45). Thus, as we attempt to understand the world around us, the diverse and multiple identities which differentiate us shape our individual processes of understanding so as to produce multiple perspectives of reality. The existence of multiple realities such as these means that "[researchers] are always dealing with perceptions, not 'facts' in some absolute sense" (Patton, 1975:22-23, cited in Maguire, 1987: 19). Based on this understanding of multiple identities and multiple realities, critical feminists and participatory researchers firmly reject the positivist approach to research, insisting instead on an approach which fully embraces human subjectivity.

Thus, critical feminist and participatory research which recognises the co-existence of multiple identities and realities and is based on carefully and sensitively collected qualitative data, seeks to differentiate rather than to homogenise, to focus on diversity rather than universality, on "variability rather than averages" (Chambers, 1992: 14). The primary objective of such research is to construct "politically focused, local analyses" (Mohanty, 1991: 65) which demonstrate historical and cultural specificity and reflect complex, multiple realities.

The emphasis which is placed on the production of local analyses in this context, prompts questions about the role of 'outsiders' in such research. Based on the understanding that knowledge is rooted in experience, some have argued that, while it is important to recognise difference, it would be inappropriate for any one to theorise or analyse that which they have not experienced personally (Harding, 1992: 177-78). As Donna Haraway points out, however, "there is no way to 'be' simultaneously in all, or wholly in any, of the privileged (i.e., subjugated) positions structured by gender, race, nation and class" (Haraway, 1988: 586, cited in Sylvester, 1995: 948). Thus, following the logic of multiple realities, no two individuals will hold exactly the same perspectives of anything. Even in the case of the Third World feminist studying women's experiences in her own society, different perspectives, shaped by factors such as class, education and mobility, will arise (Mbilinyi, 1992: 45-46; Mohanty, 1991: 52). Therefore, in the context of human subjectivities, all research necessarily traverses multiple boundaries of identity and reality which coexist between researchers and the researched, among the researched, and even within each individual's consciousness.

The notion of 'like studying like' - that is, the possibility of 'total identification' between the researcher and the researched - is therefore paradoxical (Mies, 1991: 69). It is more appropriately replaced with the concept of conscious partiality which embraces multiple subjectivities, making them explicit in the research process. Conscious partiality is achieved through a process of partial identification which enables both the researcher and the researched to recognise common aspects of their collective multiple identities, as well as the differences which exist between and among them (Mies, 1991: 79).

One of the most pronounced differences which exists between researchers and the

'researched' is the imbalance of power which generally accrues to the researcher. Mies (1983: 121) asserts that feminist scholars must acknowledge this power imbalance, but insists that it be regarded as a political opportunity for, rather than an obstacle to, the creation of cross-cultural feminist knowledge. The recognition of unequal power relations applies to all aspects of research, encompassing the fieldwork process as well as the written account of the research findings. Indeed, the potential vulnerability of the 'researched' is particularly pronounced in the preparation of the written account which is often completed by the research independently (Cotterill, 1992: 604). In order to avoid the exploitation of the 'researched' in this process, Sandra Harding (1992: 189) contends that, as researchers, we must "learn to take historic responsibility for the social location from which our speech and actions issue". To this end, as members of dominant groups, we must never to purport "to speak *as* or *for*" the researched (emphasis in original, Harding, 1992: 189). Furthermore, we must always endeavour to clearly identify our position within the research context.

The adoption of a reflexive approach, which makes the research process an integral part of the research findings, necessarily makes the researcher's position explicit. In this regard, reflexivity enables us, as researchers, to examine "the multiple, complex, changing and contradictory nature of our positions and identities (individually and collectively)", and encourages us to explore "the impact of our positions and identities on research, writing, reading/interpretation" (Mbilinyi, 1992: 46). It also provides readers with more profound insight into the research itself, enabling them to sort through the biases inherent in the research, and to draw their own informed conclusions and evaluations about the knowledge which is presented and the claims which are made in the analysis and conclusions (Mbilinyi,

1992: 59).

Taken together, the issues discussed here in relation to the role of human subjectivity in the creation of knowledge imply that researchers from various backgrounds may indeed establish ethical and appropriate frameworks within which to research the lives of third world women with a view to generating meaningful, local analyses. In keeping with the principles of critical feminist and participatory research which embrace multiple human subjectivities, the most appropriate of these frameworks will: acknowledge historical, cultural, material and political differences between groups and among individuals; be sensitive to issues of power and equality between the researcher and the researched; and, provide mechanisms of accountability and transparency in the research process.

Establishing equitable relations

The principle objective of participatory research (PR) is the creation of an equitable power relationship which enables the researcher and the researched to engage as partners in a process of collaborative inquiry and mutual learning. As such, PR is perhaps most aptly described as research which is carried out "with' rather than 'on' people" (Maguire, 1987: 28). PR coincides with critical feminist approaches to research in that it builds on the concepts of human subjectivity and conscious partiality, calls for horizontal and reciprocal interaction between researchers and the researched, and encourages the establishment of close interpersonal relationships, in order to gain greater insight into the participants' multiple perceptions and realities (Maguire, 1987: 20-21).

PR aims to incorporate maximum participation of the 'researched' in all stages and aspects of the research, from identification of the research question or problem, through

various stages of open dialogue, collective inquiry, and joint analysis grounded in participant experience, to the presentation of mutually supported findings and shared ownership of the research product. Throughout this process the goal is to ensure that the research participants are at the centre of the process (Chambers 1992: 45), and that control over both the research process and the research findings is accessible to, and equally shared by, the researcher and participants (Maguire, 1987: 24). Under ideal PR circumstances, the researcher will become a facilitator in a process of knowledge creation in which every individual involved simultaneously assumes the roles of both 'researcher' and 'researched'. Through the emphasis which it places on creating more equitable power relations in processes of knowledge creation - encouraging participants to articulate their own concerns and priorities, and to define the direction and outcome of research which pertains to their own realities in a meaningful way - the PR process itself may create circumstances which enable participants to achieve new levels of empowerment and self-determination.

Encouraging Transformative Action

The principle of linking action to the creation of knowledge focuses on the purpose for which research is conducted. In this regard, Patricia Maguire asserts that "producing knowledge for knowledge sake or some indefinite future application is an exploitative, unaffordable luxury" (Maguire, 1987: 100). Critical feminists and participatory researchers therefore insist that research must be pursued with the explicit purpose of creating knowledge which will incite transformative action to improve the lives of those involved.

In order to yield meaningful improvements, such transformative action must be locally determined. The role of social science research in this process is, therefore, not simply to

describe and analyse the social structures and conditions in which people live, but to contribute to the development of new levels of critical consciousness through which research participants may become increasingly aware of the connections between their own life experiences and the broader social, economic and political basis of these experiences. This process of conscientisation is regarded as a key catalyst which may stimulate the local determination of transformative social action (Maguire, 1987; Mies 1983 and 1991).

Although the strategic goal of conscientisation is to stimulate transformative action, it is essential to acknowledge that the process of conscientisation extends beyond the boundaries of discreet action research projects, and that the decision to initiate transformative action can not be prescribed by a research mandate, but must ultimately be determined from the participants themselves. In this regard, feminist approaches and participatory research methods may act as significant stimuli in the development of new levels of critical consciousness, but they should neither be misconstrued as the quintessence of conscientisation processes, nor expected to incite transformative action in every case.

In addition to these considerations, as an 'outsider' conducting research under time constraints, I questioned the appropriateness of adopting transformative social action as an explicit objective of my research. Recognising that the decision to incorporate an action component in the research could only be made by the participants themselves, I resolved to focus my time and energy on facilitating circumstances which might stimulate processes of mutual learning, conscientisation, empowerment and self-determination. I therefore set out to embrace multiple subjectivities through conscious partiality and reflexivity, to establish equitable research relations through partnership with participants, and to encourage

transformative action through the development of new levels of critical consciousness among participants.

Developing a Research Framework

With these methodological guidelines in mind, I set out for Tanzania in September 1995. Prior to my departure, I had developed a basic conceptual framework for exploring issues related to local organisation among women, with a specific emphasis on the ways in which women's groups might seek to improve household food security and meet other subsistence needs. I purposely left the research question open-ended, so that, in keeping with the principles of participatory research, the specific parameters of the research could be defined by the participants. Upon arrival in Tanzania I was scheduled to enrol at the University of Dar es Salaam's Institute of Development Studies for one semester. I intended to use this time to contact local women's organisation in search of a group that was interested in entering into a research partnership with me.

Shortly after my arrival in Dar es Salaam, I met the country manager of the Mennonite Economic Development Associates (MEDA). He indicated that MEDA would like to conduct an impact assessment of their micro-enterprise credit project for women in Mbeya region in the near future, and suggested that I consider this project as a case study for my research. Initially I dismissed this option, but when the suggestion arose again a few weeks later, I reconsidered my decision.

My own criteria for identifying an appropriate research partnership required that the proposed initiative respond to a locally defined need, be amenable to qualitative and participatory research methods, and offer potential for establishing a certain degree of long

term accountability to participants. Although the MEDA project was not a local initiative, it did represent an opportunity to conduct research which would fulfil a designated need for information. In addition, MEDA's interest in investigating the household level impact of their loans meant that the research would necessarily involve the loan recipients as primary participants, offering significant opportunities for qualitative and participatory approaches. Furthermore, working within the framework of an on-going project would provide a certain degree of accountability to the research participants, and offer potential sustainability for any positive impacts which resulted from the research. Finally, the MEDA project's focus on women's income-generating activities as a strategy for meeting household needs had the added appeal of coinciding (at least in part) with my original research interests and background knowledge. Based on these considerations, I agreed to develop a research proposal to submit to MEDA.

My original proposal was subject to many revisions in order to accommodate MEDA's interests. Most significant among these revisions were the expansion of the total participant sample and the addition of a structured survey, both of which were incorporated in order to meet MEDA's request for more representative and quantitative data. The final MEDA-endorsed proposal²³ divided the research into four stages, each of which built on the findings of the previous stage, progressively producing more specific conclusions. The first stage would use semi-structured individual interviews to establish the broad parameters of the study, identifying general trends among project participants and determining pertinent issues for further investigation. In the second stage, group discussions and personal narratives

²³ The MEDA-endorsed research proposal is included in Appendix A.

would be used to probe for further clarification and to gain greater insight into the issues raised in the individual interviews. Based on the findings of these first two stages, a structured survey would be developed and administered in the third stage of the research. The purpose of this survey would be to test, on a broader population of participants, a series of hypotheses based on the general trends which had emerged in the first two stages of the research. The final stage would make use of a combination of methods, including organized participant feedback seminars, to cross-check, reconfirm and disseminate the preliminary findings of the previous stages of the research. Upon completion of the fieldwork I would present these findings in a comprehensive written report for MEDA, as well as in the form of a case study for this thesis.

This research proposal was developed in consultation with the MEDA country management team in Dar es Salaam, prior to my arrival in Mbeya. As such, it represented a 'top-down' approach - the antithesis of participatory research. I hoped to mitigate the hierarchical inception of this research by allowing a broad scope for 'grassroots' participation in subsequent stages. To this end, the principal research question, "What are the economic and social impacts of participation in the MEBDP for individual micro-entrepreneurs and their households?", was purposefully open-ended, and the proposal stated clearly that the research process would be an iterative one.

The Fieldwork Process

The field research was conducted over a period of twenty weeks in 1996, beginning at the end of the rainy season in late March, and continuing through the harvest season and into the first week of August. Altogether 158 individuals - 107 women and 4 men who had

received MCF loans, 10 men whose wives or female relatives had received MCF loans, and 37 other women engaged in income generating activities - participated in the research. The details of their participation are recounted in the following section.

The Research Team

I arrived in Mbeya during the last week of March 1996. A 25 year old, single, white, Canadian woman, I spoke and understood basic Swahili, and had gained some familiarity with Tanzanian culture and customs in the six months I had lived in Dar es Salaam. My only experience with primary research consisted of a few situations in which I had tested my skills by engaging Tanzanian women in informal discussions about their lives and experiences.

Upon arrival in Mbeya, one of my first tasks was to find a suitable interpreter to work with for the duration of the research. Mama Sizya, an agricultural extension officer who had previously been employed at a former MEDA project in Mbeya region, was highly recommended by MEDA managers in Dar es Salaam as an excellent candidate for this role. In response to my proposal, Mama Sizya expressed a keen interest in becoming involved in this research. She quickly assumed multiple roles as my friend, translator, cultural guide, and research assistant. In each of these capacities she was a real asset to the research and a source of strength and support for me. As an agricultural extension officer, she had taken part in a number of research projects. She was therefore much more familiar than I was with applied research techniques. In many cases, particularly in the early stages of the research, I relied on her experience and intuition to get us through processes with which I was, at best, unfamiliar.

In June, Tunosye Osten, a mature young women who had recently completed Form

VI and was awaiting acceptance to the university or teacher's college, joined the research team to assist with the development, translation and administration of the structured survey. When the surveys were complete, she continued to work on other aspects of the research with Mama Sizya and me until the end of the research period.

Stage I: Individual Interviews

The purpose of using semi-structured interviews in the first stage of the research was to identify a wide range of participant concerns and interests from which to establish the broad parameters of the study. To this end, the research proposal stipulated that these initial interviews should include a total of 20 women and men²⁴ who had received different numbers of loans in varying sizes, and repaid these loans with varying degrees of success.²⁵ I sought to further diversify the participant sample by considering a number of additional differentiating factors, including business indicators such as the size, sector and geographic location of participants' enterprises, and personal characteristics such as the participant's age, education level and number of dependents.

Selecting the Participant Sample

I had expected to find the credit, business and personal information required to identify a diverse sample of potential interview participants in MCF's client files, but

²⁴ Although three men were interviewed in the first stage of the research, it was subsequently determined, given the limited size of entire research sample and the fact that men represented less than two per cent of the total loan recipients to date, that it would be most appropriate to work exclusively with female participants for the duration of the research (Stages II to IV). This would afford the opportunity to engage in more detailed analysis of the similarities and differences in women's business and loan experiences. The gender component of this research would focus on an exploration of participants' intra-household gender relationships, rather than on a comparative analysis of women and men's business and loan experiences.

²⁵ The proposal identified three major categories of potential research participants: non-repeat (or 'graduate') clients, continuing clients, and prospective clients. Refer to Appendix A for further definition of these client categories.

encountered two constraints in this regard. First of all, because the files were held by individual promoters, I only had access to those files which promoters felt inclined to release to me. Secondly, incomplete and inconsistent information in many of the files necessitated case by case follow-up with individual promoters. Although I was able to establish a participant sample which I felt represented a relatively wide spectrum of client attributes, in retrospect, I feel that, as a result of the way in which the files were 'hand-picked' by promoters, this sample was skewed toward the larger businesses of more middle class clients who had experienced greater success in repaying their loans.

Meeting the Participants

I had anticipated that we would meet potential participants when they came to the bank to make their weekly loan payments, using this opportunity to arrange an appointment for a subsequent meeting. However, the MCF project manager insisted that it would be more appropriate for the promoters to take us directly to potential participants' homes or places of business to conduct the interviews. Although I recognised the value which is placed on proper introductions in Tanzanian culture, I was concerned about the inherent biases of conducting interviews in the presence of project staff. To accommodate these concerns, a compromise was struck: promoters would accompany Mama Sizya and me on an introductory visit to meet each of the potential participants at their home or place of business; the actual interview would take place during a subsequent visit at which the promoter would not be present.

Although their contribution to the confidentiality of the interview was definitely worthwhile, these introductory visits were time-consuming and sometimes difficult to coordinate. We often arrived at a participant's home or place of business only to find that she

had 'just left' to do something else, or that she had travelled out of town to care for a sick relative, to attend a funeral, or for business purposes. Several visits were sometimes required in order to obtain a successful introduction. Once we were properly introduced, we briefly outlined the objectives of the research, and, if the participant agreed, arranged an appointment for a subsequent interview at a time and place designated by the participant.

Obtaining Informed Consent

On the day of the scheduled interview appointment, after spending an appropriate amount of time engaged in social pleasantries, Mama Sizya and I introduced the formal purpose of our visit (of which the participant was already aware), and gave a more detailed explanation of the research process. This explanation included: an introduction of who we were and why we were conducting this research; a statement of the dual purpose of the research - to report to MCF, as well as to report in this thesis; a general outline of the participatory nature of the research design, highlighting the possibility for individual follow-up on issues of particular interest, and emphasising the group feedback seminars to be held in the final stage of the research process. All participants were guaranteed confidentiality,²⁶ and reminded that they had the right to refuse to answer any question(s) with which they were not comfortable.²⁷ Following this explanation participants were invited to pose questions, before

²⁶ Participants were assured that although a list of all participants' names would be included in the final report to MEDA, individual names would not be associated directly with any statements made during the interview or other interactions with the research team. Participants were also assured that none of their comments would be reported to their promoter or recorded in their MCF file. Some participants indicated that confidentiality was not a concern for them. In an effort to avoid confusion, however, I have used pseudonyms for all participants referred to in this and other texts.

²⁷ In spite of this reminder, few participants refused to answer any questions. It was much more common for them to indicate their discomfort by offering a very short answer, or an obviously stereotyped response. In these cases we simply moved on to the next question without pursuing the issue any further.

being asked to indicate orally their informed consent to take part in the research process.²⁸

Conducting Individual Interviews

The interview itself was conducted using an interview guide²⁹ which listed the main topics and subtopics to be covered. Participants were encouraged to express themselves fully and to reply in greater detail to those questions which were of greatest interest to them. In keeping with the purpose of these interviews, attention was paid to both the differences and similarities in the experiences which participants recounted. Thus, while I endeavoured to systematically introduce each of the main interview topics in an effort to maintain some level of consistency, I also posed additional questions in order to pursue interesting leads which were introduced by participants.

Throughout each interview I took detailed notes as Mama Sizya provided complete English-Swahili/Swahili-English translation of all discussion. Although this translation process made the interview longer, it created a more inclusive atmosphere which allowed both the participant and myself to gain a sense of contiguous, unabridged communication. In addition to enabling us to achieve a greater sense of rapport, full translation afforded the opportunity for immediate follow-up on points of interest, precision of subtleties and innuendo, and clarification of inconsistencies or confusion.

Stage IIa: Personal Narratives

This stage of the research sought to provide greater insight into the specific

²⁸ In keeping with the outline submitted to Carleton University's Ethics Committee, this process of informed consent was followed in all stages of the research.

²⁹ The interview guide is included in Appendix B.

circumstances which shape women's lives. I hoped that participant narrators would take advantage of these open-ended interviews to explain the ways in which their lives had (or had not) been affected by micro-enterprise, the informal sector, access to credit, and involvement with MCF, as well as the ways in which they perceived that their community and local economy had been affected by these factors over time. In an effort to ensure that the individual case studies developed from these narratives would complement the information generated in other stages of the research, I attempted to select candidates with varied backgrounds and experiences, who represented different categories of micro-entrepreneurs.

During an introductory visit with each potential candidate, we explained the purpose of collecting these personal narratives, emphasising that this was intended to be an opportunity for women to tell their stories in their own words and voices, and that narrators would be free to tell their stories as they wished. Each of the candidates who agreed to participate in this stage of the research also agreed that we could record their narrative on tape. Appointments to record these narratives were generally set at least a week in advance, giving the participant time to think about and plan how she would construct her narrative, what details she would include, emphasise or leave out altogether.

Four of the seven participants originally identified recorded detailed accounts of the significant events in their lives. The content of these narratives was rich and captivating, providing new insight into women's multiple roles as wives, mothers and entrepreneurs, including the narrators' perceptions of changes in these and other gender roles and household relationships over time.

After transcribing the English translation of their recordings, Mama Sizya and I returned to see each narrator several times, in order to review the transcript with her, seeking clarification on some points and probing for further details on others. When we (the narrator, Mama Sizya and I) were satisfied that the transcript was complete. I made minor adjustments to the English text so that it read through smoothly, but maintained the narrator's own words as originally translated. Mama Sizya and I then returned to the narrator for final approval of this text. In addition to their contribution to the development of the narrative manuscripts, these numerous follow-up visits were also social occasions which led to opportunities to meet the narrator's husbands and other family members, to participate in their business activities and to cultivate lasting friendships.

Stage IIb: Group Discussions

This stage of the research sought to incorporate a broader range of perspectives in order to gain new insight into specific issues which had been raised, but not fully developed, in the individual interviews. In this regard, I was particularly interested in holding group discussions with two sets of participants: the husbands of women who had received loans; and, women who had gone to court or to prison for failure to meet their loan scheduled loan payments.

In light of the difficulties we had encountered in our attempts to meet with individual participants in the first stage of the research, I imagined that the logistics of coordinating these group discussions would be overwhelming. I was therefore pleasantly surprised when individuals with whom I had previously established a relationship, either socially or through the research, volunteered to organise these sessions, inviting appropriate participants and

arranging a convenient venue. In this manner, group discussions on gender roles were arranged with husbands of loan recipients in Songwe, loan recipients and their husbands in Mbalizi, and women in Iwambi who were engaged in income-generating activities, but had not necessarily received an MCF loan. Later, one of the women from the session in Iwambi arranged a group discussion with women who had been sent to court and to prison for failure to repay their loans. In the final weeks of the research period, MCF promoters helped to arrange two additional group discussions: one with a solidarity group whose members had been prosecuted, imprisoned and persecuted, the other with one of the original MCF solidarity groups in Mwanjelwa.

The group discussions clearly shifted the balance of power to favour the participants. The fact that the contributors out-numbered the researchers at these sessions had the positive impact of encouraging participants to voice their opinions more openly. This was particularly evident in the discussions with women who had been imprisoned; the presence of peer support gave them confidence to speak out on issues they were reluctant to discuss individually.

It is important to note, however, that the group discussion may serve to perpetuate stereotypes as well as to silence opinions which might not be supported by the most powerful members of the group. Such dynamics were particularly noticeable in the Mbalizi discussion which included both women and men.³⁰ In this respect I found it useful to limit group

³⁰ It is interesting to note that this discussion was organised by the one loan recipient's husband, to whom I had expressed an interest in gathering male perspectives. I was unable to discern whether the fact that women accompanied their husbands to this discussion was a result of the men's initiative to invite their wives (either because they felt that women's voices ought to be heard together with men's or because they thought that this was what I wanted them to do) or the women's insistence that they be included in this process.

discussions to three to five participants, in order to effectively monitor the balance of power among contributors. In addition, the fact that I had previously, or would subsequently, establish(ed) good rapport through multiple interactions with many of these participants, together with the fact that I was able to interpret these discussions in the context of information gathered through other research techniques, significantly contributed to my ability to recognize silences and stereotypes in these situations.

Small group discussions were particularly useful for exploring solidarity groups' experiences with MCF. In retrospect, I would have liked to make more extensive use of this method, both as a means of setting participants more at ease and as a means of increasing the number of participants in the research sample, particularly as an alternative to the structured survey.

Stage III: The Structured Survey

The purpose of the structured survey was to assess, through contact with a larger sample of participants, the level of representivity and incidence of recurrence of the trends and experiences which were identified by participants in the first two stages of the research. To this end, the survey sample was to include a total of 150 respondents: 100 MCF clients and 50 non-clients.³¹ The survey questions were divided into three sections which sought specific information about respondents' businesses, loans, and households. The business and household sections of the survey were the same for all participants. However, the section on credit differentiated between clients and non-clients, posing specific questions to clients about

³¹ For the purpose of the survey, 'non-clients' were defined as micro-entrepreneurs who had no previous involvement with MCF. This category was understood to coincide with that of 'prospective client', as outlined in the research proposal.

loan and solidarity group experiences, while non-clients were asked more general questions about their perceptions of credit.

Identifying the Survey Sample

My suspicions with regard to the less than representative nature of the participant sample used in the first stage of the research led me to seek a more reliable means of selecting an objective sample of participants to take part in the survey. To this end I obtained a computer generated Loan Status Report which listed all current MCF clients according to their loan payment status.³²

In order to avoid the frustration of selecting groups that promoters could not contact, or would not introduce to us for various reasons, I used the loan status reports to randomly select ten solidarity groups from each of these designated categories, and then asked promoters to identify from each of these short-lists five solidarity groups whose members they felt confident they would be able to contact and introduce to the survey team. However, promoters were still only able to contact fifteen of the twenty groups they had selected; within these groups we were rarely introduced to more than two or three of the five registered group members. In the end, even when additional groups were included in the survey, only 50 MCF clients participated in the survey.

In spite of these short-comings, the 'random' selection process implemented in this stage did lead to a significantly different, and ostensibly more representative, cross-section

³² I had not been aware of the existence of such a list when I was trying to establish a sample of potential interview candidates in the first stage of the research. In order to facilitate the process of sample selection at this stage, I revised the criteria for MCF client survey participation to correspond to categories included in the Loan Status report, namely: clients who were 1) currently on-time, 2) less than 30 days late, and 3) 90 to 120 days late with their payments; and, 4) 'graduate' clients (defined in this instance as those who had recently completed, or were about to complete their loan payments).

of participants than had been included in the individual interviews. This was especially true within the retail sector, where the survey sample turned out proportionally fewer shop owners and many more women engaged in petty trade and processing of agricultural crops.

The sample of non-client survey participants was established by asking client participants to introduce us to a neighbour or colleague involved in income-generating activities. In order to maintain a proportional balance with the number of client surveys completed, the non-client survey sample was reduced to 25 respondents. Thus, the total number of surveys completed in this stage was 75 - amounting to half of the original objective.

Administration of the Structured Survey

The structured survey contained 79 questions for clients, 58 for non-clients. These questions were primarily quantitative and extractive in nature, and had been standardised for uniform presentation to all respondents. In order to facilitate and expedite the process the survey was produced in Swahili, and administered directly by research assistants, usually in one-off encounters with respondents. This combination of factors rendered the administration of the survey problematic for both the respondents and the research team.

For example, although the survey took longer to complete than some of the semi-structured interviews, it lacked the comfortable conversational style which contextualised the interview questions and set participants at ease. Indeed, the survey's abrupt approach to sensitive issues (such as business and household income and expenditures), and its attempts to reduce complex social phenomena (such as kinship relations and business practices) to quantifiable components, affronted and confused participants, and, in many cases, prompted

stereotyped or ambiguous responses.

In an effort to create a more relaxed and comfortable atmosphere in which to conduct the survey, Mama Sizya and Tunosye often engaged in supplementary and contextual conversation with the respondents, paraphrasing survey questions as they went. When we discussed the appropriateness of paraphrasing the questions in the context of a structural survey, Mama Sizya and Tunosye explained that although the questions were nicely written in proper Swahili on the survey forms, they did not lend themselves to easy conversation, and therefore required 'translation' when presented to the participants. With regard to the practice of leading responses, they explained that this was sometimes the best way to demonstrate the meaning of a particular question if their 'translation' proved insufficient. Moreover, when participants were slow to answer a question or did not offer a satisfactory response, the research assistants prompted them with examples taken from the standardized list of responses.

The practice of leading participants' responses also helped to expedite the survey process, and was therefore undoubtedly linked to the pressure which the research assistants felt with regard to completing the requisite number of surveys. This pressure weighed heavily on the research team, creating a hectic and stressful environment in this stage of the research. Even after we reduced our original objective by half, I feel that this portion of the research continued to be compromised by what Devereux and Hoddinott (1992: 30) describe as "the obsession with filling in cells on the questionnaires".

In addition to, and largely as a result of, the problematic issues outlined above, the utility of the data gathered through this survey was limited. I was able to develop a basic

statistical profile of project participants on the basis of the personal and general business information collected in the survey. However, inconsistent and ambiguous responses to many of the questions related to income, consumption, and socio-economic status rendered much of the data unreliable and precluded the possibility of developing any sort of rigorous comparative analysis. Overall, I do not feel that the data generated through this survey merited the time and energy invested in this process by either the participants or the research team. My experience with the structured survey in this context confirmed many of my original biases against its use; I would not recommend use of a structured survey in similar research in the future.

Stage IV: Feedback Seminars

As we approached the end of the research period, Mama Sizya, Tunosye and I delivered printed invitations to the Final Feedback Seminars to each of the one hundred MCF clients who had participated in previous stages of the research. The invitations reminded participants that the purpose of these seminars was to share the preliminary findings of the research, and to invite feedback and further input. Each of the three seminars would be held at the MCF office, but they were to be held at different times on different days. Participants were encouraged to attend whichever seminar was most convenient for them. Over the course of the three days, 56 micro-entrepreneurs took part in the seminars. Participants included 42 women and one man who had taken part in earlier stages of the research, 11 MCF clients who had not previously participated in the research, and two interested members of the community.

The major findings from the research were grouped under three headings: 'Participant

Complaints about MCF'; 'What Participants Like About MCF'; and, 'Struggles and Hardships Which Participants Experience'. I began each seminar by presenting a point form summary of the research findings related to a particular theme, as I understood them. I then asked participants to verify or modify these points, and to add any points they felt I had missed. Once we achieved consensus on the points themselves, participants ranked them in order of importance. In addition to these verification and ranking exercises, participants at the first seminar compiled a list of recommendations which corresponded to their ranked list of complaints; those at the second seminar provided detailed, collective responses to questions pertaining to the characterisation of 'successful' business and loan experiences; and, those at the third seminar took part in a case study which depicted the situation faced by many women in their decision to take their first loan. During the course of these exercises, each point that was made was written on a strip of flip chart paper and posted on the wall. As we proceeded with the discussion some points were removed and the remaining ones rearranged, so that at the end of each session both the content and order of the list on the wall reflected the consensus at which participants had arrived.³³ In addition to this collective effort, individual participants requested paper and pens so that they could make note of these points for themselves.

Although the feedback seminars were closed to project staff, at the end of each seminar participants agreed to invite MCF's new Credit and Training Manager (CTM) to join us for the debriefing session. These sessions gave participants an opportunity to present their

³³ The lists produced in each the three final feedback seminars are included in Appendices C, D and E respectively.

lists of complaints, compliments, complications and recommendations to the CTM themselves. He listened attentively, responded to a number of issues raised, and briefed participants on some of the new policies which MCF was considering, a number of which corresponded to their own concerns. After these debriefing sessions, participants commented that they had finally been given a voice, that they had now been heard at MCF, and that MCF would now take them seriously.

Participants' enthusiasm for this mode of collective consultation with project managers, and their interest in continuing to contribute in this way, were reflected in two of the recommendations put forward at these seminars. They recommended that:

[t]he MEDA/MCF management team should meet with us (their clients) at least once every three months to discuss the successes, struggles and hardships that we face in our businesses (G01);

and that:

. . . when the project sponsors visit Tanzania (Mbeya), they should meet with us (the clients) themselves, instead of only hearing from the MEDA/MCF management team (G01).

Participants contended that such meetings "would give [them] the opportunity to present [their] problems and recommendations to the sponsors directly", and that "sponsors might be more responsive to [their] (the clients') needs if they spoke with [them] (the clients) directly, rather than just hearing an abstract report from the MEDA/MCF management team" (G01).

The vivacity and sincerity with which they engaged in the seminar discussions, the initiative which they took to make their own notes of these proceedings, and the tone and style of their concluding presentations to the CTM, demonstrated a sense of ownership of the

research findings among those participants who attended the feedback seminars. In addition, participants' comments on the way in which their conclusions were received, together with their recommendations that similar consultative processes should be permanently incorporated in the project framework, suggest that participation in this research process may have provided an opportunity for these women to gain an increased sense of their potential to express their collective needs and interests, to be heard by project managers, and perhaps even to influence project policy.

Dissemination of Preliminary Research Findings

The participant-endorsed feedback seminar conclusions provided an excellent framework upon which to base reports of the research findings. I used the ranked lists and corresponding recommendations generated in these sessions to structure a participatory seminar for MCF staff, as well as summary presentations for the MEDA country management team in Dar es Salaam and staff at MEDA's office in Waterloo, Canada. The Final Report of the Client Impact Evaluation was also structured around the feedback seminar conclusions, presenting a detailed analysis of participants' lists and recommendations, as well as a statistical profile of the survey participants, a number of composite narratives illustrating diverse participant experiences, and a series of recommendations for increasing the participatory potential of the project. This report was submitted to MEDA Tanzania in September 1996 for internal use, as well as for distribution to MEDA partners and donor agencies.

Reflections on Fieldwork as a Dynamic Social Process

In his discussion of the virtues of long-term fieldwork, Johan Pottier asserts that it allows "*competent* anthropologists [to] develop a particular sensitivity for assessing the

precise circumstances under which interviews take place" (emphasis in original, 1991: 4). The particular sensitivity to which Pottier refers entails an awareness of the multiple perceptions which participants hold of both the research and the researcher, as well as an understanding of "participants' shared and private modes of thought, their socially constructed values" (Pottier, 1991: 4). Through sensitivity to, and awareness of, the circumstances created by these perceptions and social constructions, Pottier posits that researchers may avoid some of the biases which will otherwise be created by the presence of hidden agendas in the research process.

Although this research does not fall under the rubric of 'long-term fieldwork' as described by Pottier, as we proceeded through the various stages of the research, I developed an increasing, if somewhat limited, awareness of the myriad of socially constructed perceptions and expectations which not only shaped the context in which the research took place, but also influenced both the way in which the research unfolded and the direction which the findings took. On the basis of this awareness, the following sections explores participants' perceptions and expectations of the research team, the research process and the research context, as well as the ways in which these perceptions and expectations influenced the research findings. In the spirit of reflexivity, this section also aims to make explicit my own perceptions and expectations, as well as my reactions to those held by participants.

Perceptions of the Researcher

When they first saw me, most people in Mbeya assumed that I was there as a missionary or a school teacher. Regardless of my profession, however, many people assumed

that, as a *mzungu*,³⁴ I must have access to funding and support networks in my home country. This assumption resulted in numerous appeals for financial assistance, requests to set up contacts with scholarship programmes, church groups and northern NGOs, and even marriage proposals - all from people I barely knew.

As my presence in Mbeya became more familiar, people began to formulate more specific impressions of me based on their observations of my behaviour. As I began to interview women, visit their enterprises, and ask about their business and household incomes, questions were raised about my motivation and interest in these issues. Some people were cautious in their interactions with me as they suspected that I was working with the Tanzanian government to help establish rates for the widely anticipated informal sector income tax. Others, who learned of my association with MEDA, were eager to show me their businesses, offer me special prices, or befriend me, in the hope that such interaction might enhance their potential to secure an MCF loan.

Research participants' perceptions of me were set in this broader context, but were also influenced by their more specific knowledge of my connection to the MEDA project and my status as a university student. The fact that I worked out of the MCF office and was introduced to participants by MCF promoters created the impression that I was a MEDA employee - perhaps an advisor to the expatriate management team in Dar es Salaam. This impression led to the assumption that I must wield some degree of influence on decisions regarding future funding for the project as a whole, and allocation of new loans for research participants in particular. In spite of repeated assertions that I held no sway in MCF's loan

³⁴ *lit.*, European; used broadly to refer to all Caucasian foreigners

disbursal process, these misperceptions persisted to varying degrees throughout the research, undoubtably influencing the way in which many women represented themselves, their businesses and their loan experiences to me. As they pursued their own agendas within the context of the research, some women strategically presented a positive and successful image which might influence me to recommend them to receive another larger loan sooner. Other women sought to emphasise the struggles that they were experiencing with repayment, so that I might lobby on their behalf for debt forgiveness or less frequent payments.

In an effort to allay misconceptions of my role in the MCF, I sought to clearly establish my identity as a university student researcher. However, the emphasis which I placed on this identity served to create or reinforce two other perceptions with which I was not at all comfortable. First of all, as a woman studying gender and development issues, I was sometimes perceived as a 'knowledgeable expert' who could provide solutions for women who were struggling with their families, businesses and loans. I was asked for advice on what new income-generating activities would be the most profitable, and suggestions with regard to raising start-up capital for such projects. I responded to these requests by asserting that, given their familiarity with the local context and other contributing factors, these women were much better equipped to answer such questions than I was. They were the experts; as a student, I was there to learn from them. I knew that this response was not very satisfying for women who were actively seeking advice. Recognition of their disappointment in me in this regard only served to make me more uncomfortable.

The second disquieting perception which arose in connection with my status as a university student was related to the personal benefit I stood to gain as a result of this

research. This issue was broached by one potential participant who, after listening to my description of the research purpose and process, asked me:

Why should I participate in your research? You will take my words, then you will go back to your country and use them to write your thesis and get your degree. In the end you will get a job with a good salary. As for me, my life will remain the same. What is my incentive? What are you prepared to give me for my contribution to your good fortune? (A20).

Although this was the only occasion when a participant explicitly expressed concern about the asymmetry of benefits which would accrue to the participants and to myself as a result of this research, these remarks permanently heightened my awareness of such inequalities, and prompted me to reflect on my assumptions about the purpose of this research and the benefits which it might yield for participants.

I was well aware of the imposition which the research posed on participants' busy schedules, and that there was an opportunity cost for the time which they contributed to the research (Devereux and Hoddinott, 1992: 32). Prior to beginning this fieldwork, I had considered offering a stipend for participation in the research to compensate for this opportunity cost. I decided against this, however, as I wanted neither to monetize the social relationships which developed through this research, nor to commodify women's life stories and experiences.

When these questions about what participants could expect in return for their contribution to the research were raised, I reconsidered the issue of providing cash remuneration for participation. I remained convinced, however, that it was more appropriate to focus on developing horizontal social relations and building good rapport with participants who agreed to volunteer their time and knowledge to the research process. To this

end, I continued, as I had from the beginning of the research, to ensure that potential participants clearly understood and voluntarily accepted both the purpose and the terms of their contribution to the research, to minimise the imposition which the research placed on participants' schedules, and to attempt to maximize participants' level of comfort in the research process through the establishment of open, honest and reciprocal relationships.

The use of photography and photographs made a significant contribution to the establishment of reciprocal relations between the participants and myself. At the end of each interview, I took photographs of the participant as she engaged in her business or posed with her children. These photos were a token of friendship and appreciation; I made copies for both the participants and myself.

When we returned to deliver the photos to each participant several weeks after the initial interview, they often felt more at ease to ask me questions about my family, my country and my customs. I carried with me a small album containing photos of my family and friends in Canada. These provided a welcome opportunity for participants to gain some insight into my life and often prompted further questions, thereby creating a greater sense of mutual investigation and reciprocal exchange of information.

Perceptions of the Research Assistants

As we engaged in the research process together, both Mama Sizya and Tunosye were well received by, and quickly established good rapport with, the participants. A 38 year old mother of three, Mama Sizya shared a number of attributes and experiences with these women, and related to them as peers. Tunosye, on the other hand, approached the participants with a deference and respect that was expected of her as a younger woman. As

we introduced ourselves and engaged in social pleasantries prior to proceeding with each interview or survey, both of these women drew on their kinship ties and other social networks in order to place their relationships to the participant in the context of common acquaintanceships. Their ability to make personal connections such as these created a more familiar and trusting environment in which to proceed with the research and generally set participants more at ease.

What Constitutes an Interview?

John Mitchell and Hugo Slim (1991: 20) contend that "the informal interview is often misunderstood by practitioners and the interviewees alike". Such 'misunderstandings' undoubtedly arise from very different perceptions of what constitutes 'informal interaction' and various expectations of the purpose and process of 'interviewing'. For example, Elizabeth Francis (1992: 92-93) notes that, in the context of her research in Kenya, participants perceived her as a 'student', 'studying' their ways of life, and therefore expected her to conduct formal interviews. Similar encounters in my own research led me to examine how my own perceptions and expectations of the interview process corresponded with those of the participants.

The 'Business as Usual' Interview

In arranging an appointment for an interview, I always stressed that it should not interrupt other activities, that it would indeed be most appropriate if the participant continued with her regular activities as we talked. I felt certain that interviews conducted simultaneously with regular household or business activities would be more desirable as they would make more efficient use of participants' time. In addition, I hoped that interviews

conducted under such circumstances might yield an opportunity for participants to actively demonstrate various tasks, thus providing me with a deeper understanding of daily routines and activities, and perhaps even giving me the opportunity to assist with the task at hand. When such opportunities did not materialize, I was disappointed. I was bothered by a sense that the interviews remained more formal and extractive than I had hoped, and that they often seemed to completely interrupt the participants' other activities and responsibilities:

When I wrote the proposal, my idea had been . . . that most of the interviews would be conducted at the business site as the participant carried on with business as usual. This has *not* been the case at all. Of the first eight interviews, only two have actually been conducted in the place of business while business continued; one was conducted in the home where business is carried out, but business was interrupted by the interview; three were conducted in other people's places of business; and, two were conducted in the homes of sick clients who had (temporarily) discontinued their businesses. My previous notions of sitting in the market with a woman who is selling *mchele*³⁵ and *maharage*³⁶ seem pretty far fetched at this point . . . (Personal Journal, April 16th, 1996).

Initially I perceived this situation as an indication that I had failed to establish a sufficient level of rapport with participants. Upon further reflection, however, I realized that the fact that many of the interviews interrupted regular activities, and did not take place at the participant's place of business, was indicative of a number of 'misunderstandings' of purpose and process between the participants and myself; it was not necessarily indicative of a failure to establish horizontal relations, but rather of a failure to clearly communicate our different expectations of the research process.

One of the primary misunderstandings in this regard was rooted in my inaccurate

³⁵ Husked rice

³⁶ Beans

initial conceptualisation of the way in which many micro-enterprises function. My expectation that interviews could be arranged to coincide with women's business activities - which I assumed would entail regular hours of business at a fixed location - was not realistic. Although there were a few occasions when the reality of women's enterprises coincided with my original expectations, this was generally only the case for shopkeepers. I was most comfortable on these occasions, as the interviews were conducted in participants' shops, which I assumed meant that they did not interrupt participants' regular activities.³⁷ However, the very fact that only two of the first eight interviews were conducted in the 'business as usual' context which I had originally anticipated actually contributed to the research findings. Through this process, together with the experience of setting up introductory visits, I began to understand the diversity of circumstances under which micro-enterprises operate, and to realize that schedules for such businesses are often seasonal or highly irregular.

The 'Social' Interview

My failure to fully appreciate participants' perceptions and expectations of the interview process also contributed to my disappointment with regard to the type of interaction which emerged in many of the interviews. In this regard, my initial expectations privileged my own objectives without fully taking into account the social obligations and responsibilities associated with hosting a guest in one's home or place of business in Mbeya. As the research progressed, I came to realize that my level of comfort, my conviction that regular activities

³⁷ This assumption did not allow for the fact that these interviews may have interrupted other activities in which participants normally engage while minding their shops, i.e., weaving, crocheting, and socialising with other shop keepers. Furthermore, it did not account for the possibility that participants may have had other activities to attend to which may normally have taken precedence over minding the shop, causing them either to close the shop temporarily, or to delegate someone else to fill in for them.

should not be interrupted by the interview, and my readiness to participate in such activities, were only part of the question. The larger part of the question was whether or not others could feel comfortable continuing with, or allowing me to participate in, such activities during the course of an interview. In many cases the answer to this question was no.

Many participants perceived the interview as a social occasion. As such, the emphasis which I placed on the notion that the interview should not interrupt participants' regular activities often clashed with their own perceptions of the interview as an opportunity to justify taking a break from other activities in order to indulge in a primarily social visit with an interested foreigner, an occasion to which a certain amount of prestige is generally attributed. Furthermore, as Pottier (1991: 4) notes, the perception of the interview as a social occasion "implies notions of propriety and insider-outsider interaction". For many women, particularly those who did not have a fixed or formal place of business, such notions of proprietous insider-outsider interaction suggested that interviews should be hosted in the main sitting room of their homes, begin with an exchange of social pleasantries, followed by a more formal question and answer session, and, include the hospitable offer, and gracious acceptance, of soda or *chai*.³⁸ In this context, my notions of conducting interviews in the kitchen - where guests are not normally received - while meals were being prepared - a task in which the business woman herself might not even normally engage³⁹ - seemed highly inappropriate.

The 'Private' Interview

Although the more formal nature of the 'social' interview minimised the level of

³⁸ Tea

³⁹ Refer to Chapter Eight for discussion of the division of reproductive labour and responsibility in participants' households.

interaction in daily activities which could be integrated into the interview process, both the settings chosen by participants, and the relatively formal tone which ensued, contributed to the level of privacy attained. For the most part, our interviews were conducted in relatively confidential settings; we encountered only a few occasions when the privacy of an interview was compromised by the persistent presence of extemporaneous participants. For example, the promoter who arranged to introduce us to the first participant stayed with us throughout the entire interview, guiding a number of the participants' responses, reminding her of details she had left out, and 'correcting' her account of the loan process. In two other cases, the privacy of an interview was compromised by the lingering presence of men who were related to, or associated with, the participant involved. On each of these occasions, I noted the presence and comments of the extemporaneous participant in the margins of my notebook. After each interview Mama Sizya and I discussed the possible impacts of their presence on the research participant's responses, and compiled a list of points to cross-check and confirm with each of these women individually on subsequent informal visits.

I had not expected to conduct 'private' interviews with such ease. Indeed, accounts of other researchers' experiences suggested that such privacy was rare. I had therefore fully expected to conduct individual interviews in the presence of an audience, particularly in the presence of men who were keen to speak for women or 'correct' women's responses.⁴⁰ Reflecting on others' accounts of 'public' interviewing, I wondered if the difference in my own experience might be attributed to the fact that this research was linked to a project which

⁴⁰ Pottier cites an example of such behaviour in Casey's work in Indonesia: "...wherever we were, men would appear, intent on telling us 'what we really wanted to know'. Men were keen that we should receive the 'right' answers to our questions..." (Casey (forthcoming, 1991), cited in Pottier, 1991: 19).

required that participants be independent business owners. It is possible that this reputation is sufficiently well known in Mbeya that people were careful not to bias the entrepreneur's (apparently) independent status by infringing on the privacy of the interview. This privacy may also be linked to the increased respect which feedback seminar participants described as one of the benefits of their involvement with MCF (G02). Perhaps in the past, or in other situations, these women would not have been accorded or entitled to the same degree of privacy.

The Convergence of Participant and Researcher Perspectives

As the research progressed, both the participants and I gained a better understanding of our mutual perceptions and expectations, and began to feel more at ease in our respective roles; participants became more comfortable with my presence and my interest in their activities, and I became less self-conscious and more self-confident. As these new understandings evolved, they were accompanied by changes in the dynamics and interactive style of the research. The interviews themselves continued to have a formal air about them, as participants abandoned other activities to host us and focus on our questions, Mama Sizya translated, and I wrote in my notebook. However, as the research progressed, many of these 'formal' interviews were complemented by an invitation to join the participant on another occasion to observe or assist with various tasks and activities. As I became more fluent in Swahili I was able to accept many of these invitations independently. This allowed me to interact more directly with participants, and their families and colleagues, in their homes and shops, as well as in the market place. Such opportunities often led to comfortable conversations as I participated in various business and household activities.

Like other socially constructed attitudes and behaviours, therefore, the notions of propertious insider-outsider interaction which governed many of the early interviews proved to be dynamic and changeable, evolving over time as the participants and I established greater familiarity and built stronger rapport. As indicated in my reflections on these issues in one of my final journal entries, however, time is a critical factor which can constrain the research in this regard:

There are still many things that I want to do and learn . . . like how to cook *pilao*⁴¹ and *sambusas*,⁴² how to bake cardamon bread on a charcoal stove, and how to make batiks. . . . I have much more fulfilling conversations with women when we are doing something like that together than if I'm trying to 'interview' them. . . . But you can't just walk into someone's life and ask them to teach you to make *pilao*. You have to build a relationship first. If I had this whole research to do over again, I would ask for a 4 - 6 month internship at MCF, during which time I would meet many people and cultivate relationships, THEN I would start the research. It would be like starting at the point where I am now - I'm starting to feel friendships forming; I feel as though I'm just on the edge of beginning to learn, but I can't taken advantage of this, because my time is up - I have to focus on wrapping up, not starting new things at this point . . . (Personal Journal, July 28th, 1996).

I knew before I began the research that the 20 weeks which I had allocated for the fieldwork would pass very quickly. In retrospect, I recognise that research such as this is a continuous process in which there will always be more to learn, and that if I had spent twice as long in Mbeya, I would probably still have wanted more time. In the end, although I make no claims that this research achieved anything approaching complete reciprocity or horizontal relations between the researcher and the 'researched', I am pleased to recognise that, even during the brief course of those 20 weeks, we did make some progress toward a achieving

⁴¹ Rice dish made with spices (cardamon, cinnamon, cloves, cumin, garlic), vegetables (carrots, onions, peas, potatoes) and sometimes beef; usually prepared only for special occasions

⁴² Deep-fried pastries filled with meat, onions and spices

a greater level of mutual understanding.

The Multi-layered Contexts of Research: Complications and Clarifications

Participants' contributions to the research process are influenced not only by their perceptions and expectations of the researcher and the research question, but also by the institutional context within which the research is conducted. Pottier (1991: 4-6) notes that perceptions of the researcher will be shaped by their specific institutional context, and that the anticipated direction of institutional policy may effect participants' expectations of the research and the position which they take toward it. The researcher must therefore endeavour to understand both the public and private perceptions which participants hold with regard to the context in which the research unfolds, including their previous interactions and their expectations of future developments in this context. The importance of understanding these contextual perceptions and expectations became abundantly clear to me during the course of this research.

When I was originally approached about conducting research at MCF, the project itself was presented as a much celebrated success with near-perfect loan repayment rates. As I prepared the research proposal in the months which followed, I did not encounter any information which contradicted these claims. Therefore, when I arrived in Mbeya to begin the research in late March (1996), I still held the same positive impression and expected to find a 'successful' project.

As I began conducting interviews in Mbeya, I was not aware that MEDA's management team in Dar es Salaam were engaged in a covert investigation of suspected fraud among MCF's local project managers and senior staff. This investigation confirmed that

several members of the project staff in Mbeya were engaged in an embezzlement scheme whereby they issued MCF loans to 'ghost' solidarity groups, and then appropriated the disbursed funds themselves. The preliminary findings of this investigation became public in early May. It was at this point, six weeks and twenty interviews into the research process, that I began to learn what had been going on 'behind the scenes' at MCF, to understand the real context in which this research was being conducted.

In the days which followed the 'discovery' of the fraud, I was overwhelmed by the number of biases and complications which this news seemed to raise, and concerned about the implications which these would have for the research. Upon further reflection, however, it occurred to me that these biases were already embedded in the research. From this perspective, the 'discovery' of the fraud did not necessarily render the situation any more complex than it already was. Indeed, in some ways, this 'discovery' facilitated the research, as it enabled me to begin to identify some of the hidden transcripts which influenced my conversations and interactions with both project promoters and participants.

Researcher-Promoter Relations

The 'discovery' of the fraud provided me with new insight into some of the resistance I had encountered in my relations with project staff. I began to understand why it had been difficult to gain access to participant files, why the project manager had insisted that I be accompanied directly to participants' homes or places of business, and why some promoters were reluctant to introduce me to certain participants. Through these reflections, I became aware that the coincidence of my arrival in Mbeya with the on-going fraud had invoked fear of discovery and created suspicion of my objectives, among those who were directly involved

in, or indirectly aware of, the embezzlement scheme.

While the 'discovery' of the fraud shed new light on my previous interactions with promoters, it also presented a number of difficulties with regard to continuing to work with these individuals.⁴³ In the context of the on-going investigation, some promoters no longer had any interest or motivation to participate in the research, and others sought to obstruct or delay its progress. However, a few promoters saw the research as an opportunity to establish their innocence by demonstrating their commitment to MCF. Although these promoters were eager to volunteer introductions to loan recipients, in view of the prevailing circumstances their exuberance in this regard led me to be suspicious of their motives, and to question the credibility of the witnesses they wished to present.

Promoter-Participant Relations

As I started to understand some of the hidden agendas which influenced my interaction with promoters, I also began to see promoters' relationships with participants, as well as their role as an intermediary between the research team and the participants, in a new light. Although it had been clear to me from the beginning that several biases were created by the manner in which promoters 'hand-picked' participants for the interviews in the first stage of the research, I now became more aware of the nature and extent of these biases, and began to perceive other biases as well.

For example, I began to suspect that promoters who put off introducing us to

⁴³ When the fraud investigation was originally made public, only the local project manager was fired. All of the other staff were initially retained in order to assist with the identification of 'real' loan recipients, and to turn their files over to their successors. As the fraud investigation continued, a number of other staff members were also dismissed. Altogether, ten of the original 23 staff members were dismissed in connection with the fraud during the research period (March to August, 1996).

potential participants made use of the time afforded by these delays to meet with participants independently in order to brief them about what information they should or should not impart to the research team. My suspicions in this regard were borne out in one case when, after much probing in an effort to reconcile discrepancies in one woman's account of her loan experience, her promoter admitted that she had only actually received one loan, and that subsequent loans issued in her name had been part of the embezzlement scheme. He also confirmed that the account which she had given in her interview was intended to protect those involved in the fraud. Although this was the only case in which I was able to verify that a participant had intentionally presented false information in an interview, this incident inevitably heightened my suspicions of every account which contained discrepancies.

Participant-Researcher Relations

The on-going investigation at MCF also prompted a number of participants to speculate about the presence of a hidden agenda within this research. In this context, I was sometimes perceived as an investigator in search of further evidence related to the fraud. Participants reacted to this perception in various ways. Some were reluctant to participate in the research for fear of implicating their promoter (or themselves) in the fraud. Some women agreed to be interviewed, but the rigid and guarded nature of their responses clearly indicated that they did not feel free to express themselves fully. Other participants went to great extremes to demonstrate the legitimacy of their businesses in order to diffuse any suspicion that they might have been involved in the fraud.

I was disturbed that the prospect of taking part in the research and interacting with me in the context of the fraud investigation aroused such anxiety among participants. To

assuage their anxieties in this regard, I made a number adjustments in my work habits and my approach to the research in an effort to provide tangible evidence which would corroborate my repeated verbal assurances that the research was completely independent of the fraud investigation. To this end, Mama Sizya and I distanced ourselves from the MCF office during the height of the public investigation, spending much of our time visiting participants in their homes or places of business, and using my home as a base for most of the rest of our work. In the weeks following the launch of the public investigation, we also endeavoured to minimize the role of promoters in the research. During the second stage of the research, we therefore spent much of our time building on previously established relationships with participants who had expressed a keen interest in the research. It was through these friendships, as well as through other social networks, that we were able to arrange to record personal narratives and conduct group discussions with minimum involvement from promoters. As we approached the third stage of the research, however, the number of survey respondents required compelled us to revert back to relying on promoters to introduce us to specific participants. Although the initial commotion surrounding the fraud had dissipated somewhat by this time, we continued to take great care in informing new participants about the nature and intent of the research.

Interpreting Socially Constructed Truths

From the outset of this research, I had expected participants' experiences and explanations to be varied and diverse, based on their multiple subjectivities and perspectives of reality. I had also anticipated that participants' various needs and interests would influence the ways in which they chose to present themselves, and the issues which they chose to

emphasise, in the context of this research. I was particularly concerned with the issue of interpreting participants' self-interested presentations, in order to accurately re-present them in my analysis. My concern in this regard was acutely heightened in the context of the fraud.

Shortly after the fraud investigation became public knowledge, I wrote in my journal:

I am feeling overwhelmed by the prospect of having to differentiate between 'honest' answers and the answers people think I want to hear, in view of the present circumstances (Personal Journal, May 16th, 1996).

Although I recognised that "all data obtained by asking questions are 'qualitative', in the sense that they cannot be treated simply as objectively true" (Lockwood, 1992: 176), I was confounded at this juncture by my attempts to assess whether some responses might be closer to 'the truth' than others.

I was able to achieve a much greater sense of clarity when I began to examine participants' various responses on the basis of Megan Vaughan and Henrietta Moore's (1994: xxiii) assertion that such accounts are "both factual and simultaneously 'constructed'". Their contention that "[a]ll accounts, including our own, are constructed accounts, but they are also accounts of something" (Vaughan and Moore, 1994: xxiv), seemed particularly pertinent in this context. In order to gain further insight into the convergence of the factual and constructed elements of participants' accounts, I therefore sought to identify what motivated these constructions, what it was that they represented, and how they contributed to the research findings.

Most clearly identifiable among the factors which influenced the construction of participants' accounts, were strategies of opportunism through which individuals sought to use their participation in the research process to secure various personal benefits. Although

rarely explicit, these strategies were, for the most part, relatively easy to identify given the context of the research, particularly once the fraud investigation became public knowledge.

A wide range of other, more nuanced factors which influenced the construction of participants' accounts might be broadly classified as coping strategies which participants adopt in order to get through the interview situation or the research experience unscathed. Many of these coping strategies are forms of 'polite discourse' which Pottier defines as the "discrepancy between what informants *say* they do or think, and what they *actually* do or think" (emphasis in original, 1991: 1). Chambers posits that such discrepancies arise, when, in the interest of pragmatism, politeness or favourable self-presentation, participants construct partial or delusory responses. When such constructions are reliable and convincing enough to satisfy the researcher, 'polite discourse' may contribute to the maintenance of myths and the perpetuation of inaccurate analysis (Chambers, 1992: 35).

Two distinct manifestations of 'polite discourse' were especially prominent in the context of this research. The first of these took the form of the repetition of learned and stereotyped responses. In answer to my queries about the impact of their loan, for example, a vast majority of participants responded that the loan was 'good' because 'it enabled them to increase their working capital'. This response was a verbatim repetition of the purpose of micro-credit which they had learned at the MCF training session. Such responses were variously inspired by participants' desire "to demonstrate their new-found, 'correct' knowledge" (Wilson, 1990 cited in Pottier, 1991: 19), their "concern to accommodate [me] by making the 'right' responses" (Cotterill, 1992: 595), and their efforts to "satisfy [my] expectations and end the 'ordeal' as quickly as possible" (Mbilinyi, 1992: 61).

Learned and stereotyped responses were particularly common in the structured survey which allowed little opportunity for the researchers to seek qualitative explanations in the context of apparently contradictory responses. In other stages of the research where interaction was less structured and greater rapport was achieved, discrepancies between participants' 'correct' responses and their actual experiences were often elucidated through informal discussion, more detailed explanations, repeat visits, and participation in business and household activities. The contradictions which were revealed through this process represented a significant contribution to the research findings with regard to the ways in which participants' negotiate the different conceptualisations of their needs, interests and experiences.

A second manifestation of 'polite discourse' revolved around the cluster of culturally acceptable conventions of conversation through which participants' constructed their accounts. These conventions prescribe a leisurely and protracted mode of conversation which is deferential, harmonious and unobtrusive, avoiding explicit references to any topic which might be considered personal in nature. In this context, many participants were hesitant to discuss certain issues, such as their relationships with their husbands, which they regarded as sensitive. Participants who did address such issues, did so only with great discretion and delicacy. In this regard, Mbilinyi notes that:

[research participants'] seeming reticence about directly personal matters is not unusual in Tanzania, where people in principle do not indulge in private confidences for public audiences. Alternative modes of communication are adopted which require sensitivity and subtlety on the part of both the speaker and the listener, author and reader (1989: 211-212).

'Alternative modes of communication' adopted by participants in the context of this research

included fleeting references, veiled allusions, and cultural euphemisms, which required delicate and perceptive translation.

Mama Sizya was very attuned to the hidden transcripts and cultural innuendoes upon which participants' accounts of sensitive issues were constructed. She knew that although these were often invisible or inaudible to me, they were crucial to my understanding of the situation at hand, and that I was dependent on her to convey these messages in addition to the public transcript. She was, however, also very sensitive to participants' decisions to couch their explanations in more obscure terms in these situations. Not wanting to cause offence by making a more detailed statement in English than had been made in Swahili, she translated the participant's exact words to me during the interview. She reserved further comment until we had an opportunity to review the interview on our own, at which point she drew my attention to each of these issues, relating her own interpretation of the underlying meaning. In many cases we were able to confirm these interpretations in subsequent visits with the participant.

Group discussions offered a partial solution to the constraints imposed by conversational conventions in this regard, as participants were generally more comfortable addressing sensitive issues collectively. So it was that issues such as domestic violence and male participation in household reproductive activities, which were never addressed in individual interviews, were raised by participants in group discussions. The group setting allowed participants to make generalised collective statements on these issues, without having to speak directly about their own personal experiences, or to implicate themselves or their husbands in behaviour which might not be publicly acceptable. The anonymity afforded by

this mode of communication allowed participants to discuss sensitive issues in abstract terms, but it also cast doubt on the reliability of some of these discussions, as I was unable to discern whether they were founded on personal experiences which participants did not wish to acknowledge directly, or whether they were second-hand accounts of the experiences of unidentified others.

Recognition of the influences of these alternative modes of communication, 'polite discourses', and strategies of opportunism, on participants' accounts was indispensable in understanding the contextual and constructed nature of these accounts. This understanding heightened my awareness of, and enabled me to gain further insight into, the meanings which participants ascribe to their own realities. In the context of multiple subjectivities, however, the full complement of factors which may influence the construction of participants' accounts is both infinite and dynamic.

Many of the factors which influence the social construction of participants' accounts are contingent, in part, on the relationships and settings in which the research unfolds. I have therefore endeavoured in this chapter, to make explicit both the relationships and the setting through which this research transpired, in order to illuminate the socially constructed nature of the process and the findings. As such, this chapter has sought to provide methodological and contextual transparency which will elucidate the reader's understanding of the data which are presented and discussed in subsequent chapters.

Presentation and Discussion of Research Findings

The volumes of data generated through this research process were both fascinating and overwhelming in their detail and diversity. Like others who have engaged in qualitative

research, I was faced with the challenge of extracting from this broad spectrum of information, the 'essential' points which would allow me to accurately re-present participants' experiences without compromising their subjectivities or violating their realities (Acker *et al.*, 1991: 142-43). I endeavoured to ensure that both the methodological approach and the presentation of the research findings would minimise the tendency for exploitation or objectification of the 'researched' in the final analysis.

In keeping with the principles of critical feminist and participatory research, the methodological approach was structured so as to incorporate maximum participation of the 'researched' in the analysis of findings. To this end, participants were encouraged throughout the research process not only to describe, but also to reflect upon and analyse their own experiences. The final stage of the research was particularly efficacious in this regard, as the feedback seminars afforded participants the opportunity to confirm the accuracy of the research findings, to offer further explanation to elucidate the meaning of certain points, and to articulate the relative importance which they placed on each of these issues.

Although the presentation of the research findings in the next four chapters is entirely my own work, the lists of conclusions and recommendations generated and approved by participants at the feedback seminars have served as a framework for its development. Moreover, in an effort to ensure that participants' active voices are clearly heard, this presentation focuses on women's own words, as expressed in personal narratives, individual

interviews, surveys and group discussions.⁴⁴ The exploration of participants' experiences as business women, loan recipients, and active negotiators of household budgets and labour resources which is presented in the next four chapters, therefore, privileges women's own descriptions, explanations and analyses as it seeks to accurately convey the meanings which these women give to their own realities.

⁴⁴ Throughout the text, direct quotations of participants' words are referenced with a three character code which corresponds to my field notes. The first letter in each of these codes connotes the research method in the context of which the quotation was recorded: A - personal narratives; B - individual interviews; C - MCF client surveys; D - non-client surveys; E - gender focus groups; F - solidarity group discussions; and, G - final feedback seminars.

Chapter Five

Women's Business Experiences

Nestled in the rolling hills of Tanzania's southern highlands, approximately 900 kilometres south west of Dar es Salaam, Mbeya town is the administrative headquarters of Mbeya region. Fertile plains surrounding the town, and substantial annual rainfall throughout the region, create highly favourable agro-ecological conditions, which facilitate the production of a wide variety of food and cash crops, ranging from maize and bananas to coffee and tea. This agricultural sector represents 85 per cent of the region's GDP, and makes a significant contribution to Mbeya's status as one of the wealthiest regions in the country (Abugre and Mwaniki, 1994: 30-31; GOT and UNICEF, 1990).

Mbeya town, with its population of 267,000,⁴⁵ is the region's largest urban centre. Its well-developed marketplaces feature a wide variety of local entrepreneurial activities, ranging from wholesale and retail trade of agricultural produce, dry goods, household utensils, new and used clothing, and consumer durables, to services including tailoring, carpentry and sale of prepared food. In addition, the town's location along the Tanzania-Zambia (Tanzam) highway and the Tanzania-Zambia (TAZARA) railway, ensures good transportation links to Dar es Salaam, as well as to the Malawian and Zambian borders, through Kyela and Tunduma respectively. Mbeya's well-developed markets and favourable location along important transportation routes, together with the town's prominence as a populous administrative centre, contribute to the municipality's reputation as the richest and most economically

⁴⁵ Based on 1988 census figures which report a total urban population of 152,844 and an average annual urban growth rate of 7.2 percent from 1978 to 1988 (URT, 1995: 26), the calculated 1996 urban population is 266,567.

dynamic of the districts in the region (Abugre and Mwaniki, 1994: 31).

This relatively prosperous agricultural region and economically dynamic municipality constitute the setting in which the women who took part in this research live and engage in business activities.⁴⁶ The purpose of this chapter is to outline the broad range of business activities in which these women engage, as well as the diversity of their business practices and experiences. Through the women's own descriptions, explanations and analyses, this chapter explores the reasons why women engage in business, the resources upon which they draw to establish and maintain these businesses, the uses they make of the income they generate, and the strategies which they adopt to balance the various demands placed on their own limited time and other resources. These explorations are intended to provide a broad understanding of the multiple realities of the research participants' business endeavours. This understanding is an essential prerequisite to the examination of women's credit and empowerment experiences which follows in subsequent chapters.

Women and their Businesses

There can be no general statement of women's business experience, except perhaps to say that these businesses, like the women who operate them, are diverse and dynamic. Just as women differ according to race, ethnicity, religion, class, age, marital status and family

⁴⁶ The geographic dispersion of the research participants was largely determined by the geographic boundaries of the Mbeya Credit Facility project mandate. The project's urban emphasis is reflected by the location of the MCF office adjacent to Mwanjelwa market - the largest daily market in Mbeya urban area. However, the project boundaries extend east to Uyole and west to Mbalizi, encompassing a number of peri-urban settlements along the Tanzam highway. A few women from Songwe village - several kilometres beyond the project's western boundary along the Tanzam highway - also gained access to MCF loans and participated in this research.

position, their businesses also differ by size, sector and season, as well as by virtue of the resources to which each woman has access, and the needs which she seeks to fulfil. Taken together, these factors form an intricate web of resources and requirements which creates the space within which each woman establishes her business. This web of resources and requirements stretches far beyond the traditional business indicators of working capital, profit margin, and volume of turn over, incorporating considerations such as degrees of access to social networks and harmony of marital relations. The intricacies and relevance of these resources and requirements become evident in the following accounts which demonstrate the flexibility and creativity with which three women of diverse means engage in various businesses in the face of ever-changing household and life-cycle circumstances.

Hadija⁴⁷

Hadija is 47 years old. She has been active in business most of her life. As a young girl she attended school up until Standard IV. After that her father forced her to stop studying. Since she was no longer allowed to attend school, Hadija began to engage in income generating activities 'to keep from being idle'.⁴⁸ She began by collecting firewood in the forest and selling it in Tukuyu. After a short period she had earned enough money to buy some bananas. She exchanged the bananas for maize and sold the maize in Tukuyu. After continuing in this pattern for quite a long time she had saved about 3 Tsh. This was in the 1960s.

When she got married, Hadija came to Mbeya. Because her husband has two other wives, she had to become very independent by doing business. Using the 3 Tsh she had brought with her from Tukuyu, Hadija purchased some *mpunga*⁴⁹ which she then processed and sold as

⁴⁷ This account of Hadija's experiences as a business woman is presented here in *my* words, based on her responses to survey questions (C38), as well as the more detailed explanations which she shared with the research assistant as part of this process.

⁴⁸ This particular phrase, 'to keep from being idle', was used by many women to describe their original motivation to engage in business activities. Various interpretations and implications of this phrasing are addressed briefly later in this chapter, and discussed in greater detail in Chapter Eight.

⁴⁹ Rice paddy

mchele.⁵⁰ This is the business she has continued to do up until today. Hadija currently has a working capital of 200,000 Tsh. Twice a month she travels to Kamsamba or Kyela to buy rice paddy which she brings back to Mbeya to dry and mill. After the rice is processed she takes it to Dar es Salaam to sell, or sells it here in Mbeya. When all of the rice is gone she returns to Kamsamba or Kyela to buy more paddy.

During the harvest season (June to September) business is not too good because the paddy is widely available. Hadija isn't too active in the rice business during this season anyway, as she is busy harvesting her own crops of maize and beans. The rice business, together with the maize and beans produced on a five acre *shamba*,⁵¹ constitute the primary means of support for Hadija's 13 member household (eight adults, five children). Hadija considers her husband to be the head of this household, although he only resides there part of the time and does not contribute any financial support.

Estelle⁵²

Estelle was twenty years old when she moved to Mbeya with her husband and their two year old daughter in 1986. Her husband had just completed a training course and been hired by a local construction company. She explains how she became involved in business:

When I came to Mbeya I established a small business selling charcoal. After some time I found that this was not profitable. My husband gave me a capital of 1000/Tsh. I began travelling between Kyela and Mbeya, buying and selling palm oil. With that capital, I was able to buy five *debes*⁵³ of palm oil and pay my fare back and forth. I continued selling palm oil until my second child was born in December of the same year [1986]. During that period I also sold *ukindu*.⁵⁴ In 1987, I began selling sugar cane. I also started selling *ukindu* again during that year. I continued with these businesses, even whilst I was pregnant, until December 1988 when my third child was born. After

⁵⁰ Husked rice

⁵¹ Farming plot

⁵² This narrative of Estelle's experiences as a business woman is based on the preliminary recording of her personal narrative (B02). All double-indented passages in this account are direct quotations of Estelle's own words as expressed in this recording. Single-spaced passages which begin at the left margin include other details conveyed in this recording, but are expressed here in *my* words. This format applies to the presentation of all subsequent narratives, unless otherwise stated.

⁵³ Twenty (20) litre containers

⁵⁴ Dried grasses used in mat making

delivering my third child I began the *maandazi*⁵⁵ business, cooking *maandazi* and half cakes. I am continuing with this business up until today. In 1992, I began cooking food for sale as well.

I work here at my kiosk in the market every day (7 days a week). I get up early in the morning, at 5 am, to go to the market to start preparing the tea. I sell tea, cakes and *maandazi* at my stall in the market until 11:30 am. Then I go home to prepare food to sell in the afternoon. I return to the market to begin distributing the food for lunch at 1 pm. After finishing my work of distributing food in the market place, at around 3 pm I begin collecting money from my customers. Then I buy some flour and cooking oil and go home. At about 6 pm I start preparing the dough for the *maandazi* and half cakes. This dough has to rise for several hours. When it is ready at 1 or 2 am I get up to fry them. Then I get up again at 5 am to go back to the market.

Estelle's husband no longer works for the same construction company.

He is now self-employed. . . . Because he works in construction, his income depends on the season. During the rainy season he has no work. When he has work during the dry season, his income might be used for food, or can be saved to help us with building our house.

The cash requirements for the household consumption are somewhat reduced by the fact that Estelle and her husband cultivate rice paddy on their *shamba*.

My husband and I have a *shamba* of several acres in Kyela, but we can manage only 2 - 3 acres each year. This yields 15 - 20 bags of paddy. I don't grow maize. I normally buy only 3 bags of maize each year. This is enough for our household because my children do not like *ugali*.⁵⁶ One [20 litre] bucket of maize flour can last us for two months. They prefer rice. We use five of the bags of paddy from our *shamba* for household consumption, the rest are used for my business of selling food. I also reserve some paddy for seeds for the next season. . . . As for beans, I buy them only in small quantities as I need them.

It would seem, however, that Estelle's husband's contributions to the household budget are unreliable at best:

⁵⁵ Small deep-fried cakes

⁵⁶ Stiff porridge, usually made of maize flour

Even if my husband has money he doesn't give it to me. I have to take care of the household expenses on my own. Even the expenses for the children are my responsibility. I pay for their clothes and food and school expenses.

Estelle relies on the income from her food-selling business to cover these expenses.

Jamira⁵⁷

Jamira began her first income-generating activity when she was twelve years old. She explains:

[My father] had four wives with more than 30 children. . . . Because my father had many children each wife was responsible for her own children. . . . In 1980, when I was in Standard II, my mother became sick. . . . when my mother became ill I began cooking banana cookies and *maandazi* to sell at school so that I could get money to buy school supplies and school uniforms.

Later, as her mother's illness wore on, Jamira's took on greater financial responsibility in the household:

I was responsible for staying in the market and selling some of the crops to help get money to support the family. I started selling in the market place when I was in Standard IV. . . . By the time I was in Standard VI, I was doing a good business. I was better off than some of those who were assisted by their parents. I am thankful to God for this. I was able to buy my own clothes, as well as the clothes for my mother and my sister. I was also able to purchase utensils for the household, like pots, plates and small items. But I was struggling. Because I was a Christian I prayed faithfully to God that I would get a Christian fiance so that I would not have to struggle on my own any more.

Jamira dropped out of Standard VII⁵⁸ to be married in 1985.

At the time we were married, my husband had a business of sending things like ready made clothes, shoes, plastic buckets and powdered milk to the rural markets for selling. Because my husband did not want me to continue doing business after we got married, I just stayed at home and helped to package the powdered milk that he would sell. Then in 1987, around the time of the birth of our second child, we opened a shop here in Mbalizi. In 1989 I began

⁵⁷ Direct quotations of Jamira's words are taken from the draft manuscript of her personal narrative (B01).

⁵⁸ In order to circumvent the law which requires Tanzanian girls to complete Standard VII before marriage, Jamira's husband made a 'special arrangement' with her teacher.

embroidering *vitambaa*⁵⁹ to sell in my husband's shop. By 1991 I had accumulated enough capital to begin importing some *vitenge*⁶⁰ from Malawi. I sold these in my husband's shop and also sent them to the rural markets to be sold.

In December 1992 our shop was robbed. Many of my goods were stolen. My husband had borrowed money from me to travel to Dar to buy goods. Most of those goods were also stolen, so my capital was gone. After that we continued with some difficulty. My husband began a new business selling household supplies wholesale. He tried buying cartons of soap and sugar to sell, but the profits were low and our income was decreasing. . . .

Before the robbery we had built a house with fourteen rooms which we were planning to use as a guest house. . . . We began renting some of these rooms for 2000/Tsh per month in order to increase our income. The money from these rentals was used for home consumption and for the children. After the robbery this money was just enough to maintain our family. . . .

During the period after the robbery, I was at home looking after my baby. I began making *vitambaa* again. I used these earnings to purchase some crops. I bought beans in June and saved them to sell in December when the price was higher. Then in 1993 I bought a plot in the market and began to build a *kibanda*.⁶¹ In the meantime, my husband decided to return to the clothing business. In 1994 I began to sell small items in front of my husband's shop.

[Around this time] my husband decided to move to Tunduma to try business there. He had two rooms there. He began selling the same items we were selling here in Mbalizi - ready made clothes of all kinds. When he left I became responsible for the business here. . . . I [also] became responsible for supporting the family here in Mbalizi. . . . The whole idea behind me supporting the household here in Mbalizi was so that he could concentrate on running the business in Tunduma without the interference of expenditures for household expenses and other small items. In this way we would be able to see if his business in Tunduma was worthwhile. . . .

Since my husband has been away I have also become responsible for

⁵⁹ *lit.* pieces of cloth; refers here to table clothes and doilies.

⁶⁰ Lengths of printed cloth worn by women as wraps or used to sew traditional dresses.

⁶¹ Commonly refers to a semi-permanent market place stall constructed of wooden poles and boards, but having no secure closure; refers here to a more permanent shop structure, constructed of cement and having a secure door.

supervising the rental of rooms in our other house. . . . This money is to be used for the household maintenance and expenses. If we do not have enough food, I might use this money to buy food. If we have enough food I might use the money to pay the electricity bill. If we have enough food and there is no electricity bill to be paid then I can use this money for investing in my shop - to buy some more *khanga*⁶² and *vitenge*. It is my responsibility to spend this money wisely. My husband does not ask me how much was received or how it was spent. He recognizes that it is I am responsible for looking after the household and he trusts me to do this. . . .

In the meantime, I have used the profits from my business to finish building the *kibanda* in the marketplace. At first I rented it to a *mgahawa*⁶³ for 5000/Tsh a month. Then I . . . install[ed] a gate, ceiling boards and finishing plaster. I moved my business into this *kibanda* in March 1996. I am now selling *khanga*, *vitenge*, shoes and ready-made clothing from this *kibanda* in the marketplace.

My husband continues to do his business in Tunduma although since the recent devaluation of the Zambian money, business in Tunduma has not been as good. . . . Now he is thinking of returning to Mbalizi permanently to help relieve me of the workload and all of the responsibility of looking after the business, the household and the children. . . . He is thinking of selling one of the *kibandas* in Tunduma but keeping the other one and leaving a young boy in charge of it, selling mattresses and other things. Then he will return to Mbalizi and we will do business and look after our household together, and he will go to Tunduma only once a week to check on the progress of the business there.

Through their stories Hadija, Estelle and Jamira begin to illustrate the diversity of business experience among women in Mbeya. Together they have engaged in a broad range of business activities, each according to the means and opportunities available to her at a particular time. In this process, each of these women has encountered different opportunities, obstacles and obligations in her business activities and livelihood pursuits. The degree to which members of her household are dependent on her business earnings for their basic

⁶² Traditional cloth with Swahili proverb written on it; worn by women as a wrap or cover-up.

⁶³ Woman who runs a canteen selling tea and small cakes in the morning and hot meals at lunch time.

survival, the existence of other income-generating opportunities, and the availability of other means of supporting the household, including cultivation of staple food crops and financial support from her husband, differs for each woman. Other factors which will affect the opportunities, obstacles and obligations with which each woman is faced are dependent on the size and composition of her household, the availability of other household members to contribute labour or income, her own stage in child-bearing, and her broader network of social support and responsibilities. Differences with respect to each of these factors will shape the strategies which each woman adopts, and contribute to the security of the level of household welfare which she is able to achieve through these strategies. For example, whereas Hadija and Jamira are both primarily responsible for financially supporting their households with their business income, Jamira's situation is significantly different in that she has the relative security of rental property income to rely on. In addition, whereas Jamira seems to have established a relatively collaborative relationship with a husband who appears to be committed to ensuring the family's well-being, Estelle has learned that she can not rely on her husband to make regular contributions for household expenditures, and Hadija knows that she must be self-reliant in providing all of necessities for her household.

The Diversity of Women's Business Experiences

The diversity, dynamism and flexibility which is apparent in these three women's narratives is indicative of the broad trends which emerge across the spectrum of women's business experience in Mbeya. These trends manifest themselves in the types of businesses in which women engage, the size and location of these businesses, as well as the routines which these activities require, and the ways in which women accommodate these routines in the

context of their other responsibilities. For example, during the course of this research, the 98 women⁶⁴ who participated reported a total of 156 currently active businesses. These 156 businesses represented 44 different activities as depicted in Figure 5.1. While the purchase,

Figure 5.1: The Broad Spectrum of Participants' Business Activities

<u>Processing</u>	<u>Production - Other</u>	<u>Vendors - Home-Based</u>
Cooking Oil	Embroidery	Animal Hides (wholesale)
Maize	Knife-making	Yoghurt
Millet	Tailoring	
<i>Pombe</i> ⁶⁵		
Rice	<u>Services</u>	<u>Vendors - Itinerant</u>
	Alternative Therapy Centre	<i>Khanga/Vitenge</i>
<u>Production - Agricultural</u>	Catering	<i>Mitumba</i> ⁶⁷
Chickens	Dispensary	
Crops (maize, beans)	Hair Salon	<u>Vendors - Marketplace</u>
Dairy Cows	<i>Mama Ntilie</i> ⁶⁶ / <i>Mgahawa</i>	Charcoal
Eggs	Nursery School	Coconut
Piggery	Video Library	Firewood
Vegetables (greens, tomatoes)		Fish (Dried)
	<u>Shopkeepers</u>	Maize (Wholesale)
<u>Production - Baked Goods</u>	Building Supplies	<i>Mitumba</i>
Bread	Clothing/Cloth	Potatoes
<i>Maandazi</i>	Fertilizer/Agricultural Inputs	Tomatoes
Scones	Grocery	Wheat
Wedding Cakes	Kiosk	
	Small Items	

Source: Individual Interviews, Personal Narratives, Group Discussions, Structured Survey; N = 98 Participants

processing and resale of rice was the most common activity, accounting for 15 percent of the total businesses reported, knife-making, wedding catering, a video library and a centre for alternative therapy were among the most innovative businesses reported.

⁶⁴ This is the total number of the female loan recipients who participated in the first three stages of the research: 17 in individual interviews, 6 as personal narrators, 25 in group discussions, and 50 as survey respondents.

⁶⁵ Local beer made from millet or maize

⁶⁶ Woman who runs a canteen selling tea and small cakes in the morning and hot meals at lunch time; also used to refer to the canteen itself

⁶⁷ Used clothing

Each of these business activities is characterised by different rates of inventory turnover and different waiting periods for return on investment which generate business cycles of varying lengths, thereby further differentiating these businesses from one another. These business cycles are also determined in part by the geographic proximity and seasonal fluctuations of supply and demand for each particular good and service. For example, in her *mama ntilie* business, Estelle uses locally available ingredients to prepare meals which generate regular, daily income with little front-end investment. The relatively rapid rate at which her inventory turns over, earns her a quick return on the money she invests in ingredients. Similar business cycles may prevail among women who bake bread, *maandazi* and scones. In addition, although their full inventory may not turnover as rapidly, women who engage in retail sale of local goods may also expect to generate income on a daily basis.

Other businesses, however, may require a substantial front-end investment of time and money in order to procure, process or produce goods to sell locally. Hadija's rice business, for instance, requires her to travel out of town to purchase *mpunga* - a trip which may vary in length from one day to a week. Upon her return home, she subsequently spends several days drying and milling the *mpunga*, in order to yield the *mchele* which she may sell locally, or travel to Dar es Salaam to sell. The period between Hadija's original investment in *mpunga*, and the sale of *mchele* which generates the return on her investment is, therefore, significantly longer than Estelle's. While women who engage in other processing activities tend to have business cycles similar to Hadija's, those who engage in agricultural production and manufacturing activities, such as knife-making and tailoring, are likely to experience much longer waiting periods between their original investment and the return on this investment.

These variances in the length of women's business cycles create diverse cash-flow patterns which necessitate different approaches to short-term financial management.

Seasonal fluctuations in both the availability of products and the circulation of money also affect the cash flow patterns and business cycles which shape and differentiate women's business activities. Figure 5.2 illustrates the general trends of these seasonal fluctuations, as revealed in the data from the survey.⁶⁸ The vast majority of participants identified the second half of the year, particularly September through December, as the best business period. As

Figure 5.2: Seasonal Fluctuations in Women's Businesses

one tailor explained: "During the second half of the year you can be comfortable - people have harvested, money is available . . ." (A01). This is particularly true for businesses which

⁶⁸ These data are drawn from the structured survey administered in Stage III of the field work process, as detailed in Chapter Four. Fifty women who had received loans from MCF participated in this survey. All data drawn from the survey are based on this sample of fifty women, unless otherwise stated.

depend on the sale of nonessential goods and services, such as clothing, building supplies, catering and hair styling.

This general trend does not hold true for all businesses types. Indeed, a few businesses, such as those which sell fertilizer and agricultural inputs, are particularly successful during the rainy season in the early months of the year. In addition, different marketing approaches lead to variations in the seasonal fluctuations identified by women engaged in the same type of business. For example, Hadija explains that the period from October to March is best for her rice business because this is the time when prices increase as crops and food become more scarce. She views June through September as the worst months for her business because "the harvest crops are plentiful" (C38). However, the low prices which result from this plentiful supply make this business more accessible to women with small amounts of capital, who are then able to generate high volumes of sales because there are many customers during the harvest period. Thus, as another rice seller explains, it is precisely because of the "availability of goods" that May through September are the best months for her rice business (C39). Similar variations in seasonal fluctuations were identified within other business activities, such as the processing of millet and *pombe*. Thus, the various seasonal fluctuations which affect each woman's business in accordance with the type of business in which she engages and the marketing approach which she adopts, create diverse cash-flow calendars, which require different approaches to long-term financial management.

The Dynamic Nature of Women's Businesses

The fact that 98 women operate a total of 156 business is indicative not only of diversity, but also of the multiple and dynamic nature of the business activities in which these

women engage. Indeed, data from the survey revealed that one-third of the participants were currently engaged in secondary and tertiary income-generating activities, in addition to their primary business activity. Moreover, although the women surveyed had, on average, been engaged in their current primary business activities for about four years, three-quarters of them had operated at least one other business activity in the past, and most remained open to the notion that they might change businesses (again) in the future. Such changes were made or anticipated on the basis of availability of capital and labour resources, changes in household or life-cycle circumstances, and, fluctuations in local market or broader economic conditions.

Availability of Capital Resources

The type of business activity in a which a woman engages at any particular time is influenced, at least in part, by the capital and labour resources to which she is able to lay claim. The strategies and networks upon which individual women call to meet these requirements are diverse. For example, the various sources through which survey participants obtained the capital to start their first business are depicted in Table 5.1. While the majority

Table 5.1: Sources of Women's Start-Up Capital

Source of Start-Up Capital	Percentage of Women Surveyed
Received from Family Member	52
<i>Husband</i>	28
<i>Other Family Member</i>	24
Financed through Own Earnings/Savings	44
<i>Revenue from Shamba</i>	22
<i>Salary/Savings from Formal Sector Employment</i>	14
<i>Revenue from Income-Generating Activities</i>	8
Received from Development Projects	4

Source: Structured Survey; N = 50 Respondents

of participants gained access to their start-up capital through various personal relationships, a significant portion of the others drew on personal savings from diverse sources in order to initiate their businesses.

The amount of money available through each of these sources varies according to the circumstances of each individual. Indeed, survey data demonstrated a wide degree of variance in the amounts of capital which women used to establish their businesses. As depicted in Figure 5.3, although the majority of women surveyed began their first business with capital of 10,000 Tsh or less, the range of start-up capital amounts reported extended from Hadija's

Figure 5.3: Amount of Capital which Women Used to Start their Businesses⁶⁹

Source: Structured Survey; N = 43 Respondents

⁶⁹ As noted in Chapter Three, start-up capital amounts must be assessed cautiously in view of the considerable inflation which has taken place in Tanzania of over the past few decades. Since the figures reported here refer to the initial capital invested in businesses which were started in various years in the past, it is not possible to compare the real values of these start-up capital amounts. This figure is therefore intended to depict only the broad variance of in amounts of initial capital which women have used to start their businesses. It is important to note, however, that the range of this variance is not strictly historical; this research demonstrated that individual women may have access to vastly different sums of capital even in the same year.

3 Tsh⁷⁰ in the 1960s (C38), to the 230,000 Tsh⁷¹ which a *mitumba* vendor received from her husband in the 1989 (C16).

Availability of Labour Resources

In principle, the vast majority of women who participated in this research carried out their business activities on their own. Indeed, less than 10 per cent of those surveyed engaged regular employees or casual labourers to help them in their businesses. However, when they travel to buy or sell goods, or are otherwise occupied with reproductive responsibilities, social obligations or farming activities, most women are able to call upon the free labour of their children, siblings or other family members to assist with business activities and household chores. In addition, about one-quarter of the women surveyed have a housegirl to help with reproductive tasks. In some cases these girls' labour may also be used in business activities. Further assistance may be procured from business neighbours who may be asked to watch each other's shops, stalls or goods when brief absences are necessary during the day, or from relatives or business colleagues who may be requested to purchase extra stock while on their own buying trip or to take goods for sale with them when they make trip.

The ability to call on these household members and social networks for various forms of assistance is vital to most women's businesses. However, the frequency with which such assistance will be required, the 'assistants' who will be recruited, and the tasks which these

⁷⁰ Throughout the 1960s, the East African Shilling (EAS) and the Tanzanian Shilling (Tsh) - a new monetary unit which replaced the EAS at par on July 14, 1966 - were valued at a fixed rate of 7.143 EAS/Tsh = 1 USD; during this period the Canadian Dollar was valued at approximately 0.925 USD (UN Statistical Office, 1971: 606-10; 1968: 585-89). Hadija's start-up capital of 3 Tsh was, therefore, approximately equivalent to 0.45 CAD.

⁷¹ In 1989, the exchange rate between Tanzanian Shillings and Canadian Dollars was approximately 166 Tsh = 1 CAD (UN Statistical Office, 1992: 1023-29). 230,000 Tsh was, therefore, approximately equivalent to 1385.54 CAD in 1989.

assistants will be asked to perform, will depend on the type of business involved, as well as the location of this business. For example, most of the women surveyed operate their primary businesses at a fixed location away from their home.⁷² These women are most likely to draw on family labour to assist with reproductive activities while they engage in business activities, and to rely on business colleagues or mature family members to mind their businesses only occasionally when they are required to attend to other matters.⁷³ Secondary and tertiary businesses, on the other hand, tend to be home-based operations. As such these are likely to involve family labour directly in the business itself.

Changing Household and Life-Cycle Circumstances

Fluctuations in women's own needs and responsibilities, in accordance with changes in their individual life-cycle circumstances, also contribute to the multiple and dynamic nature of their businesses. Pregnancy and child-rearing are often intervening factors in this regard, as illustrated in the following account of one market vendor's (B03) experience:

[When] I was pregnant with my last born . . . I found that I could not sit in the hot sun at the market all day long, or go to town to get the items I needed to sell. . . . I asked my husband permission to begin brewing *pombe*. . . . I knew that I could do this business even when I was pregnant or had a small baby . . . [After] my husband finally gave me permission to try brewing *pombe* . . . he said that I could continue with this business because he saw that I was able to make some money while just staying close to the house.

After the baby was born I continued with brewing *pombe* . . . [Later] I returned to selling things in the market. But I have also continued with the *pombe*. I will never stop that business because it brings in good income. I have turned the business over to the children now. If I am busy in the market

⁷² This may be a cement (permanent) shop structure, a wooden pole (temporary) marketplace stall, or an open public space adjacent to a milling machine.

⁷³ The ways in which women draw on family labour to support their business activities are discussed in greater detail in Chapter Eight.

then they can brew the *pombe* and bring it to the market and sell, but when they are at school during the week I brew for them and take it to the market myself.

Other changes in life-cycle circumstances which may contribute to the dynamic nature of women's businesses include increased demand for additional income as the household expands, and an increase in the availability of supplementary labour as children reach an age at which they can be relied upon to assist with business and household activities.

Effects of Business Conditions and Government Policies

Nearly half of the women who participated in the survey indicated that business was more difficult that year (1996) than it had been in previous years. Describing the April 1996 business climate in Mbeya, one woman who has been operating a small shop since 1992 stated:

Currently this is a very bad period for business. It is the worst period I can remember. I am struggling and doing everything I can, but everyone is complaining. I don't know why this is (A17).

Throughout the research, a number of women made similar references to the poor economic climate. Some commented: "The circulation of money is low" (C04; C29). Others elaborated, offering political explanations: "It is a government problem, that is why the money is not being circulated enough" (C20); "The government has no money" (C18). The struggling shopkeeper searched tentatively for a political solution to the economic downturn as she continued her assessment of the business climate:

Perhaps the new president will do something - make some changes, or maybe he has closed the door for money. The difficult period started before the elections [October 1995]. Each month we have hoped that things would get better, but they haven't. Maybe next month . . . (A17).

In addition to these comments on the general state of the economy, other women pointed to increased competition as a specific factor which contributes to declining business incomes. As one millet processor explains: "When there are many vendors business is not good. If there were only a few vendors business would be better" (C07). As the Tanzanian government initiates policies which seek to reduce the size of the public sector, as well as to encourage widespread participation in the market economy, however, the number of vendors and the level of competition in the informal sector appears to be on the rise. As one coconut vendor elaborates: "There are many people doing business now. Even those who have been retrenched from their jobs have established their own businesses" (C27). Women whose businesses require relatively small amounts of start-up capital are likely to be most affected by these increases in the number of informal sector participants.

Women involved in the purchase and resale of staple food crops are particularly affected by this increase in competition. In addition to the increasing number of women who are engaging in these activities, there is also less demand for wholesale food crops in Mbeya these days. Women in this business previously relied on foreign customers (mostly from Zambia) to purchase a certain portion of their crops, but as Hadija explains "foreign customers have been stopped"(C38). "The borders have been closed. Our crops can not be exported", adds another rice vendor (C36). A shopkeeper who recently diversified her activities to include the purchase and resale of maize elaborates:

The Tunduma market [for grains] was closed by order of parliament in December or January [1995/96]. Exportation [of grains] has been outlawed. Now the only alternative is to sell in Dar where profits are less (A17).

These profits will, of course, continue to drop as competition increases, and these smaller

profits will be shared out among an ever-increasing number of vendors. Such changes in business and economic conditions contribute to the multiple and dynamic nature of women's business experiences as diminishing profits in one sub-sector prompt at least some women to (further) diversify their income-generating activities or to change businesses altogether in an effort to continue to generate the sufficient income to meet their personal and household needs.

The Flexibility of Women's Businesses

The diversity and dynamism which characterises the broad spectrum of the research participants' businesses, is also inherent in their individual business routines. Rather than following a rigid schedule, these women's businesses are, for the most part, characterised by a significant degree of flexibility. Because the convergence of women's multiple identities as entrepreneurs, household managers, and principle investors in an economy of long-term social reciprocity, often necessitates impromptu changes in women's business schedules and routines, such flexibility constitutes a vital management strategy for these women. Given the precarious environment in which these women live and operate their businesses, this flexible approach to business management represents a reasonable strategy for coping with unpredictable logistical delays, such as transportation difficulties, mechanical breakdowns and long queues at milling machines, and incidents of misfortune, such as theft.

Moreover, this strategy of flexibility is consistent with a more holistic approach to business management through which women integrate their business activities into their broader web of coping strategies and responsibilities. This approach to business management enables women to adjust their business schedules in order to give due priority to their multiple

social and reproductive obligations to their households, communities and extended families. Women who travel outside of Mbeya to buy or sell goods, for example, frequently allow time in their business schedule in order to fulfil various social obligations by visiting extended family. Women's business schedules are often interrupted or adjusted in order to nurse the sick or to support various aspects of community life. In an effort to demonstrate the frequency with which women engage in such activities, one woman explained:

If you find a child whose mother is not employed, ask that child where her or his mother is at the moment. In the vast majority of cases you will find that she has either gone to the hospital to take food to a patient, or to care for someone who is convalescing at home. If she is not busy looking after the sick, she is likely to be either at a funeral or a fellowship at the church. This is what life is like for women today (B04).

Women's continued dedication to the maintenance and fulfilment of such social and community obligations, is evidenced by the fact that they give priority to these obligations over their business activities. While many of these obligations can be met locally, thus inciting only an interruption of only a few hours or days in a woman's business activities, in some cases, women may travel to their home villages to nurse an ailing relative or attend a funeral, inciting a hiatus of several weeks or months in their regular business activities.

Personal and Household Circumstances: Placing Women's Businesses in Context

In order to understand the resources upon which a woman may draw in order to secure start-up capital or supplementary labour for her business activities, and the needs which she seeks to fulfil through these activities, it is helpful to have a better understanding of the realities of her personal and household circumstances. Although it can not be considered representative of all MCF loan recipients, or even of all participants in this

research, the data from the survey may be useful in establishing a rather general picture of the broad parameters of women's personal and household circumstances.

Survey participants ranged in age from 18 to 52, with 76 per cent between 25 and 40 years of age. Sixty-two per cent were born and raised in Mbeya region; eighteen per cent came to Mbeya from neighbouring regions, 20 per cent from other parts of Tanzania. Eighty-eight per cent have had some formal education; seventy-six per cent have completed primary school (Standards I through VII), and a few had continued to various levels of secondary education.

Table 5.2: Marital Status and Household Headship as reported by Survey Participants

Women's Marital Status	Head of Household ⁷⁴			Total
	Woman	Husband	Male Relative	
Married	4	34	-	38
<i>Monogamous marriage</i>	-	27	-	27
<i>Polygamous marriage</i>	4	7	-	11
Unmarried Dependant	-	-	6	6
Widowed	4	-	-	4
Divorced	1	-	-	1
Independant	1	-	-	1
Total	10	34	6	50

Source: Structured Survey; N = 50 Respondents

As illustrated in Table 5.2, the majority of women who participated in the survey are married and name their husbands as head of their households. These households vary in size

⁷⁴ In the section of the survey pertaining to the household, women were asked directly: "*Ni nani mkuu wa kaya yako?*" (Who is the head of your household?). The Swahili phrasing of this question was derived in consultation with the research assistants in order to ensure coincidence with local usage. '*Mkuu*' refers to a person in a position of power, ruler, head, master or governor. '*Mkuu wa kaya*' therefore refers to the dominant power holder within the household. The survey schedule did not include further elaboration regarding the definition or interpretation of '*mkuu wa kaya*'. Women's responses to this question are therefore understood to reflect their own individual interpretations of household power relations and the designation of household headship.

and composition, from the unusual circumstances of one 35 year old grain wholesaler who lives by herself and has no children (C28), to Hadija's 13 member household which includes herself, her husband, one of her siblings, three of her own children, two of her grandchildren, and five others⁷⁵ (C38). Overall, 82 per cent of survey participants have at least one dependant child of their own living in their household, and 70 per cent have at least one member of their extended family⁷⁶ living with them.

Meeting Basic Household Needs

The majority of women surveyed enjoy a degree of relative security with regard to basic food and shelter. For example, more than three-quarters of those surveyed have a *shamba* where they cultivate staple foods for home consumption. One third of those who have a *shamba* produce more than they require for home consumption, and are therefore able to generate some income from their *shamba* as well. In addition, most survey participants live rent-free in a house which they have built (are building) themselves,⁷⁷ or which is owned by a relative. However, these figures must not obscure the fact that one-quarter of the women surveyed require cash to purchase staple foods for their household, and one-fifth of those surveyed rent their living quarters. Furthermore, cash is required in all households to purchase other basic items such as salt, sugar, tea, vegetables, cooking oil, soap and fuel. In addition, cash is now required to obtain access to both health care and education in Tanzania.

Jamira comments on this transition to a generalized cash economy:

⁷⁵ Hadija did not wish to specify her relationship to these 'other' members of her household. They may be relatives of her husband's, or children or relatives of his other two wives.

⁷⁶ Including grandchildren, parents, in-laws, siblings, nieces and nephews.

⁷⁷ Usually in cooperation with their husbands.

Now it is necessary to pay for transport, medical treatment and food, so life has become expensive. In my parents' day, life was difficult, but they did not require as much money. For me life is easier in many ways, but because I require money to buy and pay for everything, my life is difficult, too (B01).

Women's Motivations for Engaging in Business

These increasing cash requirements would seem to provide clear motivation for many women to engage in income-generating activities. However, when asked why they started their first income-generating activity, nearly half of the survey participants said that they did so 'to keep from being idle'. Of course it is unlikely that any of these women were truly sitting idle before they started their businesses; according to the gender division of labour, each of them is responsible for numerous domestic duties which ensure the daily reproduction of their households and communities. Further explanations provided a link between the desire 'to keep from being idle' and the need to meet cash requirements for survival as participants revealed that engaging in an income-generating activity allows a woman to feel like she is doing something real to improve her household's financial situation. This feeling is contrasted with the image of a woman who sits 'idly' by, lamenting her poverty while depending on other members of her household to bring home whatever cash they are able to obtain. In addition to enabling them to make financial contributions to the household budget, women explained that engaging in income-generating activities also allowed them to keep their minds from being 'idle', challenging them in ways that their domestic responsibilities did not.⁷⁸ At this point it is sufficient to note that many women decide to take on income-generating activities as a means of actively contributing to the household budget with a view to improving the

⁷⁸ The intricacies of this discourse surrounding women's 'idleness' will be explored in greater detail in Chapter Eight.

standard of living within the household.

In many cases, a woman's motivation to engage in business activities and the role that she envisions for her future earnings is shaped by the nature of her relationship with her husband, as well as by the standard of living which he is willing and able to provide for the household through his own resources. In situations where husbands and wives are living under congenial and collaborative relations, many women undertake business activities in order to supplement their husband's financial contributions to household well-being. Where basic household needs are virtually guaranteed through the husband's earnings, for example, a woman may choose to engage in income-generating activities with a view to attaining new levels of comfort or fulfilling consumer preferences within the household. Such was the case for one woman who cooks and sells *maandazi*. She explained:

Because my husband is a business man he was able to cover all of the household expenses, but sometimes as a woman you have your own preferences. If you have your own money you can buy these. For example, clothes for the children (A15).

Similarly, young unmarried women who continue to live as dependant members in the household of a male relative are likely to be motivated to engage in business activities for the purpose of fulfilling consumption preferences or accumulating personal savings, since their basic welfare is typically assured by others in the household.

More often, however, women undertake income-generating activities in the name of providing supplements which will contribute greater stability to the budget which guarantees basic household survival. For example, some husbands may be relied upon to provide staple foods and other necessities in quantities commensurate with basic household survival on a

regular (often monthly) basis, but are either unable or unwilling to provide additional items in the interim. Under such arrangements, one participant suggested that "women take on small projects to get money to help from one day to the next" (E03). In other cases, husbands and wives may take a more collaborative approach to cost-sharing, as one tomato vendor explained:

I started my business because of the increased number of children in the household, in order to collaborate with my husband in expenses. If my husband buys *mboga*,⁷⁹ I can buy the spices. If he buys a tin of maize, I can pay to have it milled (F02).

However, the financial collaboration and harmonious relationships alluded to by the women cited above are not necessarily characteristic of all conjugal arrangements. Some husbands choose to withhold money from their wives, even though they readily possess the means to make financial contributions to the household budget. Under such circumstances some women are subjected to verbal or physical abuse when they request money for household expenditures from their husbands.⁸⁰ These women may be motivated to establish an income generating project in order to minimise or avoid such encounters. In other situations, a married woman, like Estelle, may not be able to depend on regular financial support from her husband, or, like Hadija, she might not receive any financial support from her husband at all. These women, together with widowed, divorced and independent women, are motivated to engage in income-generating activities to ensure the sheer survival of their households.

⁷⁹ Vegetables

⁸⁰ The impact and implications of these encounters, typically referred to as women's 'daily begging routine', will be discussed in greater detail in Chapter Seven.

Women's Business Income: Contributing to Household Sustenance

Overall, most of the women who participated in the research were pleased with their decision to initiate a business activity. The income generated through these businesses has helped to meet some of the needs they originally identified. As one market vendor explains:

Since I started business things have improved. . . . Life is better now than before. We are able to solve small problems more easily - schooling the children, looking after the sick, and so on. I have also collaborated with my husband to build a house (F02).

Indeed, as illustrated in Table 5.3, once they started their businesses, survey participants found multiple uses for the income they generated. Among these, nearly all of the women surveyed cited some form of household expenditure.

Table 5.3: Multiple Uses of Women's Business Incomes (Ranked)

Use of Business Income	Frequency of Response	Percentage of Respondents
Food purchases	32	64
General household expenditures	31	62
Reinvestment in business	23	46
Support for children	17	34
School fees	17	34
Clothing	16	32
Family problems	14	28
Personal expenditures	14	28
Personal savings	14	28
Housing ^a	12	24
Health care expenditures ^b	12	24

^a plot purchase, construction, renovation; ^b for household and extended family

Source: Structured Survey; N = 50 Respondents; Multiple Responses

The prevalence of household-related expenditures among the ways in which women use their business incomes is significant. Data from the survey, as depicted in Table 5.4, reveals that 48 per cent of survey participants identify themselves as the primary income-earner within their household. In an additional 20 per cent of the households represented in

the survey, women make a significant contribution to household income, as their business earnings are combined with those of their husbands to provide the primary source of income.

Table 5.4: Primary Source of Household Income by Household Headship for all Survey Participants

Head of Household ⁸¹	Primary Source of Household Income					Total
	Woman's Business	Woman's Business + Woman's Other Income	Woman's Business + Husband's Income	Husband's Income	Male Relative's Income	
Woman	9	1	-	-	-	10
Husband	8	6	10	10	-	34
Male Relative	-	-	-	-	6	6
Total	17	7	10	10	6	50
Percent	34 %	14 %	20 %	20 %	12 %	100 %

* Includes women's formal sector salaries, as well as income from *shambas* owned or worked by women.

Source: Structured Survey; N = 50 Respondents

Women are therefore primary or significant contributors to the income of 68 per cent of the households represented in the survey.

The figures representing the primary source of income in male headed-households of married survey participants are of particular interest in view of the fact that many married women originally expressed a desire to earn an income as a means of supplementing the household budget provided by their husbands. However, data from the survey provides evidence that the gender balance of financial responsibility appears to be shifting in many of these male-headed households. As Table 5.5 illustrates, 42 per cent of the married women surveyed identified themselves as the primary income-earner in their male-headed household, and an additional 29 per cent of these women made a significant contribution to household

⁸¹ As defined in Table 5.2.

income. Thus, whereas 34 married survey participants name their husband as head of their

Table 5.5: Primary Source of Household Income in Male-Headed Household as reported by Married Survey Participants

Male-Headed Households ⁸²	Primary Source of Household Income				Total
	Woman's Business	Woman's Business + Woman's Other ^a Income	Woman's Business + Husband's Income	Husband's Income	
Monogamous Marriages	6	5	10	6	27
Polygamous Marriages	2	1	-	4	7
Total	8	6	10	10	34
Percent	24 %	18 %	29 %	29 %	100 %

^a Includes women's formal sector salaries, as well as income from *shambas* owned or worked by women.

Source: Structured Survey; N = 34 Respondents

household, 71 per cent of these women are solely or partially responsible for providing the primary source of income in their male-headed household.

The significance of the proportion of married women's financial contributions to household income vis-à-vis the contributions made by their husbands, as demonstrated above, must not be assumed to represent an increase in the net income or the overall well-being in their households. Indeed, in many cases the significance of women's contributions is indicative of the fact that women's earnings are increasingly being relied upon to maintain the household, while the husband's income is being diverted to expenditures which are not necessarily considered to be of direct benefit to the household.⁸³ Regardless of whether their financial contributions have served to maintain a basic standard of living or led to an increase in household well-being, the fact remains that these women's business earnings have come to

⁸² As defined in Table 5.2.

⁸³ These issues will be explored in greater detail in Chapter Seven.

represent an increasing proportion of the financial support upon which their household depends.

Women's Business Income: Supporting Aspirations for a More Secure Future

For many women, the income which they generate through their businesses is meant not only to ensure the daily sustenance of their households, but also to make some contribution to more long-term changes or improvements within those households. As demonstrated in the survey data presented above, many women use a portion of their business income to pay school fees or finance the purchase of a plot or construction of a house, and a number of women also allocate a portion of their earnings for personal savings or for reinvestment in their businesses. Each of these uses represents an investment in medium or long-term security for present and future generations.

As they expressed their aspirations for the future, many women explained how they hoped to use their business income to assure their children's well-being and future success.

For example, as Jamira explains:

I would like to open a bank account for each child . . . This money could be kept for them if anything happens to my husband or I . . . Even if we are still alive, our businesses might not be good and the children might get some trouble in living, so the bank accounts could be used to help the children (B01).

Another shopkeeper asserts:

My target for the future is to build a foundation for the lives of my children. I want to develop my business for the future benefit of my children. If God wishes to keep me alive, I want to save some money for the education of my children. . . . I don't want my children to stop at primary education like I did. I want to see them educated. I know the importance of education even though I'm not so educated myself. That's why, up until now, all my business life, all of the toil . . . it all aims at putting my children in a better position, so

that they don't have a life like mine (B05).

Both of these women are married, and the children to whom they refer in these passages were born to them by their current husbands. However, a number of married women also use part of their business income to support a child born to them by another man prior to their union with their current marital partner. These mothers make special efforts to support these children and provide for their future. Such is the case for one grain wholesaler who uses part of her business income to support her nine year old son who has lived with her mother in Mbeya town since his father passed away. She explains: "I send soap, sugar and clothes to my son in town whenever I can." She also deposits a portion of her business earnings in a bank account in her own name. "This bank account is savings for my nine year old son . . . This money will be given to him when he is grown so that he can start his life" (A08).

Other women in similar positions have also used their business income to provide some security for the future of children born outside of their current conjugal relationships. For example, one single mother purchased a plot and began building a house with her beer brewing money in 1984. When she married another man later that year, they built another house together, but she continued to build the other house in her own name. She explains: "I can say that this house is for my first born . . . Because his father is absent it is important for me to have something for him to help start his life as an adult" (B05). Another market vendor and beer brewer proudly explains that the income from her businesses enabled her to send her first-born son to technical college, and to support him until he began working. She emphasises: "This was my responsibility because he was my own son, not [my husband's]" (B03). These women's stories clearly demonstrate that they do not expect their current

marital partners to help support other men's children, and that the income which they generate from their own businesses is vital in enabling them to support these children with their own independent resources.

As in every other aspect of their businesses, women's short and long-term goals are diverse. Once again, this diversity is shaped in part by the resources which are available to each of them, and the degree to which each of their households is dependent upon them for sheer survival. Jamira acknowledges, for example, her own financial goals are relative to her position and experience: "Other people may think that we have enough money, but we are not satisfied because we were used to having more in the time that our business was doing well" (B01).

The diversity of women's business goals is evident in the way in which each of them measures the success of her own business. For example, when asked how her business was going, one grain vendor responded that her business was going "very well", qualifying this assessment by stating: "I can generate enough to eat" (C32). However, another woman who operates multiple businesses, including a ready-made clothing shop and a video library, was more reserved in assessing her level of success to date. She stated that her business was going "well enough",⁸⁴ explaining: "My goal has not been reached. I would like to have a monthly income of 700,000 to one million Tsh to allow me to expand my business" (C47). Clearly, these two women have very different goals in business. The difference in their goals contributes, in turn, to their different perceptions and measures of business 'success'. These differences in women's goals, the ways in which they intend to use their income, and their

⁸⁴ Swahili: *vizuri kiasi*

perceptions of success are critical to understanding their entire approach to doing business.

Conclusion

The heterogeneity of women's businesses is unmistakable, but this diversity extends far beyond the 44 types of business in which they engage, or the range in the amount of working capital each woman currently possesses. Much of the diversity of their business experience and their approaches to business is related to the opportunities, obstacles and obligations which differ for each of them according to their household and life-cycle circumstances. Indeed, differences in the range of intra- and extra-household resources and relationships to which each woman can lay claim, together with differences in the nature and magnitude of the claims made on each woman's business income, may be of much greater significance with regard to the business' viability or potential for growth than either the type of business in which she is currently engaged or the amount of capital which is invested in that business. Therefore, in order to gain real insight into the patterns and priorities of a woman's business it is necessary to look beyond the standard business indicators, to engage in a more holistic exploration of the multiplicity of factors which shape her life experience.

Chapter Six

Women's Experiences with Credit

Just as women's business experiences are varied and diverse, so too are their experiences with credit. Building on the understanding of women's business experiences developed in the preceding chapter, this chapter explores women's experiences with MCF solidarity group loans. The chapter begins with a brief outline of the MCF loan process, and proceeds, through women's own descriptions, explanations and analyses, to examine their credit experiences as a product of the conflict and coincidence which characterise the interface between MCF loan policies and the realities of women's businesses and management techniques. This discussion reveals a number of ways in which women's business realities and policy interpretations differ from the assumptions upon which these policies have been constructed. These contradictions and discrepancies are brought to light through an examination of the strategies which women adopt in order to resist, cope with or manipulate MCF's policies, and the various factors which motivate the adoption of such strategies, as well as through the explicit policy critiques and recommendations expressed by feedback seminar participants in the final stage of the research.

Many of these contradictions and discrepancies centre around women's experiences with loan repayment. The focus on loan repayment in this chapter is therefore reflective of women's own emphasis on the challenges and constraints which surround this issue, rather than the donor obsession with repayment rates which often takes precedence.⁸⁵ In

⁸⁵ However, the influence on loan recipients of donor preoccupation with repayment rates should not go unnoticed.

approaching issues related to loan repayment from the borrowers' perspectives, the evidence in this chapter will demonstrate the importance of seeking a more complete understanding of these perspectives in the formulation of effective project policies and the interpretation of project success, rather than basing such formulations and interpretations on assumptions which may not coincide with participants' perspectives and realities.

The MCF Loan Process⁸⁶

Under its solidarity group lending methodology, MCF issues small, short-term loans to groups of five women who mutually guarantee one another's repayment obligations. These loans are intended to increase the working capital of existing micro-enterprises, so as to promote business growth. It is expected that these businesses will expand or become more profitable as a result of the loan investment, and that such increases in business income and profits will generate corresponding increases in household income, standard of living and well-being. Each member of the solidarity group must therefore be the independent owner and operator of a legal business in which she has been engaged for at least one year.

Women who wish to receive MCF solidarity group loans must begin by identifying four other women who they know to be trustworthy owners and operators of reliable businesses, and who are also interested in receiving a loan. Together, these five women must report to the MCF project office to register as a solidarity group and pay the initial group

⁸⁶ This section outlines the various stages in the MCF borrowing process as I came to know them through general observation and discussions with MCF borrowers and staff. Where contradictions or ambiguities arose, I have deferred to MCF's *Solidarity Group Credit Policies* (MEDA, 1995a). Discrepancies do, of course, exist between the prescribed policies printed in the manual and those policies which are in fact practiced at MCF. The purpose of this section, however, is to outline the project as it is imagined by its planners. Assessments of how this plan corresponds to the reality which unfolds in Mbeya will be the subject of subsequent sections and chapters.

registration fee of 1,000 Tsh⁸⁷ (200 Tsh per person). Following group registration, all potential borrowers are required to attend a four hour training session at the MCF project office.⁸⁸ This training emphasises the obligations and responsibilities associated with receiving a loan, as well as the principles of group solidarity.

Once they have completed their training, groups who are confident in their ability to comply with MCF's rules and regulations proceed to the loan application stage. Although the loan will be issued to the group as a unit, each member must complete a separate application form and have their business assessed individually. An MCF promoter assists with the completion of application forms, visits each group member's business to assess it, and presents the group's collective application to the MCF Credit Committee (made up of senior project staff members) for approval.⁸⁹ The total amount of the group loan is approved on the basis of business indicators which demonstrate that each of the five group members owns and operates a business which will support the productive investment and timely repayment of an equal portion of the total loan amount, i.e., one-fifth of the group loan.

Groups whose loan applications have been approved are asked to return to the project office to sign (or fingerprint) the loan contract, and pay an insurance deposit equal to 20 per cent of the full amount of their approved loan principal (as depicted in Figure 6.1, Line 2).

⁸⁷ In 1996, when this research was conducted, 1,000 Tsh was equivalent to \$2.27 Canadian (OANDA, Inc., 1997- 1998). Refer to the Currency Conversion Chart in Appendix F for 1996 Canadian and United States dollar equivalencies of various Tanzanian Shilling amounts.

⁸⁸ These training sessions are generally held once a week, but new registrants may have to wait several weeks for training if upcoming sessions are already fully booked.

⁸⁹ The time elapsed between group registration and loan approval is variable. The entire process could be completed within two weeks, but it is likely to take much longer due to backlogs caused by high demand.

Once the insurance deposit is received by MCF, a cheque in the amount of the total approved loan is released to the solidarity group chairwoman who signs for it, and is then responsible for cashing it at the bank, dividing it into five equal portions (as depicted in Figure 6.1, Line 1), and distributing these to the group members.

Figure 6.1: MCF Solidarity Group Loan Balance Sheet⁹⁰

		Solidarity Group (Tsh)	Individual Group Member (Tsh)
Line 1	Loan Amount	500,000.	100,000.
Line 2	Insurance Deposit [20 % Line 1]	100,000.	20,000.
Line 3.1	Weekly Payment Amount:		
	<i>Principal component [Line 1/16]</i>	<i>31,250.</i>	<i>6,250.</i>
	<i>Interest component [20 % Line 1/16]</i>	<i>6,250.</i>	<i>1,250.</i>
	<i>Savings component [1 % Line 1]</i>	<i><u>5,000.</u></i>	<i><u>1,000.</u></i>
		42,500.	8,500.
Line 3.2	Repayment Subtotal:		
	16 Weekly Payments [Line 3.1 x 16]	680,000.	136,000.
Line 4	Total Paid to MCF [Line 2 + Line 3.2]	780,000.	156,000.
Line 5	Total Due to MCF:		
	<i>Loan Principal [Line 1]</i>	<i>500,000.</i>	<i>100,000.</i>
	<i>Total Interest & Fees [20 % Line 1]</i>	<i><u>100,000.</u></i>	<i><u>20,000.</u></i>
		600,000.	120,000.
Line 6	Accumulated Savings & Deposit = Balance Due to Borrower(s) [Line 4 - Line 5]	180,000.	36,000.

Source: Based on MCF's Solidarity Group Lending Policies as documented in MEDA, 1995a.

The term of the loan, from disbursement to completion of scheduled repayment, is eighteen weeks in total. The first two weeks following disbursement constitute a 'grace period' designed to allow group members time to invest their loan and begin to generate a profit. Repayment begins in the third week after disbursement, and continues on a weekly

⁹⁰ Group and individual deposit, payment and savings amounts for MCF solidarity group loans of various sizes are presented in Appendix G.

basis for the next fifteen weeks. As depicted in Figure 6.1, Line 3.1, each of these sixteen equal weekly payments includes a contribution to the loan principal, interest and fees,⁹¹ as well as a required savings component.

In most solidarity groups, one member (usually the group chairwoman) is designated to collect the weekly payments from each of the other four members and take the full payment to the bank. All payments are made to an MCF-employed cashier at the National Bank of Commerce (NBC) Mwanjelwa Branch, near the MCF office. A receipt is issued by the cashier for each payment received.

If a group fails to make their full loan payment on the appointed day, a penalty of one per cent of the original loan principle is added to amount due. Late payments are cause for an immediate follow-up visit from the promoter in order to ascertain the reason for lateness, to notify the group of the penalty, and to schedule a new payment date. If a group has missed four scheduled (or rescheduled) payments, MCF issues a notice claiming the group's original insurance deposit and accumulated weekly savings as payment toward their outstanding balance. If the insurance and savings are insufficient to cover the full amount of the group's outstanding balance, legal action is initiated in order to enforce collection of the remaining debt.

Groups who successfully repay their loan are eligible to apply for further loans from MCF. Before applying for each subsequent loan, groups are required to attend an additional two hour training session which reviews the program guidelines and principles. Following

⁹¹ All loans are subject to a flat interest rate of 13 per cent, as well as a five per cent technical service fee, and a two per cent application fee. These fees are combined and presented to borrowers as 'the cost of credit' in order to simplify matters (MEDA, 1995a: 7)

this session, groups proceed through the application, approval, disbursement and repayment procedures as they did for the original loan.⁹²

Based on the assumption that the previous loan has contributed to business growth, the principle amount of each subsequent loan is generally subject to an automatic incremental increase. In this regard, MCF policy guidelines suggest a targeted average of 500,000 Tsh for initial solidarity group loans, 750,000 Tsh for second loans, 1.2 million Tsh for third loans, and so on (MEDA, 1995a: 6). Although a 20 per cent insurance deposit continues to be required for each subsequent loan, groups who have successfully completed a previous loan carry a balance of insurance and accumulated savings equal to 36 per cent of their previous loan principle (as depicted in Figure 6.1, Line 6). This amount is usually sufficient to cover the insurance deposit required for their subsequent loan. Groups who do not apply for subsequent loans are eligible for an insurance and savings refund.

Women's Experiences with MCF Loans

Within the relatively rigid parameters of MCF's solidarity group loan policies, women's credit experiences loans vary greatly. As a result of their loan, some women experience increases in their business income which enable them to ensure better living conditions in their households. Such was the case for Hadija, who explains: "I have reduced the family problems. I am generating more profit which enables me to look after my family" (C38). In stark contrast, another rice processor asserts that she would have been better off without the loan, explaining: "If I hadn't taken the MCF loan my money would still be here, maybe I

⁹² The time which elapses between the final payment on one loan and disbursement of the subsequent loan is not regulated and may vary significantly.

would be able to develop my household" (C49).

Most of the research participants' credit experiences fell somewhere between these two extremes. For example, many women felt that the overall impact of the loan was positive, even though they experienced some difficulties with repayment. As one multiple business owner explains: "The loans are good, but the time to repay is very short . . . I had to squeeze my consumption expenditures overall" (C42). Some women felt that they were no further ahead as a result of the loan. Such was the case for one shopkeeper who remarked: "I have done nothing. I have just worked for MEDA. My main duty has been to repay the loan only" (C24). Others women encountered greater difficulty meeting their loans repayment obligations, and were forced to adjust their consumption patterns, sometimes even to the point of jeopardising the well-being of their households, as a result. In this regard, one cooking oil processor stated: "Instead of benefitting, I even finished my capital by having to pay so often - every week . . . I nearly went bankrupt. I almost failed to pay some of the expenses for the children" (C35).

This broad range of credit experiences is a product of diverse personal, business and household circumstances which shape the lives of individual women both prior to and during the loan period. These circumstances include, but are not limited to, the size and type of business which each woman operates, the purpose for which she seeks to earn an income, and the alternate sources of financial support to which she can lay claim in case of emergency. These and other factors which influence women's credit experiences are contextualised in the following personal narratives which depict a cross-section of the success and struggles encountered by women who received MCF loans.

Celina⁹³

Celina was operating a food-vending *kibanda* when she received her first loan of 100,000 Tsh.

I am convinced that I have gained significantly from this loan. I used it to invest in the *hoteli*⁹⁴ and began to buy small, fast-moving items to sell from my home . . . Afterward the capital was big compared to what my business had been. I was able to expand and make payments as well. . . . At the end of this loan I found that the *hoteli* had grown and the small shop 'born' of the loan was also doing well, so that was profitable.

While she continues to operate the *kibanda*, she has used her second, third and fourth loans primarily to expand the shop.

My goal is to have the capital in my shop valued at 1 million shillings . . . Because I have a goal to reach in my business I reinvest my profits. . . . In general, all food [for household consumption] is purchased by my husband, because I am working to increase my business.

Rebeka⁹⁵

Rebeka took 26,000 Tsh from the working capital of her fertilizer shop to make a deposit for a MEDA loan. She used her first loan of 130,000 Tsh to purchase cement to sell in her shop.

I cannot say how this project helps other women, but I am certain that it has helped me. . . . I am able to compare my daily sales and my present capital with what I had before MEDA. I am better off now. . . . I have diversified my stock, first with cement, then with other items because some are fast-moving, others are higher profit.

She has invested her second and third loans in fertilizer and limestone, as well as cement.

After each loan I am able to calculate the overall profit from the loan. I can use this money to increase my working capital. After the first loan the profit to reinvest was not clear because I was very nervous about making the weekly payments and avoiding being sued. The profit might have been around 38,000 Tsh. It was used to increase general working capital and stock. After the

⁹³ Direct quotations of Celina's words are taken from the transcript of her individual interview (A03).

⁹⁴ Restaurant

⁹⁵ Direct quotations of Rebeka's words are taken from the transcript of her individual interview (A06).

second loan, the profit of 80,000 Tsh was used to buy a plot for building. The value of the plot was 120,000 Tsh. I paid 80,000 Tsh with 40,000 Tsh remaining. This remainder was paid with profits after week eight of the third loan. Next week will be week 12 of the third loan. . . . Altogether I expect about 80,000 to 100,000 Tsh profit at the end of this loan. . . . There is so much to do with this profit - clothes for the children, other household items, but I would like to buy a sewing machine if I have enough money. These differ according to quality. A Singer might cost 150,000 to 180,000 Tsh, a Butterfly - 80,000 to 100,000 Tsh. This would be an asset. I could use it to get money or the children would use it to generate income

Celina and Rebeka's experiences demonstrate the expected, and much hoped for, result of receiving micro-credit. Rebeka has used her loan to expand her existing business; Celina has used hers to support her existing business, as well as to create a new business. As each woman's business has grown, so has her income. This increase in income has been more than sufficient to make the loan payments. Rebeka has been able to use the balance of this increase in disposable income to purchase goods and acquire assets which will contribute to the improved well-being of her household; Celina has used it to re-invest in her new shop. These women's positive experiences with credit are not, however, shared by everyone. Some of the experiences which other women have had with credit are illustrated in the following narratives recounted by Naomi, Magdalena, and the members of 'Tizo Group.

Naomi⁹⁶

Naomi received her first loan, in the amount of 130,000 Tsh, in October 1994. She explains how she got started in the loan process:

I took the 26,000 Tsh for the insurance deposit [which had to be paid before receiving the loan] from my kiosk's working capital because I thought if I paid the insurance I would get more money for the kiosk. I was able to repay this amount because I used the first loan to improve the kiosk. I had been selling small items like soap, combs, and so on, but with the loan I purchase *khanga*

⁹⁶ Direct quotations of Naomi's words are taken from the transcript of her individual interview (A11).

and *vitenge*. To get money for the loan payments I travelled to the *mna dani*⁹⁷ to sell the *khanga* and *vitenge*. I also was also giving *khanga* and *vitenge* on credit to people in town and then going to collect . . . Between the first and second loan I saw a big improvement in my business.

We took the second loan of 170,000 Tsh about three weeks after the end of the first loan. . . . It was during the harvest period so I used the capital to purchase rice paddy in Usangu. . . . I had relatives in Dar es Salaam who told me that there would be customers for ten bags of rice or more, so I sent seven bags. . . . While I was busy with other tasks my young sister [15 years old] looked after the kiosk. . . . When I returned from Dar es Salaam I closed the kiosk. There was a rice shortage, so I decided to purchase more paddy and sell it near the milling machine . . . During this time I continued selling the *khanga* and *vitenge*, but not in the rural markets, just in town. I had some problems paying the second loan because the interval between the payments was too short. I had to struggle very much.

The third loan was 300,000 Tsh. I used it together with my profits from previous sales to purchase rice paddy and *khanga* and *vitenge*. I faced some problems because the amount to pay to MEDA was large [25,500 Tsh weekly], and business was not good because it was approaching the agricultural season. Still, I was able to make my payments by circulating the capital within my businesses.

The difference from the first to the third loan is that because I increased my capital I am able to take capital from my business to pay off my loan and still keep the business going. My business has grown, the capital is larger. Before the first loan I had only a kiosk, but now I have moved on to *khanga* and rice which have bigger returns compared to a kiosk.

Overall, MEDA has helped me, even though it was sometimes difficult to get enough money for weekly repayments. Repayment affected household consumption: instead of having rice for dinner everyday, I sometimes had to substitute *ugali* at least five times per week; instead of buying meat three times per week, I could only purchase it once per week.

⁹⁷ *lit.* place of public sale; refers here to rural marketplaces.

Magdalena⁹⁸

Magdalena's group took a first loan of 80,000 Tsh each in April 1995.

This was a good period for business. I was able to generate a profit and make my payments. . . . The business grew and things went well, so we decided to continue with the second loan. Between the first and second loan we waited two weeks. Because all had gone well with the first loan we had no hesitations and were anxious to continue. During this waiting period I saw that I was generating a good profit and business was going well. We began to think that we would get rich.

The group took a second loan of 100,000 Tsh each at the end of August

Then Mkapa⁹⁹ took office and business began to plummet. Starting in October there were problems with repayment. Business changed for the worst abruptly. Payments were difficult. No one was buying anything from the shop. Sometimes it was necessary to take capital from business to make payments. We struggled to make our weekly payments because we didn't want to contradict MEDA's rules, so we continued to pay by taking capital from our businesses, that is, paying directly from sales rather than from profits.

We decided to take a third loan in March 1996 in anticipation of good sales at Eastertime (based on experience) and thinking that poor business may have been due to the rainy season. This has proved not to be the case. Business continues to be poor. Our third loan was for 240,000 Tsh each. The promoters told us that because we had been faithful in making payments this large amount was our reward.

Magdalena invested 140,000 Tsh of this loan in maize. Her brother-in-law, who has been involved in maize trade for a number of years, assisted her with this investment, taking her money with him when he made his own buying trips, and returning her profits when he returned from selling trips. She used the remaining 100,000 Tsh to increase the stock in her shop. The weekly payments on this loan are 21,400 Tsh each. She receives 6,000 - 8,000 Tsh every two weeks as return on her maize investment. The profits from the shop were 10,000 Tsh this week and 9,000 Tsh last week. The balance of her loan payment comes directly from the shop's sales income.

⁹⁸ Direct quotations of Magdalena's words are taken from the transcript of her individual interview (A17).

⁹⁹ President Benjamin Mkapa was elected to office in Tanzania's first multi-party Presidential elections, October - November, 1995.

We made our sixth loan payment yesterday. We have not missed or made any late payments yet, but maybe in the weeks to come. . . . There have been very big changes in business. . . . These days we are only working for MEDA. We are not getting any profits, everything is going to MEDA.

'Tizo Group: Daria, Helena and Rachel'¹⁰⁰

The five members of 'Tizo group had each had various individual *miradi* in the past. They trusted one another and knew each other as neighbours. Two months before going to MEDA they began selling charcoal and firewood together. In February 1995, they received a loan of 500,000 Tsh - 100,000 Tsh each.

Our plan was to invest in the business, to pay our loan first, then to have the profits that were left. This didn't happen. We weren't able to generate 42,500 Tsh [total payment required for the group] in profits in a week . . . We paid the loan for three weeks . . . The three payments we made were a combination of profit and capital, but mostly capital. After the first three weeks we made some partial payments. We went to explain that we were having problems.

Shortly after they received the loan, one member withdrew from the group as she was going to travel to her home in Tukuyu and stay for a long time. The group refunded her insurance money and assumed responsibility for her part of the loan. In April, Helena delivered a baby. She had serious problems and was hospitalized for six weeks. In May, Daria went to Ileje for one month to attend her uncle's funeral. That same month, the group's fifth member went to Dar es Salaam for religious duties.¹⁰¹ Rachel was left to do the business on her own. Then Helena's husband's vehicle was in an accident, leaving the group was left with no means of transporting their charcoal and firewood.

When we went to inform our promoter that we could only make partial payments, we asked if our insurance could help. We were told it was not enough. We returned home and continued to do our business until we were left with no capital. Then we just stayed at home, hoping to get some money. We sold some items to help pay our debts.

In February 1996, Daria and Helena were summoned to court on behalf of the group. Rachel was allowed to stay at home because she was nursing her sick husband.

¹⁰⁰ This narrative is based on a group discussion with Daria, Helena and Rachel, three members of 'Tizo solidarity group. Direct quotations included in this narrative are taken from the transcript of this group discussion (F04).

¹⁰¹ This group member has been away for more than one year. Although she made arrangements for her daughter to repay her debt when she left Mbeya, the remaining group members had not received these contributions at the time of the interview (F04).

We were told to pay our debt immediately. We came home and tried to sell items, but it was difficult. We struggled to sell, even at a loss.

Rachel sold a local cow for 60,000 Tsh. Helena sold a radio cassette player for 50,000 Tsh, a bicycle for 45,000 Tsh, and a bed for 20,000 Tsh. Daria sold a radio for 30,000 Tsh and her husband contributed 40,000 Tsh.

We paid [the remaining debt] in three instalments. . . . We received no receipts for the first two payments. . . . We have finished paying our loan now, but we are worried that we have overpaid . . . We have suffered a loss, but we have finished our payment. We would pursue the overpayment issue if we were going to continue with another loan, but we are scared.

These experiences demonstrate poignantly that loans do not always generate business growth or increases in disposable income. Indeed, to some extent, Naomi, Magdalena, and the remaining members of 'Tizo group, have all experienced diminishing levels of disposable income. What is most significant here, however, is that even as they experience these decreases in disposable income, these women continue to repay their loans, although perhaps not always within the prescribed timeline. Thus, it becomes evident that loan repayment is not strictly indicative of business 'success', and that, as such, repayment of a loan should not be assumed to represent increasing returns in the business in which the loan was invested.

The experiences of these women indicate that where their businesses fail to generate sufficient profits to cover both the loan repayment requirements and each woman's regular expenditures, a number of coping strategies may be invoked in order to meet the repayment obligation. In placing such priority on repayment, these women engage in trade-offs which may affect the quality of life within their households. In some cases, such as Naomi's, these trade-offs may be temporary in nature. This may be the case where reductions are made in certain household expenditures in order to ensure the availability of cash to make loan

payments. In such cases, once the repayment cycle is finished money which has hitherto been servicing the loan may be used to restore household living standard to previous levels, or even to improve them.

In other cases, such trade-offs may form the basis of more permanent changes for the individual, her business and her household. For example, where loan payments are made directly from the business' working capital, as in Magdalena's case, the business itself slowly becomes smaller, the income it generates diminishes in magnitude, and a greater proportion of this income and the remaining capital is required to make the loan payment each week. If the business outlives the loan repayment cycle, it is likely to be significantly smaller than it was before the loan, and therefore to generate a smaller income. For Magdalena, who relies on her business income to purchase personal items, as well as to supplement her husband's contribution to the household budget, a reduction in 'disposable income' during the loan period may mean going without certain items temporarily. A permanent reduction in income, however, may mean returning to the 'daily begging routine'¹⁰² which characterised her previous financial dependence on her husband.

Having not only completely decapitalized their businesses, but also liquidated some of their household assets in order to resolve the debts which they incurred during the loan process, renewed reliance on other resources, including dependence on their husbands, has been the only option available to members of 'Tizo group in the short term. In one sense, however, these women are fortunate in that they have access to other resources to meet their

¹⁰² The household budgeting arrangement which both men and women commonly describe as the 'daily begging routine' will be discussed in greater detail in Chapter Seven.

household subsistence needs. For a woman who is dependent on her business income for the very survival of her household, the effects of complete, or even partial, decapitalization of her business will be even more devastating.

The Difficulties of Regular, Weekly Repayment

The difficulties which Naomi, Magdalena, and the members of Tizo group experienced in repayment are not isolated incidents. Although the intensity of the difficulty encountered varies according to each woman's individual means and circumstances, similar experiences were recounted by many women throughout the course of the research. For example, nearly four-fifths of the survey participants reported some problems in meeting loan repayment obligations. For some this meant rare or occasional shortages of disposable income to cover the repayment amount. However, for more than two-fifths of the survey participants these problems took the form of frequent or constant difficulties in generating the funds required to fulfil both their loan payment and their other financial obligations on a weekly basis. Participants' sentiments regarding loan repayment are perhaps most aptly expressed in the words of one rice processor who explained:

The loan itself is very good, but it creates too much pressure. The time when you receive the loan you are very happy that you have increased your capital, but when it comes to paying it is difficult (A07).

Throughout the research, participants repeatedly cited MCF's weekly payment requirements as one of the primary sources of the pressures and difficulties which they associated with the loan. In this regard, more than half of those surveyed cited the frequency of weekly payments and the brevity of the repayment period (i.e., 16 weeks) as factors which make repayment difficult. It is important to note, however, that concerns about weekly

repayment were not limited to those who were struggling with or behind in their loan payments. In fact, nearly every woman who participated in the research asserted that the policy of weekly payments was cumbersome, at best. Many felt that MCF should review this policy. Indeed, feedback seminar participants' rank-ordered list of policy critiques begins: "The repayment period is too short"; the fourth entry in this list adds that: "Weekly repayment is too frequent. . . ." (G01; Appendix C).

The policy of weekly repayment is reflective of MCF's supply-side approach to micro-credit financing, under which a number of strict and uniform policies and guidelines are set according to top-down decisions about what is financially feasible for the project, i.e., regular and continuous circulation of the rotating loan fund through short, evenly distributed repayment cycles. While MCF's rationale for establishing such policies is understandable, this rationale does not allow space to account for the heterogeneity of women's businesses, the diversity of their credit needs, and the multiple demands which are placed on women's income and labour. Thus, in their preoccupation with determining what is financially feasible for the project, planners may overlook some of the factors which determine what is financially feasible for the targeted loan recipients.

The Realities of Women's Business Practices and Schedules

The expectation that weekly repayment will be feasible for loan recipients reflects planners' assumption that women's businesses generate regular daily income and operate on a fixed schedule which is relatively stable throughout the year. While this assumption may be appropriate for larger, more formal enterprises, it obscures many of the realities of women's micro-enterprises, including seasonal fluctuations, diverse business cycles,

unforeseen delays, and incidents of misfortune, as well as the holistic and integrative approach which many women adopt in the division of limited financial and labour resources between their various business, household and community obligations.

With regard to seasonal fluctuations and diverse business cycles, although some broad generalisations may be made, and certain patterns may prevail within various business sub-sectors, these aspects of women's businesses are characterised above all by diversity. As demonstrated in the preceding chapter, business cycles and seasonal fluctuations can neither be considered uniform nor clear-cut for all micro-entrepreneurs, or even within specific business sub-sectors. This diversity renders the implementation of strict and uniform repayment policies for all micro-entrepreneurs problematic. This is not to say that repayment policies should be entirely unstructured and negotiated only on a case-by-case basis, but rather, that greater consideration must be given to each applicant's knowledge of the income cycles and seasonal cash-flow patterns inherent in her own business, as well as her expectation of the way in which these patterns will influence her ability to meet MCF's repayment requirements.

About one-quarter of the survey participants indicated that seasonality contributed to the difficulties which they encountered with loan repayment. In some cases, unforeseen business or personal circumstances may cause the repayment of loans originally disbursed during a particular business' 'high season', to extend into that business' low season, thereby contributing to further difficulty in repayment. However, because the timing of loan disbursement is not discussed in the loan application process, many loans are disbursed and scheduled for repayment during the 'low season' for the business in question. Although they

are well aware of the seasonal cash-flow patterns within their individual businesses, participants can neither apply for a specific disbursement date in advance, nor significantly postpone disbursement of their loan once it has been approved. In order to avoid being approved for a loan during their 'low season', some women take the initiative to postpone future loan applications until their 'high season' approaches. As one grain wholesaler explains on behalf of her group:

We did not want to take a second loan in January or February because business isn't good. People are buying fertilizer, inputs and casual labour for their *shambas*, and paying school fees. There is no money circulating. People are busy cultivating (F01).

However, it is difficult for women to know exactly when to begin the application process because the time which MCF requires to process loans varies somewhat unpredictably.¹⁰³ As one rice processor notes: "Sometimes if you have to wait some time [for the loan to be approved] then the business you had planned might no longer be appropriate" (A07). Women who experience delays in loan approval may invest as they originally planned, but earn a lower rate of return than anticipated at the time of application. Others may find their original investment plan is inappropriate by the time their loan is approved, and may therefore decide to launch a new venture which may not coincide with the terms of the original loan. In either case, the propensity for the loan recipient to encounter difficulty with repayment will be augmented. Some of these difficulties may be alleviated by greater emphasis on the details of women's business and investment plans, including the seasonal elements of these plans, and

¹⁰³ Due to the nature of the revolving loan fund, however, the waiting period for a loan should be expected to be longer when the level of demand for new or subsequent loans is high or the rate of repayment of outstanding loans is low. Based on their experiences with MCF loan applications to date, feedback seminar participants indicated that this waiting period can be effectively expedited with the payment of a bribe to the promoter in question or the members of the Credit Committee (G01).

attempting to ensure timely disbursement of loans in accordance with these plans.

Based on women's experience that the realities of their businesses and the nature of their business management strategies form constraints which make weekly repayment difficult, seminar participants recommended that: "Repayment should be once every two weeks, except during the rainy season when it should be once monthly" (G01; Appendix C). It is important to note that the objective which underlies this recommendation seeks to secure more time for women to generate the amount of money which they are currently required to pay on a weekly basis. Thus, in recommending that the frequency of repayment be reduced, these women are simultaneously recommending that the term of the loan itself should be extended, resulting in a 32 week repayment period, over the course of which women would be required to make 16 biweekly payments.

*Bahati Mbaya*¹⁰⁴

Feedback seminar participants asserted that many of the struggles which they encountered during the loan process, especially the difficulties which they experienced with loan repayment, were the result of 'bad luck' (G03; Appendix E). The examples of 'bad luck' which participants cited can be divided into three categories: incidents of misfortune directly related to the business; incidents of ill health or death within the household and extended family; and, incidents of duplicity in certain relationships.¹⁰⁵ Participants' definition of 'bad luck' may therefore be considered to encompass a range of inevitable yet unpredictable

¹⁰⁴ Bad luck.

¹⁰⁵ In this regard, participants made specific references to their fellow solidarity group members, and their husbands. The implications of unscrupulous behaviour in these relationships will be discussed in further detail below: this chapter contains a section entitled 'The Solidarity Group'; and, Chapter Seven presents a detailed discussion of women's business and loan activities within the context of household gender relations.

occurrences which necessarily affect most women's ability to maintain weekly loan repayment.

Under the rubric of misfortune directly related to the business, theft was the most significant form of 'bad luck'. Ten per cent of the survey participants experienced difficulty with repayment following an incident of theft. A large proportion of a business' working capital may be lost to theft, particularly if a woman is robbed of cash or merchandise while on an important buying trip as is often the case. The implications which a sudden reduction of working capital such as this will have on a woman's capacity to meet her original loan repayment obligations are obvious. In addition to incidents of theft, the occurrence of other unforeseen circumstances related to the business, as outlined in the preceding chapter, may also impede a woman's capacity to achieve complete and timely repayment.

With regard to incidents of ill health or death within the household and extended family, the priority which women place on their obligation to care for the sick and dying in their households and communities, re-arranging or interrupting their business activities as required in order to respond to such incidents, is noted in Chapter Five. The prevalence of such incidents, and the duration of the interruptions which they incite, are evident in the experience of Tizo group. During the loan period, two members of this group were affected by death or ill-health: Daria was called to Ileje for one month to attend her uncle's funeral; and, Helena was hospitalised for six weeks following complications in child birth. Both of these women left others in charge of their businesses during these periods; both returned to find their businesses losing money and their loans in arrears. In addition, Rachel, the third remaining member of this group, encountered ill-health in her household later in the loan period. Her experience demonstrates that women's obligations to care for the sick and dying

are widely recognised and respected, as she was exempted from appearing in court with Daria and Helena because she was attending her sick husband.

In addition to placing demands on women's time, attending to the sick and dying may also exact a financial commitment from women, both in terms of the income which is foregone when business activities are interrupted, and in terms of cash contributions for health care services, medications, transportation and funerals. In some cases, incidents of illness and death may require large sums of money. Such was the case for one shopkeeper who lamented that her shop was now significantly smaller than it had been before her husband fell ill. She explained: "My husband died. I used more than 300,000 Tsh to care for him while he was sick and there are more expenses remaining for the final memorial ceremony" (C15).

For many women, however, costs associated with health care and funerals take the form of frequent demands for more moderate sums, which remain sporadic enough to be considered 'irregular' expenses. In keeping with their holistic approach to financial management which integrates their multiple obligations and allocates limited resources according to priority, many women draw on their business income, working capital, or even borrow money against future earnings, in order to cover incidental expenditures for health care, funerals and other problems.

The members of Jirani group provide an excellent illustration of the fungibility of business funds in this regard. These five women participate in *mchezo* with 30 other market vendors, each of whom contributes 500 Tsh daily, and collects 17,500 Tsh once every 35 days. This money is designated for business purposes and is supposed to be used to increase participants' working capital. However, accounts of the ways in which members of Jirani

group used their most recent *mchezo* earnings, as presented in Table 6.1, provide evidence that other priorities often prevail.

Table 6.1: Jirani Group - Use of *Mchezo* Earnings Designated for Business Development

Jirani Group Member	Use of Earnings from Most Recent Round of <i>Mchezo</i> (17,500 Tsh)	Current Working Capital (Tsh)
Zahara	"I was sick so I used part of the money for treatment and the rest for my business capital".	40,000
Josephine	"I went to Tukuyu for a funeral, so I used some of the money for fare and other things. The rest went to increase my business capital".	20,000
Mama Leah	"I had a debt to someone from when I had a previous problem, so I paid that off".	10,000
Mama Emmy	"I used the money for capital as I had fallen behind in my business".	6,000
Sioni	"My mother died. I put the money toward her funeral".	5,000

Source: F02

The fact that four of these five women used all or part of their designated working capital investment to meet health care, funeral and emergency debt obligations, indicates the prevalence of such needs and the frequency with which women may redirect funds intended for business use to other priorities. Moreover, the amount of working capital currently invested in each of these women's businesses, together with the fact that they had a collective debt to MCF of about 200,000 Tsh which was about four months overdue, serves to further underline the priority which women place on meeting these other obligations.

The prevalence and duration of women's obligations to care for the sick and dying, together with their continued commitment to fulfilling these obligations, imply inevitable complications in women's ability to meet MCF's requirement of regular, weekly repayment. Feedback seminar participants felt that fulfilment of such obligations constituted a valid

justification for missing a loan payment, and critiqued MCF's failure to differentiate between various reasons for which payments are missed:

Fines and penalties are imposed on women when they are already experiencing other problems and difficulties, i.e., illness, funerals, attending the sick, or beatings from their husbands (G01).

In response to this critique, participants recommended that:

Women who have been faithful in paying should be consulted before being fined. If they delay payment due to various problems like illness, funerals, or attending the sick, they should not be fined based on their record of faithful payment (G01).

In addition, research participants generally agreed that the difficulties which they encountered in repayment as a result of their multiple financial and labour obligations and the increased demands which resulted from incidents of 'bad luck' would be more manageable if the loan repayment period was extended to 32 weeks and payments were scheduled once every two weeks, as recommended above.

Other Problematic Policies

In addition to their dissatisfaction with MCF's policy of weekly repayment, participants identified a number of other MCF policies which they deemed problematic. These include the restriction of access to credit to women who have been actively engaged in their current business for at least one year, as well as the policies which govern the insurance deposit, the grace period and the solidarity group. Based on their own experiences and interpretations, participants perceive various aspects of these policies as either inherently contradictory or incongruous with their self-defined needs, objectives, and realities. This section outlines participants' critiques and recommendations with regard to some of the MCF

policies which they perceive to be particularly problematic, and highlights a number of strategies through which women in Mbeya have created space to realise their own objectives, in spite of MCF's official rules and regulations.

Targeting the Economically Active

The restriction of access to credit to those women already engaged in business activities provides an excellent example of the contradictions which arise between the intent of project policy and participants' zeal to achieve their own objectives. In this case, the intent of the project policy is to ensure that credit recipients have a reliable business in which to invest their loan productively, so as to facilitate prompt and complete repayment. However, as one feedback seminar participant explains: "At present many people succumb to the temptation of setting up a false business in order to secure a loan" (G03). Even if this loan is invested in a new business immediately, it is unlikely to generate sufficient profit to meet the repayment requirements designed for existing businesses. Participants who succumb to this temptation will, therefore, inevitably experience difficulty in repayment. In spite of the difficulties demonstrated through the experience of others, participants asserted that forgery of loan applications and presentation of 'borrowed' businesses will continue until MCF initiates a program to help people get started in business. Thus, in order to improve the overall rate of repayment, participants asserted that MCF should acknowledge the diversity of women's circumstances and objectives. To this end, seminar participants recommended that "MCF should have two types of loans: [one] for those who already have a business; [another] for those who wish to start a new business" (G03).

The Insurance Deposit

Participants also identified discrepancies between MCF's expectations regarding insurance deposits and their own experiences as business women. In this case, MCF requires each woman to make a deposit equal to 20 per cent of her total loan principal prior to loan disbursement. The assumption which underlies this requirement is that this deposit will be taken from a woman's business profits or savings. However, only about one third of those surveyed took their insurance deposit from these sources. Instead, many women borrow the money required to pay their insurance deposit from the current working capital of the business in which they intend to invest their loan. This was the case for nearly half of the survey participants. Other women borrow the insurance deposit from their other income generating activities, or even from their husbands, friends or family members.

Where debt has been incurred in order to pay the insurance deposit, the first thing that many women do when they receive their MCF loan is to pay off this first debt. As a result of using the MCF loan to resolve the debt incurred in order to pay the insurance deposit, these women are left with only 80 per cent of the loan principal to invest in their business. As one rice seller explains:

The loan is *called* '70,000 Tsh', but the 14,000 Tsh borrowed from other projects [in order to pay the insurance deposit] had to be repaid, so 56,000 Tsh was the *real* loan (A07).

This demonstrates a clear discrepancy between women's realities and project planners' assumptions that women will use savings to pay the insurance deposit and then invest the entire loan principal in their business.

The Grace Period

Once their loan application has been approved and their insurance deposit paid, participants receive their loan from MCF and enter the two week 'grace period' which is intended to give them the opportunity to invest their loan and begin to generate profits prior beginning weekly repayment. However, as one knife manufacturer notes: "Two weeks isn't long enough to begin to generate real profits" (A13). Her experience of the inadequacy of the two week grace period is echoed by a number of other participants. Indeed, the third entry in feedback seminar participants' rank-ordered list of policy complaints reads: "The grace period is too short" (G01; Appendix C).

Of immediate concern in this regard is the fact that the time required to implement the front-end investment necessary in some businesses may exceed the two week grace period designated by MCF. This is particularly true for women engaged in 'large-scale' production or processing of crops. For many women, an investment of the magnitude afforded by an MCF loan necessitates a major buying trip to attain large quantities of merchandise and supplies at a low price. Most women are reluctant to delegate such an important buying trip to anyone else, and therefore temporarily interrupt their regular business activities in order to make this buying trip personally. Because participants have little input regarding the loan disbursement date, however, they may not be free to travel immediately upon receipt of the loan. In these situations, postponement of loan investment necessarily postpones the realisation of returns on such investment. In addition, women's multiple responsibilities, together with the possibility of unforeseen logistical delays and incidents of misfortune, may further prolong the realisation of profits from women's loan investment.

Women who are unable to generate sufficient profit from their loan investment during the two week grace period borrow the money that they require in order to meet their initial repayment obligations from various sources, including their business working capital, their other income generating activities, and even their loan principle. Such strategies often incite further negative implications for women's business and household budgets, as well as their capacity to successfully repay their loan. In order to reduce the frequency with which women resort to strategies such as these, seminar participants recommended that: "The grace period for solidarity groups should be one month"(G01; Appendix C).

The Solidarity Group

The requirements of MCF's solidarity group lending methodology were also subject to participants' critiques and recommendations. Research participants expressed two inter-related concerns about MCF's solidarity group policies: the first relates to the size of the solidarity groups; the second relates to the mutual repayment obligations which these policies require.

With regard to MCF's requirement that solidarity groups must have five members,¹⁰⁶ the sixth entry in feedback seminar participants' rank-ordered list of policy critiques reads: "The solidarity groups are too big. Five people is too many" (G01; Appendix C). Individual research participants commented that it is often difficult to identify four other business women who know and trust each other well enough to form a proper solidarity group together. As a result, three or four women who know each other well may, in some situations, be forced

¹⁰⁶ This policy applies to the first two loans issued to any solidarity group. Beginning with their third loan, groups may vary in size to a minimum of three members.

to include in their solidarity group other women who they do not know as well in order to meet the five member requirement. In an effort to avoid the risk of adding 'strangers' to their group of three or four, some women make a 'special arrangement' with their promoter; others ask a fourth or fifth woman, who is not interested in receiving a loan, to pose as additional members of their group throughout the application process.¹⁰⁷ Under both of these strategies, the three or four actual group members negotiate the redistribution of the total loan principle (intended to be divided among five loan recipients) among themselves.

Once the group is formed, and the loan is approved, disbursed and distributed to the individual group members, the prospect of repayment begins to preoccupy most participants. The fact that they have mutually guaranteed one another's obligations to repay the loan is of particular concern and weighs heavily on the minds of many participants. This burden is reflected in the seventh entry in feedback seminar participants' rank-ordered list of policy critiques, which reads: "Being in a solidarity group means having to worry too much about whether the other group members will be able to pay (or finish repaying) their portion of the loan" (G01; Appendix C). Such worries are motivated by the solidarity group guarantee under which the group as a whole is obligated to make full timely payments, even if one or more of its members fails to make their proper contribution for one reason or another. Whereas the solidarity group methodology assumes that risks of having to assume the debts fellow group members will be minimised when women are encouraged to form groups only

¹⁰⁷ Although participants were reluctant to disclose details of the 'special arrangements' which they had made with their promoters or 'additional' group members, it was generally understood that, in exchange for their cooperation, promoters who turned a blind eye to the forgery of loan applications and contract signatures, and women who posed as group members during the loan application process, would be rewarded with a cash payment from the actual members of the beneficiary solidarity group.

with other women when they deem to be trustworthy, evidence presented in the preceding paragraphs indicates that this is not always how group selection unfolds.

Moreover, 30 per cent of the survey participants specifically stated that they considered the solidarity group guarantee to be precarious on the grounds that 'one can never know what might happen to the other members of the group'. This uncertainty has two components. The first relates to the ever-present possibility that other group members will encounter genuine problem such as theft, illness or death in the family, which will infringe upon their ability to meet their individual loan repayment obligations. The second component of uncertainty regarding other group members was made explicit by a number of survey participants who drew attention to the risk of 'unwittingly' forming a group which includes potentially troublesome or dishonest people. The inference here is that, where relatively large sums of money are involved, it is not always possible to predict how other people will behave, even if you have known them for a long time. This attitude is evidenced in feedback seminar participants' citation of "unfaithfulness" of other group members as one of the manifestations of the "bad luck" which contributes to the struggles and hardships encountered in the loan repayment process (G03; Appendix E).

Contrary to the assumptions of the solidarity group methodology, research participants were reluctant to use peer pressure to ensure that their fellow group members fulfilled their repayment obligations. In situations where fellow group members had cheated them or been dishonest, participants felt that peer pressure would be insufficient to rectify the situation; where other group members encountered genuine problems, participants sympathised with their colleagues circumstances and felt that pressuring them to repay was

inappropriate.

Furthermore, in situations where individual group members are struggling to make their own loan payments, participants maintained that the burden of assuming the unpaid debts of fellow group members is simply unaffordable. Women who are unable to repay the debts incurred by fellow group members are forced to let their loans fall into arrears, thereby forfeiting their insurance deposit and accumulated savings, risking litigation, and jeopardising their own opportunities to secure future loans, even if they have repaid their own portion of the loan in full.

With regard to the specific circumstances under which the solidarity group is expected to take on the burden of repayment for individual members who fail to complete their repayment obligations feedback seminar participants offered two further recommendations:

When women encounter difficulties (i.e., *bahati mbaya*), MCF should allow the group to present information about that problem. This information should be considered. If the group is trustworthy, and the problem is a valid one, the member with the problem should be given appropriate time to recover, and the others should continue paying their portion of the debt to MCF as agreed (G03);

and,

If one group member admits to cheating the other group members, MCF should intervene and officially redistribute the remaining debt according to that member's confession (G03).

The participants who made these recommendations were well aware that individual consideration of group members' circumstances and intervention in group relations are contradictory to the very premise of MCF's solidarity group contract, but they maintained that, in its current form, which neglects the impacts of these realities of group relations, the solidarity group contract saddled them with an unreasonable burden. Participants asserted

that many of the difficulties they experienced within the solidarity group would be minimised if the required number of group members was reduced. In response to their own critiques, feedback seminar participants therefore recommended that: "The solidarity group should be reduced to three people" (G01; Appendix C).

Ever Increasing Loan Sizes

Another area where project planners' assumptions do not always correspond with participants' realities is related to the policy of increasing loan sizes. The assumption here is that participants will be able to expand their businesses with each loan they receive. These equity increases are, in turn, assumed to enable participants to support increasing subsequent loan principal amounts. However, this is not always the case. For various reasons, many women do not expand their businesses when they receive a loan. In other cases, business growth may have occurred as a result of a previous loan, but even these businesses might not be growing at the same rate as loan sizes increase. Nonetheless, it seems to be expected and well-understood among both participants and project staff that loan sizes will automatically increase by relatively fixed increments from one loan to the next. Thus, in most cases, even where actual business growth has not occurred, subsequent loans are still larger.

Since the loan size is calculated by a formula which uses basic business indicators, a number of questions must be raised regarding the accuracy of the data upon which these calculations are made. Are such data actually collected, or are they simply calculated backwards from the next available loan size? If the data are actually collected, are they inflated by the borrower single-handedly, or in cooperation with the promoter? Where borrowers single-handedly inflate figures, what responsibility rests with the promoter to verify

the accuracy of these figures? Do promoters who write applications for larger loans feel that they are helping borrowers based on the premise that 'bigger is better'? Do borrowers feel that this is desirable?

Regardless of the means by which the loan size is calculated, the question which remains is whether or not a larger loan is necessarily better if the borrower's means of repayment remain approximately the same (or even decrease as a result of the burden of repayment). The experience of Jirani group offers an excellent illustration of this dilemma.

Jirani Group¹⁰⁸

The members of Jirani group have been selling tomatoes at contiguous individual stalls in Mwanjelwa market for eight years. There are good seasons (September to December) and bad seasons (April to August) for this business, but these women continue to sell tomatoes year round. They reported that when business is good each woman might sell one basket of tomatoes in a day, earning a profit of 3,000 Tsh. If business is bad, however, it might take two days to sell a basket full of tomatoes and the profit might be only 1,000 Tsh. During the good period it is possible to earn 10,000 or 20,000 Tsh in a week.

In 1994 these women formed a solidarity group and took a loan of 50,000 Tsh each from MCF. They continued with a second loan of 100,000 Tsh each, and a third of 150,000 Tsh each. In December 1995 they received a fourth loan of 200,000 Tsh each. Group members used these loans to invest in their businesses' working capital (i.e., to purchase tomatoes for resale). They reported that they paid the first three loans "just fine", but that they were having difficulty with this fourth loan. In August 1996 they estimated that as a group they still owed about 200,000 Tsh on this loan. They found that the weekly payments of 17,000 Tsh per person were difficult to manage.

The difficulty which these women are experiencing in repayment should not be surprising; the 17,000 Tsh weekly payment is close to the highest amount that group members cited as a possible profit in the good season which was drawing to a close when they received the loan. It is perhaps more pertinent to ask why and how these women were issued

¹⁰⁸ This account of Jirani group's business and credit experience is presented here in *my* words, based on a group discussion in which all five members of the solidarity group took part (F02).

loans which seem inappropriately large relative to their businesses.

The response to this question may begin with an examination of the difficulties this group has had with repayment in light of their aspirations, potential and achievements in terms of business growth. First of all, it is necessary to note that an increase in working capital is unlikely to increase the volume of tomato sales for any one of these women, as together they already provide enough tomatoes to satisfy local demand. Secondly, increased working capital can not be used to purchase large quantities of goods at lower prices, i.e., to achieve economies of scale, in this situation because, as one member of the group pointed out: "Tomatoes rot if they don't sell. If there are no buyers then the capital decreases" (F02). The group members purchase tomatoes from their supplier for 3,000 Tsh per basket. At the height of their season each woman might sell one basket of tomatoes each day. In view of the perishable nature of their product, their limited market and their relatively low rate of turnover, one might wonder how a 200,000 Tsh loan could be 'productively' invested in this business.

Under these circumstances, it might seem that business growth would be best achieved if these women dispersed to different locations to serve a larger market, or engaged in other businesses where economies of scale might be achieved. However, the members of Jirani group have no such plans. As one group member states: "Business is bad [now], but this is the business we are used to so it is difficult to change . . . Things should improve in September." In the meantime, only one member reported a net increase in her working capital since the group applied for its first loan. Indeed, most of group members have significantly decapitalised their businesses over this time period (refer to Table 6.2).

Table 6.2: Jirani Group Members' Evolution of Working Capital

Jirani Group Member	Original Working Capital (pre-Loan # 1)	Current Working Capital (mid-Loan # 4)
Sioni	50,000 Tsh	5,000 Tsh
Mama Emmy	30,000 Tsh	6,000 Tsh
Mama Leah	40,000 Tsh	10,000 Tsh
Josephine	35,000 Tsh	20,000 Tsh
Zahara	20,000 Tsh	40,000 Tsh

Source: F02

Bearing in mind that it is not possible to draw any firm conclusions from such beginning and end point data without several midpoint or interval figures, and that these changes may be attributed to a number of different factors, and may only be temporary in nature, the data presented in Table 6.2 do not show any evidence that these women's businesses have increased fourfold in proportion with their loans.

It is important to note here that this particular discrepancy was not among those identified as problematic by project participants. Indeed, the policy of relatively automatic increased in loan sizes was welcomed by participants who were pleased to have access to ever increasing amounts of capital, and regarded these as an entitlement contingent only upon successful repayment of previous loans, an accomplishment which did not always or necessarily coincide with business growth. These considerations, taken together with the data presented in Table 6.2, the apparently saturated state of the market in which the members of Jirani group conduct their businesses, and the group members' reluctance to change or diversify their current business activities, point to a clear discrepancy between project planners' justification for increasing the principal amounts of subsequent loans, and

participants perceptions of these increments.

Resisting Project Policies

The strategies which women in Mbeya have adopted in response to their frustration with those MCF policies which they deem problematic, have enabled many women to achieve their short-term goal of gaining access to credit. As they assert their agency through the implementation of these strategies, these women resist the power of foreign planners to define the terms of their participation in this project. However, the barrage of donor-defined terms of loan repayment which these women face once they succeed in gaining access to credit, may further conflict with their realities and limit their potential to benefit fully from the loan. In particular, the circumvention of project regulations which such strategies of resistance imply may augment the potential for women to experience difficulty repaying the loan according to the terms set out by MCF, as the amounts which are invested, and the businesses in which these investments are made, no longer coincide with the data upon which women's capacity to complete successful repayment within the 18 week loan term was assessed.

Women's Strategies for Coping with Repayment

Faced with the challenges of loan repayment as described above, women in Mbeya adopted a number of strategies which aimed to facilitate fulfilment of their loan repayment obligations. Since the primary challenge in this regard was securing enough cash to meet the repayment requirement each week, many of these strategies involved trade-offs such as diversion of revenues, reduction of business and consumption expenditures, and liquidation of business and household assets and reserves.

Diversification of Activities and Diversion of Revenue

Many women operate two or more businesses simultaneously as a means of ensuring some level of security with regard to their ability to fulfil the personal and household needs which they seek to meet with their income. A similar approach may also be taken with regard to the fulfilment of loan repayment obligations. As one woman who, in addition to the daily operation of a small shop, also engages in rice vending, dairy production and milk sales, and cultivation of small cash crops, states unequivocally: "You must diversify, so that if you fail in one initiative you can still continue to pay. Otherwise you will have no security" (A13).

Another woman, whose primary business activity is rice vending, elaborates:

The payments for the loan have to come from other projects. You cannot rely on simply selling rice. If you go to Kyela [to purchase paddy], you can stay for one week. Then you come back and begin drying the paddy and husking the rice - already three weeks have gone by. So you have to borrow from another project in order to make your payments. . . . I did not invest any of the loan money in my yoghurt or charcoal businesses, but much of the repayment money came from these sources (A07).

A sunflower oil processor who reported seven 'supplementary' income-generating activities reaffirms: "Weekly payments are a problem. All of the money from my other projects is going to MCF. . . . If I had no other projects I would be stranded" (A02).

The income from these multiple activities obviously assists these women in meeting their loan repayment obligations. However, it is important to note that these diverse activities were, in most cases, originally initiated in order to meet other personal or household needs. Thus, diversion of such revenues for the purpose of loan repayment under this strategy may negatively impact household consumption and other needs for which this income was originally intended.

In other cases, the loan may prompt women to (further) diversify their business activities. For example, the obligation to continue loan payments during the low season may lead some women to search for ways to adapt their businesses in accordance with the season, thereby increasing their profits and their ability to keep up with their loan payments. Such was the case for one soda vendor who explains:

[My] business was good during the hot season, but not during the cold season. When I got the loan I could no longer simply accept the bad business during the cold season. Because I needed income to repay my loan I began selling hot milk and *uji wa ulezi*¹⁰⁹ during the cold season. I generated the income I needed to repay my loan and learned something new about my business at the same time (G02).

It must be noted here, however, that not all women have the same degree of versatility in their businesses. Their capacity to change their business may be constrained by limited market demand or saturated markets, as well as by the array of resources available to them and the number of conflicting demands which may be placed on these.

Seeking Assistance from Their Husbands

Some women also view telling their husbands about their loans as a strategy for coping with potential difficulties in repayment. As Celina explains for her group: "We decided to inform our husbands [about the loan], so that we could get money from them if we ran into problems" (A04). For many women, however, asking their husbands for assistance with the loan is a last resort. As one rice vendor explains:

The husband must be informed of the loan so that he can assist you if you get sick or die, but otherwise it is not his problem. . You are the one that took the loan - it is up to you to repay. If things are hectic it is because you decided to

¹⁰⁹ Thin porridge made with millet flour.

take the loan - he can sit back and relax (A07).

Although some husbands may voluntarily draw on their own resources to provide assistance to their wives when they are faced with particularly difficult circumstances such as having been robbed, taken to court or imprisoned, it is important to note that such assistance may create new kinds of debts for women, putting them in positions of new and greater dependence on their husbands. Furthermore, even when women are able to draw on their husbands' resources to help resolve their repayment difficulties, this does not mean that the effects of such difficulties are not felt at the level of the household. For example, as one woman who encountered difficulty in repayment after been robbed explained:

I was doing business before for four years before I was robbed. I was helping my husband with expenses. . . . Now I am grateful that his salary is able to pay my debt to MCF, but this affects household consumption because the same salary has to pay MCF and household consumption. . . . (F03).

Thus, women who turn to their husbands to help defray the burdens of loan repayment may encounter struggles and hardships associated with reductions in household consumption, as well as those associated with having to request assistance from others (G02; Appendix D).

Establishing a Contingency Fund

Aware of the difficulties which other women have encountered, some women take 'preventative' action by setting aside a portion of their loan principal as a contingency fund to assist with repayment. For example, one firewood vendor who received a loan of 80,000 Tsh explains: "I invested only 60,000 Tsh in firewood [for selling], and kept 20,000 Tsh in case of delays in receiving the wood and preparing it for sale" (A20). As in the case of borrowed insurance deposits, however, this practice of keeping a portion of the loan principal aside

reduces the magnitude of the investment which can be made with the loan, thereby distorting the figures upon which the ability to generate income sufficient to meet repayment requirements was originally calculated. Thus, while this strategy provides women with a certain amount of security, easing their anxiety about the need to consistently generate enough profit to meet weekly repayment requirements, the fact that a portion of the loan principal is withheld from investment may ultimately contribute to the very difficulties which it was meant to alleviate.

Women's Motivations to Complete Repayment

Feedback seminar participants compiled a list of the struggles and hardships which many women experience during the loan process. Resulting sometimes as a direct result outcome of MCF policies, sometimes as an indirect outcome of the strategies women adopt in order to cope with these policies, and often as a combination of both of these factors, these struggles and hardships included: decapitalisation of women's businesses; stress-related ill-health of the loan recipient; reduction of household consumption; increased incidence of dependency on others; and, reallocation of labour and other resources to loan repayment activities (G03; Appendix E). In the face of these hardships, one might wonder what motivates women to struggle to complete repayment. Why do they not simply default on these loans?

Fear of Negative Repercussions of Non-Repayment

The most obvious reason for the priority which women place on loan repayment is their fear of the negative repercussions of non-repayment. These fears are evident in feedback seminar participants' descriptions of the feelings evoked by failure to meet their loan

obligations. They explained: "You are scared of MCF, your fellow group members, and of going to court or prison; you are ashamed of what people will say about you" (G02). Indeed, throughout the research, participants insisted that they had to repay their loans in order to avoid being taken to court or prison. In this regard, the experiences of women like Consoleta have served as a warning to other women.

Consoleta¹¹⁰

Consoleta was pregnant when she applied for her second loan in amount of 200,000 Tsh. Shortly after receiving the loan, she was called away to a funeral in Kyela for three months. Not long after she returned to Mbeya, her baby was born. A few months later, Consoleta and one of her colleagues were taken to court, and subsequently imprisoned for failing to meet their loan repayment obligations.

Consoleta prefaces her reflections on the impacts of the legal process her overall experience of business decapitalization and dependency during the loan:

Before I went to MCF I had a small *kibanda* selling small items . . . After my second loan and the imprisonment, I had nothing. Now my husband just brings things from his trip and I sell them for him, but I have to record everything and then turn the money over to him.

This experience has led to a reduction the standard of living within her household:

Previously I had moderate household expenses. Now I have reduced. I see that I am underdeveloped compared to others. We used to eat meat, but now we just eat beans. If we eat meat we will not be able to look after the children. I am trying to squeeze my budget so that I can repay MCF and finish my debt.

Consoleta's experiences in this regard are examples of the struggles and hardships which may be associated with women's strategies for coping with loan repayment, but the repercussions of legal action extend beyond these. Consoleta continues:

¹¹⁰ This narrative is based on a group discussion with Consoleta and the two other members of her solidarity group. Direct quotations of Consoleta's word, as well as those of her colleague, are taken from the transcript of this group discussion (F03).

We have not robbed from MCF. We were just given a loan and we had some problems, but the treatment we are receiving is the same as if we had stolen. The promoter can come in the street and announce to all that I have taken his money. I am embarrassed and ashamed by this. I am also shy to stay alone in my shop. Sometimes I can ask my husband to come to the shop with me. The last time [my promoter] came he said that he was going to come to my shop with the auctioneer and auction off my goods.

In addition to these forms of public humiliation, individuals in positions of power have found ways to use the threat of prospective legal action, and even the actual legal process itself, as opportunities to extort money from the women involved. One of Consoleta's fellow group members explains her experience with this type of extortion:

There was a militia man sent here by [our promoter]. When he came I had to pay him something so that he wouldn't take me to prison. He came eight times to visit me before I was arrested. I had to pay him 3,000 or 4,000 Tsh each time.

Even after she and her colleague were imprisoned, the extortion continued, as Consoleta explains:

Our husbands went to see the judge. He said, "They can't come out until they pay their debts." Our husbands asked, "How can they pay when they are in prison?" Then our husbands negotiated to pay the judge 17,000 Tsh each to have us released.

Consoleta's group's experience with extortion of this kind is not unique. Members of 'Tizo group were also required to pay a number of 'fines' when they reported for their court hearing: 10,000 Tsh to their promoter; 10,000 Tsh to the judge; 5,000 Tsh to the judge's secretary; and, 30,000 Tsh for the work they had created by having to go to court. In addition, when Helena and Daria were imprisoned after the hearing, Helena's husband had to make a payment to the judge before they could be released (F04).

These women's experiences indicate that the litigation process not only exposes

women to public humiliation and shame, it also places them in extremely exploitative power relationships which seem to inevitably increase the cost of the loan for those who are already struggling to repay, and often appear to lead to increased dependence on their husbands to help with negotiations, as well as payment of bribes and fines.

Hope of Experiencing 'Better Luck Next Time'

Fear of the negative repercussion of non-repayment may explain why women undertake coping strategies which may jeopardize the security of their businesses, the standard of living within their households, or even their own autonomy, in order to repay their current loans. It does not, however, offer any explanation as to why women who have struggled to repay one loan, would subsequently apply for another loan, which, as discussed above, is likely to be larger and therefore more difficult to repay. Although such a scenario may appear to be incongruous, the fact of its presence provides evidence of the need to reconceptualise what constitutes a 'successful' loan.

According to MCF regulations, access to future loans is contingent upon complete repayment of previous loans. Thus, access to future loans may act as an incentive for repayment of current loans. For women who have enjoyed financial success with previous loans, the motivation to apply for subsequent loans seems quite apparent. It is therefore not surprising to hear Celina declare emphatically: "[My colleagues and I] will continue to take loans as a group . . . as long as possible" (A04).

Magdalena, on the other hand, is more hesitant about the prospect of taking another loan, but remains open to the possibility. Referring to the problems which she and her colleagues are currently facing with regard to repayment she says:

Because of these difficulties we are afraid to take another loan when this one is finished. . . . We will see how it is going with our payments. It is possible that we will take another loan (A17).

Magdalena's optimism about the possibility of future loans in spite of the difficulties she is currently experiencing with repayment might be based in part on the hope that changes in her own circumstances or in the broader business environment might better conditions for financial success in the next loan cycle. In short, Magdalena hopes her luck might change with the next loan. In like manner, although the remaining members of 'Tizo group are scared to take another loan themselves, they explain that would not discourage others from applying for a loan from MCF: "We would just let them go to try their luck. Everyone has their own luck. We can't say if they will receive a profit or a loss" (F04).

Indeed, regardless of the difficulties encountered by many women in the repayment process, nearly all of the research participants stated that they would like to receive another loan in the future. Forty-six of the 50 women surveyed said that they would apply for another MEDA loan when they finished with their current payments. Three of the survey participants indicated that they would not apply for another loan under the current MEDA regulations, but said they would consider applying for another loan if the repayment period was extended. Only one woman in fifty stated definitively that she would not apply for another loan. She felt that she would not be eligible to do so.

The overwhelming desire to obtain future loans, present among both 'successful' and 'struggling' borrowers, is an indication that the loan must carry with it benefits which extend beyond the measures of business growth and financial success which might be assumed to be standard reasons for requesting subsequent loans. The existence of such benefits may provide

incentives for women to continue repaying their loans, even if they are struggling. Such repayment affords the opportunity not only to continue to reap these benefits during the current loan period, but also serves as a means of ensuring access to future loans, and therefore to continue to reap these benefits.

Benefits of the Loan

Throughout the research both 'successful' and 'struggling' borrowers repeatedly identified the same benefits of participation in the loan process. In individual interviews and group discussions research participants reiterated that the loan had helped them to: increase their working capital; decrease their dependency on their husbands; and, keep themselves from being 'idle'.

Increases in Working Capital

Allusions to the financial benefits of the loan, were represented in feedback seminar participants' statement: "MCF has helped us to increase our working capital"(G02; Appendix D). For women like Celina and Rebeka who have experienced business growth as a result of the loan, the meaning of this statement is clear. However, many others who have not experienced tangible business growth repeated the same assertion.

Where business growth is not apparent, women's claims that the loan has 'helped them to increase their working capital' may constitute part of a strategy through which they seek to ensure future access to credit by co-opting the language of the project objectives to represent their own experiences. For example, although it is accurate to say that most women use their loan to purchase stock for their business, thereby effecting an initial increase in the working capital within that business, in many cases this initial increase in inventory is not

maintained after the original investment; as income is received from the sale of this inventory it may be absorbed in loan repayment or funnelled into the household budget, rather than being reinvested to maintain this increased inventory. Where sales income is funnelled into the household budget, the loan may have a positive influence on women's households by helping them to avoid distress sales, to achieve short-term income stability, or to invest in bulk items or consumer durables which will outlast loan repayment. In this manner, a temporary increase in working capital may be seen as an important means of easing the cash flow crisis within the household. In situations such as these, the incentive to continue receiving further loans lies in the promise of a similar hiatus in the household cashflow crisis upon receipt of each loan.

It is, however, important to consider the influence the size of the loan will have on the effectiveness with which this strategy is implemented. If the loan is small enough so that the weekly payments are not unmanageable, this strategy may prove to be an effective means of temporarily increasing the financial stability of the household and reducing stress related to meeting household consumption needs. As loans increase in size, however, women who have not experienced a corresponding increase in their business incomes are likely to encounter repayment difficulties which may eventually lead to increased financial stress within the household. Both the extent to which the direct diversion of loans in support household consumption is practiced, and the extent to which this practice may be directly linked to repayment distress, remain unclear as a result of this research, but are felt to be significant.

Reduced Dependency

Claims regarding women's increased financial self-sufficiency as a result of the loan emerged through individual interviews, wherein women explained that they no longer had "to

beg" for money from their husbands in order to purchase small items for the household or personal items for themselves. Feedback seminar participants reasserted this claim stating: "We have reduced our dependency on our husbands"(G02; Appendix D). The politics of household budgeting, and the renegotiation of household financial responsibility which may be stimulated by women's access to credit, will be addressed in greater detail in Chapter Seven. It should be noted here, however, that gains in financial self-sufficiency will not necessarily be synonymous with increased affluence. In fact, in many cases, gains in financial self-sufficiency may be accompanied by lateral, or even negative changes, in standard of living. The benefit of attaining such self-sufficiency is therefore seen to lie in the fact that it affords new opportunities to exercise autonomous power.

Avoiding 'Idleness'

The desire to 'keep from being idle', which many women cited as a motivation for engaging in business activities, was also upheld as one of the objectives which women were able to achieve through participation in the loan process. In this regard, feedback seminar participants claimed: "The loan has helped us to keep from being idle. It has made us active. We have become creative by taking on other activities" (G02; Appendix D). The intricacies and significance of this gendered discourse on women's 'idleness' will be explored in greater detail in Chapter Eight. It should be noted, however, that the benefits to which women allude here relate to the new types of activities which the loan enables them to take on, rather than the overall increase in their workload which the business and loan imply.

Women felt that other people in their community had begun to see them differently as a result of their loan activities. Feedback seminar participants noted: "Through MCF we

have gained the trust and respect of our communities" (G02; Appendix D). They offered several examples of the ways in which this trust and respect had been manifested to them. One woman remarked: "If I ask someone for a loan now they know they can trust me to return it"(G02). Another woman noted: "More people are now requesting my advice for their businesses and on whether or not to take a loan"(G02). A third woman explained: "When people see me, they think I am well off, that I have no problems financially because they see that I am very active in my business." (G02).

Feedback seminar participants also noted a number of positive changes in self-perception as a result of the loan. Some women clearly linked their new perceptions of themselves to improvements in their economic position, as one woman explains: "I have gained more confidence in myself. I have more money now. I know I can make my life better than it was before"(G02). In other cases, positive changes in self-perception were related to successful repayment of the loan. One woman explained that she gained more self-confidence as a result of repaying the loan. She continued: "I know I have done it successfully once, now I am waiting to do it again" (G02). However, the benefits which women derive from the ways in which participation in the loan process 'keep them from being idle', are not limited to incidents of 'successful' repayment. Ironically, these benefits may even increase in the face of struggle to repay the loan. As one grain wholesaler explains: "Sometimes it is necessary to struggle or work hard in order to get money to pay our loans. But to struggle is good. It keeps you active" (F01).

These descriptions of the benefits which women derive from participation in the loan process provide evidence of the fact that their definitions of a 'successful' loan experience

often extend beyond, and, in some cases, may even exclude, business expansion and increases in disposable income. It is only in understanding the benefits which women seek to derive from the loan process, the ways in which they define their own 'success' in this regard, that their motivations for participation - for struggling to repay one loan in order to secure future access to another, larger one which will inevitably be more difficult to repay - can truly be understood.

Conclusion

Through the examination of a broad range of women's credit experiences, this chapter reveals that the varying degrees of struggle and success which research participants have encountered in the loan process are due, in part, to the discrepancies which exist between their realities and the assumptions upon which MCF's solidarity group lending policies are constructed. In addition, this examination points to the fact that the diverse and dynamic nature of women's individual realities will contribute to the broad range of their experiences within the context of MCF's relatively rigid project structure. However, women's analyses of their loan experiences indicate that they are well aware of the challenges and constraints which are posed by their individual circumstances, and that many of the discrepancies which currently lead to difficulty in loan repayment may be reduced, or even avoided, through the introduction of minimal flexibility of MCF credit policies and more sensitive and detailed consultation with the potential loan recipient during the application process.

In the meantime, women in Mbeya have developed a number of strategies of resistance which enable them to manipulate MCF's credit policies so as to incorporate their own objectives. Although these strategies enable women to gain access to MCF credit when

they might not otherwise have been eligible, the strategies themselves often accentuate, rather than alleviate, the difficulties associated with loan repayment. These difficulties, in turn, prompt women to adopt various coping strategies which enable them to meet their repayment obligations according to their own schedules and circumstances, if not according to MCF's terms of reference.

The trade-offs which these coping strategies imply, and the struggles and hardships which often ensue, provide evidence of women's commitment to fulfilling their loan repayment obligations and demonstrate that these women are not always motivated by capital accumulation and business growth, and that loan repayment can not be assumed to be an indicator of 'success' toward these ends. Indeed, even in the absence of clear financial dividends, women in Mbeya struggled to repay their existing loans. Such repayment is motivated in part by the fear of litigation, but it is also inspired by the promise of access to future loans which is contingent on complete repayment of previous ones.

In light of the struggles and hardships encountered in their previous loan experiences, women's desire to obtain future loans indicates that they must derive some benefits from the loan process other than the financial ones anticipated by project planners. In this regard, Chapters Seven and Eight explore the benefits of decreased dependency and increased activity which participants attribute to their participation in the loan process, seeking in particular, to identify the ways in which women have created space for the renegotiation of certain power relations within their households.

Chapter Seven

Women as 'Beggars', Women as Providers: Gendered Discourses of Power and Resistance in the Division of Household Economic Responsibilities

Projects which seek to provide credit to women who are engaged in micro-enterprise activities are commonly premised on the assumption that access to credit will enable these women to increase their business revenues, and that such increases in income will, in turn, enable individual women to improve the standard of living and well-being within their households. This assumption is based on a neo-classical conceptualisation of the household which portrays the household as "an intrinsically democratic and cooperative unit" (Whitehead, 1981: 92). In this context, a unit marked by joint control and management of resources, and similarity or coincidence of interests and goals, and that "[t]he economic form that rights and obligations are assumed to take within marriage is that of *sharing*" (emphasis in original, Young, 1992:136-37). On the basis of these ideals of democracy, cooperation and sharing, the neoclassical conceptualisation of the household implies an absence of exploitation within such units, implying that "family labour, income and resources enter into a common fund, and are distributed equitably among family members" (Evans, 1991: 57). Thus, under this construction of the household, an increase in a woman's income as a result of access to credit effectively increases the aggregate income of the household, thereby creating a larger pool of joint resources, which would theoretically ensure equitable improvements in the standard of living for all the members of the household.

The reality of women's experiences in Mbeya, however, does not coincide with the assumptions upon which the neoclassical conceptualisation of the household is based. In stark

contrast to the image of the household as a unified construct with a joint utility function, these women - through description and analysis of their own circumstances - portray their households as political spaces where individual actors with competing interests maintain individual earnings strategies, keep separate accounts, and display varying degrees of cooperation and conflict as they engage in power struggles and negotiations regarding the management and distribution of household resources. In this context, the economic relationship between a husband and wife is perhaps best described by what Ann Whitehead (1981: 88) has called a "conjugal contract". This contract outlines the terms upon which the various responsibilities of supporting and sustaining the household are divided. Although this division of responsibilities is broadly based on culturally accepted gender roles and ideologies, the details of the conjugal contract are neither fixed nor constant; they must be expected to vary from one couple to another and to be subject to change over time. Indeed, as Jane Guyer (1988: 172) notes: "the specialization [of gender roles and responsibilities] is never complete; it oscillates according to each sex's ability to cope with its own sphere, and its ability either to tap into the other or to shift the responsibility". Within this reality, women may actively engage in manipulation and negotiation of their conjugal contract so as to create more favourable terms of exchange, thus granting them access to new levels of decision-making power and control over household resources.

The purpose of this chapter is to explore the ways in which women in Mbeya have used their businesses and loans to establish new opportunities to create room for manoeuvre within their households. In particular, this chapter seeks to provide insight into the ways in which the division of economic responsibilities set forth in the conjugal contract are

challenged and changed as women engage in business activities, establish new sources of personal income and gain access to credit. Research participants' accounts of the evolution of the division of economic responsibilities within their households clearly demonstrated that both women and men are actively engaged in the negotiation and manipulation of the conjugal contract. In an effort to achieve a more balanced understanding of the gendered response to these changing circumstances, this chapter draws not only on women's explanations and analyses of their own experiences, but also incorporates men's perspectives of these situations as expressed by loan recipients' husbands in interviews and group discussions¹¹¹.

Mama Katavu¹¹²

When they were first married, Mama Katavu and her husband lived in Dar es Salaam. She recalls that in spite of the difficult economic conditions in which they lived, her husband would not permit her to engage in income-generating activities to help support the family:

When we lived in Dar, my husband was very reluctant to let me carry on any business activities. . . . This was the period between 1975 and 1980. It was a period of food shortage in Tanzania and especially in Dar es Salaam. . . . We were living in very difficult circumstances. My clothes were worn so thin that I had to sew the edges of my *khangas* together and split them down the middle in order to keep wearing them. I was anxious to do some business so that we could at least buy some new clothes, but my husband was adamant that I should not become involved in business activities.

In 1980, the couple, together with their four young children, moved to Mbeya region, where Mzee Katavu had accepted a new job in the formal sector.

. . . we found that there were plenty of *shambas* and plenty of food [in this region]. We began farming, and were able to buy enough food with my husband's salary because food was very cheap here compared to Dar. But my husband's salary remained very low. I continued to request permission to take

¹¹¹ A total of eight loan recipients' husbands participated in two separate group discussions and one individual interview during the second stage of the research.

¹¹² Direct quotations of Mama Katavu's words, in this narrative and throughout this chapter, are taken from the draft manuscript of her personal narrative (B03).

up some small business activity, but my husband still refused to allow me to do this, so I stayed at home - 1980, 1981, 1982, 1983, up until 1984 - depending on my husband's salary to support the family.

In 1984 we were still facing major problems. There were no clothes for the children or for myself. Finally one day I took the money I had been given for household expenses and went to town - like a crazy person. My sister-in-law was staying with us at the time. I told her that I was going to buy some goods to sell in the market. I had 120 Tsh. I used half of it to buy oranges and the rest to buy charcoal. Then I returned to [our village] and remained in the market all day to sell these items. I received 120 Tsh for the oranges and 120 Tsh for the charcoal. I headed home, expecting to find my husband furious that I had gone to the market to sell goods after he had refused me permission for so long. When I got home I found he was already there. He demanded to know where I had been. I said I had gone to town to buy goods to sell in the market. He asked how much money I had made. I told him that I had bought oranges for 60 Tsh and sold them for 120 Tsh, and also bought charcoal for 60 Tsh and sold it for 120 Tsh. He said, "Now you see how other women live while you stay at home waiting for my money, begging for my money. . ."

After seeing that the business paid well, my husband allowed me to continue selling in the market. He allowed me to buy and sell whatever I wanted, so I mixed products, choosing whatever seemed to pay the highest price. Sometimes I took fruits, or fish, or charcoal, or foods like beans. . . .

This account of how Mama Katavu launched her business activities draws attention to a number of important details regarding the conjugal contract which formed the initial framework for her relationship with her husband. It therefore provides an excellent starting point from which to analyse the ways in which this conjugal contract has been modified over time.

Before Mama Katavu started her business her husband was solely responsible for providing financial support to sustain the family. *Mzee*¹¹³ Katavu provided his wife with a

¹¹³ *lit.*, an elder, broadly used as a respectful title to address *male* elders or household heads. Because it forms part of a proper name, 'Mzee' appears in regular characters, rather than italics, throughout the rest of this text.

small, daily allowance taken from his salary. This allowance was intended to cover household expenses, but Mama Katavu often found it to be insufficient to meet the full range of household needs. Her proposal to help fill this gap by taking on an income-generating activity of her own met with her husband's steadfast disapproval. His resistance in this regard seems to indicate his interest in preserving the status quo of the conjugal contract which not only positions him as financially responsible for the household, but also privileges him with a certain element of control over his wife's labour and activities. The fact that Mama Katavu sought her husband's permission to engage in business activities testifies to her regard for his control in this domain; the fact that she abides by his decision for several years before finally defying him is an indication that this permission-seeking behaviour was more than simply perfunctory.

The first change that takes place within the parameters of their conjugal contract occurs when Mama Katavu defies her husband's decision with regard to granting her permission to start a business. This situation is quickly rebalanced, however, as Mzee Katavu is swift to change his rhetoric. His charge that his wife has hitherto been staying at home 'begging' for his money while other women have been busy earning incomes to help support their families, simultaneously contradicts his previous resistance to her proposals, blames her for her previous inaction, and attempts to appropriate credit for her idea. This posturing resituates him in a position of power and control, from which he subsequently approves her business and grants her permission to continue with it.

Having silently won permission to engage in business activities at long last, Mama Katavu continues to seek her husband's permission and approval with regard to the types of

business. In so doing she continues to comply with the framework of control which her husband has set out. Nothing more is said about his previous resistance to her engaging in business activities. She knows that it would be both futile and imprudent to insist that her husband credit her with primary ownership of the idea. Through his attempts to appropriate credit for her idea and his approval of her continued engagement in business activities, he has already tacitly admitted that the idea is a good one. To push him to the point of acknowledging this explicitly would only provoke him, and possibly put him in a precarious position which might force him to relinquish some of his perceived power and prestige as head of the household, on both a personal and a public level.

Gendered Responses to Women's Business Initiatives

Mzee Katavu is not alone in either his reservations with regard to women engaging in income-generating activities, or his efforts to ensure that his wife's decision to start a business does not threaten his perceived prestige or position of power within the household. Indeed, a number of recent Tanzanian studies have pointed to similar patterns of resistance among men whose wives choose to engage in income-generating activities. For example, Aili Marie Tripp's (1992) work in Dar es Salaam revealed that some husbands opposed their wives' involvement in income-generating projects because they feared that this would reflect negatively on them, making a public statement about their inability to adequately support their families. Other men feared that once their wives began to earn their own money through such projects, they might become "too independent". These men perceived such increased independence as a threat because it was expected to render women less respectful of their husbands, or even to result in an increased incidence of women leaving their husbands (Tripp,

1992: 171). Male participants in Carolyn Hannan-Andersson's (1995: 123) study identified another aspect of this 'excessive independence' among women, claiming that women's income-generating projects may "lead to undesirable attitudes in women". Men who participated in Naomi Kaihula's studies in Dar es Salaam and Mbeya offered clarification with regard to what might be considered to constitute "undesirable attitudes" among women, claiming that "economically empowered women could no longer be easily tamed and kept indoors (kitchen)"¹¹⁴ (Kaihula, 1995: 14). They further asserted that

[t]he empowered woman is notable (famous) for not abiding to traditions and customs . . . Moreover, empowered women do not want to enter the kitchen and cook for their husbands, they cannot wash husbands' clothes nor iron . . . they cannot take proper care of their children and families, they argue with their husbands, in short they are proud and rude" (Kaihula, 1995: 15).

Drawing on these statements, Kaihula (1995: 14) asserts that "[t]he majority of men fear that economically empowered women do not become 'ideal house-wives'". In accordance with these statements Hannan-Andersson (1995: 123) hypothesises that another reason for men's reluctance to allow women to undertake new activities, such as income-generation, may be due to the fact that these "may lead to conflicts over the use of women's time". That is to say that men may fear that when women take on new activities such as these, their dedication to their traditional role of homemaker, and their acceptance of their subservient position within the household, may diminish, thereby threatening traditional male control over women's labour.¹¹⁵

¹¹⁴ In this context 'economic empowerment' is equated with earning one's own cash income.

¹¹⁵ Refer to Chapter Eight for further discussion regarding the allocation of household labour to productive and reproductive activities, especially with regard to women's expressed preferences and the ways in which they manage to allocate household labour in order to satisfy these preferences.

For reasons such as these, many men, like Mzee Katavu, may initially refuse to let their wives undertake an income-generating activity. Nevertheless, Tripp (1992: 170) observes that sheer economic necessity eventually convinces most men to accept their wives' proposed projects. As one woman in Tripp's (1992: 171) study explained: "the men would have liked to object to these projects 'but they kept quiet. They can't support the family and they need the woman's income".

Between Public and Private Transcripts: Strategic Advantages of Separate Interpretations

Even in cases where men appear to accept their wives' involvement in income-generating activities voluntarily, such acceptance must not be misconstrued as complicity with the notion of renegotiating traditional gender roles and power relations within the conjugal contract. Indeed, the ways in which men act and react in these situations indicate that even as they finally concede permission for their wives to engage in income-generating activities, many are carefully devising a strategy which will allow them to maintain their traditional position of power in the household and their control over women's labour in these new circumstances.

Such strategies are primarily concerned with protecting both a man's personal perception of power and prestige within his household, and his public image as head of this household. These strategies are less concerned with conserving the tradition that financial responsibility for the household should be strictly a male domain, as long as any transfer of responsibility is delegated silently, in a manner which does not affect the balance of power within the household. In this regard, C. K. Omari (1995: 218) observes: "If males receive the psychological satisfaction of being regarded as head, they may in practice accept considerable

delegation". Further to this, based on her study in Paje Village, Zanzibar, Rosemarie Mwaipopo Ako (1995: 169) notes: "In some ways the men are not uncomfortable with the new position, as long as the women do not display publicly that they are 'feeding the house'".

It should be noted here that this preoccupation with perceptions of power and prestige may mean that considerable discrepancies exist not only between the 'public' ('community') and 'private' (household) transcripts of a given situation, but also between the individual transcripts which describe the separate perceptions held by a husband and wife. The existence of such discrepancies may create a space within which women can manoeuvre - e.g., through false compliance with, or tacit acceptance of, their husbands' attempts to constrain, control or appropriate their activities - to procure power privately which would never be accorded to them publicly.

Thus it is necessary to look beyond the surface of what might appear to be a husband's peaceful (albeit reluctant) acceptance of his wife's income-generating initiatives in order to discover not only his underlying motives, but also to gain an alternate perspective of his wife's would-be tacit acceptance of his behaviour. For example, when Mama Katavu defied her husband by engaging in business activities, his reaction was to reassert his power and control of the situation by rewriting the transcript of their relationship so as to diminish her initiative, and appropriate her idea as his own. Mama Katavu's tacit acceptance of her husband's posturing allowed him to maintain his perception of power and prestige on both a public and personal level, while she gained access to the space she required in order to continue conducting her business.

Gendered Responses to Women's Newfound Income

Another strategy which men use to affirm their position of power involves the way in which they refer to women's business income and economic contributions in public discourse. As Tripp (1992: 170) notes, men "frequently downplay Tanzanian women's role as important economic actors with independent sources of income, by saying that women 'just make a few cents' with their projects". Minimising women's economic contributions to the household in this way constitutes another means of publicly diminishing the threat which women's income-generating activities may actually pose to men's position of power and prestige. It also serves "to uphold the ideal of the male breadwinner" (Bruce, 1989: 984), thereby rendering publicly invisible the private processes of renegotiation of household financial responsibility which are present in almost every woman's account of the ways in which her business income has served her household. Mama Katavu's experience provides an excellent illustration of the way in which such renegotiation may take place.

After gaining her husband's permission, Mama Katavu continued with her income-generating activity. She recalls:

This market business began to pay enough that I was able to buy the food, some charcoal and some small items for the household from my own income. I put the money my husband gave me for household expenditures aside and saved it for emergencies or for when my business wasn't doing as well.

When Mzee Katavu realized that the allowance he provided was no longer imminently necessary to guarantee the basic survival of the household, he perceived an opportunity to begin renegotiating the division of financial responsibilities within the conjugal contract. He explains:

Before my wife did not have a business. I had to give her money for everything. Now that she has her own income I do not bother with her expenses. I tell her to look after these with her own income (E02).

The expenses which Mzee Katavu now expects his wife to look after with her income - those expenses which he refers to as "her expenses" - are not necessarily Mama Katavu's personal expenses as his wording might seem to indicate, but rather those expenses associated with the purchase of general household items. Mzee Katavu's neighbour is more explicit in the description of the expenses which he now expects his wife to cover with her business income:

[Previously] my wife would ask me for cash to buy some small items for the household - meat, fish, tomatoes and so on. Now she has her own income, so she can buy these things on her own (E02).

Following this rationale, Mzee Katavu stopped giving his wife a cash allowance, and she became solely responsible for financing the daily purchase of food and other small household items. Henceforth, he reserved his income for larger and more infrequent household purchases and expenditures, such as school fees and clothing for the children, as well as for his own personal expenses.

The transfer of financial responsibility from husband to wife is not, however, strictly limited to daily household expenditures. It may also extend to the husband's overall sense of financial responsibility to the household. Since Mama Katavu started her business, for example, there have been several instances when her husband has temporarily abandoned all financial responsibility for the household. Mama Katavu refers to these situations as "difficult periods" in her life. In each of these instances her family became completely dependent on her income for their survival. Such was the case when her husband's father was ill. She explains:

My husband went to Musoma to see [his father]. He did not leave me any money to look after the household because he thought that he would only be gone for a short period of time. He left Mbeya in October . . . When he got to Musoma he found that his father was seriously ill and he decided he should stay longer. . . . During all this time, I supported the family with my businesses of brewing beer and selling items in the market. With this income I was able to pay for everything my family required. I had kept enough maize from my own *shamba* to see my family through this period. My income was therefore used for vegetables, clothing and other items. When my husband returned from Musoma in March . . . he found the children well fed, properly clothed and looked after. . . . [As a result of his prolonged absence, my husband] was suspended from his job until May . . . It was therefore up to me to continue supporting the family with the income from my businesses. Without my business activities, the family would not have been able to survive during this period. Many of our neighbours were surprised at how well I was able to maintain the family without assistance from my husband. By that time, only a very few people even knew that I was doing business as well as looking after my family. I could feel proud of my success in managing to look after the family without my husband's assistance.

Some time later, Mama Katavu encountered another "difficult period" which she describes as a period when her husband "changed his behaviour". She explains:

[My husband] began roaming around and having some girlfriends. He only came home for lunch, then went back to the office but instead of returning home at the end of the day he went off roaming around with other women. He came home very late at night. He rose early, took his breakfast and then went off work without communicating with me or leaving any money for me to buy food or look after other household expenses. I continued to support the family with my own income during this period, and saw to it that everything continued as usual within our household. Whenever my husband came home he found that the children were well fed and properly cared for. After some time he changed back to his normal behaviour without any word from me. Maybe he decided that he was wasting his time chasing other women because he realized that I was a good wife because I was supporting the family and caring for the children.

Although Mzee Katavu was living at home and making some financial contributions to the household at the time this research was conducted, Mama Katavu continued to rely on her business to support the household. She perceives her business income not only as a means

to ensure the daily sustenance of her household, but also as a guarantee of financial security for the future. Mama Katavu places particular importance on this promise of self-reliance in light of what she has come to regard as the capricious and volatile nature of her husband's financial support.

Shifting the Gender Balance of Household Financial Responsibility

The transfer of household financial responsibility from husband to wife is by no means unique to the Katavus. Similar changes in domestic budgeting patterns were reported by most of the married women who participated in this research. Indeed, one woman generalized: "That is how it is with African men - they know they have to contribute to help you, but if they see that you are making it, they just leave you alone " (A02).

On the basis of this evidence, it would, therefore, be clearly inappropriate to assume that increasing a women's income will, in all cases, lead to an increase in the standard of living and well-being within her household. At the very least, it is necessary to recognise that unless the initial increase in a married woman's income exceeds the amount that her husband previously contributed to the household budget, the standard of living within her household is unlikely to improve, and may even decline.

This pattern of shifting domestic financial responsibility is not a new phenomenon in Tanzania. Based on her research in Bukoba and Kilimanjaro in the 1970s, Marja-Liisa Swantz found that:

The more a woman earns, the more of the family provisions are left for her to take care of. A man commonly takes a disproportionate part of the cash income, besides wages, for his own use . . . (Swantz, 1977 cited in Rogers, 1983: 36).

Asseny Muro's 1979 (in Rogers, 1983) research in a Bagamoyo District village revealed similar findings. Muro found that "men felt little responsibility for family upkeep, claiming that their wives had housekeeping money from selling" (Rogers, 1983: 35). Thus, both Swantz's and Muro's studies suggested that, in the context of prevailing gender relations, an increase in the amount of money a woman earned or handled may lead to little more than an increase in the amount of household financial responsibility which her husband would henceforth expect her to undertake. Based on these findings, Muro hypothesized that the anticipation that husbands would simply abandon their financial responsibilities to the household when their wives began to earn more money, would act as a disincentive for women to become involved in income-generating activities (Rogers, 1983: 36). Such has not been the case in Mbeya. In spite of their experience which shows that increases in their own income will be used to displace their husbands' contributions to household expenditures, the women who participated in this research continued to pursue their income-generating activities.

This raises a number of interesting questions. If evidence which contradicts the assumption that increases in women's income will lead to increases in household standard of living has long been available in Tanzania, why do development projects continue to be premised on this assumption? Furthermore, if Tanzanian women recognise that increases in their income are likely to result in displacement of their husbands' financial contributions to household subsistence, why do they not view this as a disincentive to engage in such activities as Muro hypothesised? What motivates these women to invest their time and energy in income-generating activities and related development projects in spite of their recognition that

such investments are unlikely to yield a positive net effect on their households' daily subsistence budgets?

Accepting the Shift of Household Economic Responsibilities: Women's Motivations

This research revealed that women's motivations to engage in income-generating activities are multiple and complex, reflecting their multiple roles and the complexity with which these are interrelated. Contrary to what might otherwise be assumed, many of these motivations are non-economic in nature, focusing on factors other than the income which may be generated through such activities. Indeed, even the desire to earn an income may, in part, be prompted by social and political, rather than strictly financial, motivations. It is in understanding the multiplicity of women's motivations to engage in income-generating activities that the short-coming of Muro's hypothesis is revealed.

Whereas Muro interprets the shift in household economic responsibility as a situation which creates a net disadvantage for women, participants in this research portrayed these changes in a positive light, focusing their emphasis on the independence that their new business incomes afford them. For example, Mama Katavu explains:

After I started my own struggle to find my own money by doing business, that is when my life really got better. Nowadays life is good. Even if the school children ask for [bus] fare I can just give it to them and tell them to take it. Before my business I was not able to do this because I had no money of my own. . . . Now I am able to make my own plans and follow them through because I have my own income. Nowadays whenever I see something I like I can just decide to buy it, but previously when I had no money I had some problems doing this.

Earning her own money, therefore, affords Mama Katavu a new level of independence in decision-making, allowing her to spend according to her own plans and priorities. She

upholds this independence as a real improvement over her previous situation wherein was she dependant on cash allowances from her husband who reserved the right to impose certain constraints on her expenditures, to contest her judgement with regard to certain purchases, and to refuse to provide funds for expenses which he deemed unnecessary or unimportant.

In this regard, as they reflected on the changes which they had experienced since they initiated their business activities, feedback seminar participants proudly asserted: "We have decreased our dependency on our husbands" (G02; Appendix D). Individual women corroborated this assertion, commenting that, as a result of their business activities, they no longer had "to beg" from their husbands. These women welcomed the increased sense of self-sufficiency which their business incomes afforded them, and placed particular emphasis on the fact that this income enabled them to meet their daily cash requirements without having to depend on, or beg for money from, their husbands for each and every thing.

The Daily 'Begging' Routine

The reference which is made here to women 'begging' their husbands for money for household expenses is particularly telling. Research participants asserted that their husbands are obligated, at the very least, to provide financial contributions to help defray the cost of food¹¹⁶ and other small items which are required to sustain the household. Ideally, the husband would fulfil this financial obligation to the household by providing his wife with a cash allowance on a regular basis - usually daily. In reality, however, such transactions rarely flow so smoothly. Few men are disposed to make regular, voluntary cash contributions to

¹¹⁶ As noted in Chapter Five, 78 per cent of the households represented in the survey have a *shamba* on which they cultivate part or all of their staple food requirements (i.e., beans, maize, and sometimes rice). Food purchases are therefore generally limited to other staples such as salt, sugar, tea and cooking oil, vegetables for variety, and occasional luxuries such as eggs, fish or meat.

the household budget. Instead, many women refer to having to 'beg' their husbands for these contributions. These women's references to such 'begging' are tempered with varying degrees of indignation and trepidation, as this 'begging' often provokes annoyance and irritation among their husbands.

The contentious nature of this 'begging' process is demonstrated in Magdalena's explanation of the circumstances which led her to start her business. She explains:

I started my business because I was depending on my husband for small amounts of money for small items for household consumption. My husband was annoyed by this. He would say bad things against me, telling me I was stupid and so on. I was tired of this daily begging routine and so I decided to go into business for myself (A17).

Thus the primary motivation behind Magdalena's decision to engage in income-generating activities was a desire to earn money of her own which could be used to purchase small items for household consumption, thereby providing her with an alternative to depending on her husband for contributions to this end. In short, Magdalena actively sought to shift the balance of household financial responsibility from her husband to herself. Her motive in doing this was to reduce (or even eliminate) the domestic conflict associated with the 'daily begging routine', by requesting money from her husband less frequently (or even avoiding such requests altogether). Her desire to earn an income therefore does not reflect a quest for increased economic well-being, but rather an interest in protecting and preserving her own emotional, psychological and physical well-being.

Thus the independence to which women refer when they assert that, as a result of their business income, they 'no longer have to beg from their husbands' goes beyond financial liberty and autonomy in decision-making, to include freedom from the social, psychological

and physical distress which they may be subject to as part of the 'begging' process. In his research in The Gambia, Richard Schroeder (1996: 76) found that women invoked similar strategies, using their income as a means "to promote harmony [within their marital relations], to overcome resentment [from their husbands], and to encourage their husbands to relax control over their (the wives') labour". From this perspective, a woman's decision to engage in income-generating activities, her tacit complicity with her husband's subsequent disinclination to provide financial support for household subsistence, and her willingness to use her own income as a substitute means of meeting these needs, may be seen to constitute an active strategy for reconfiguring the political structure and space within the household. While the new political space which this strategy helps to configure may create more harmonious gender relations within the household, it does not necessarily lead to greater equity between a woman and her husband. Indeed, this raises the question of the extent to which the shift toward more harmonious gender relations actually transforms power relations within the household.

Perpetuating the Shift in Household Economic Responsibilities: Men's Strategic Self-Interest

The strategies which women adopt in an effort to promote more harmonious gender relations require them to take on additional tasks in order to generate an income, thereby increasing their workload. Their husbands seem to reap the economic benefit of this arrangement, as their financial obligations to the household are reduced, thereby increasing the amount of money they have at their disposal to spend at their own discretion, i.e. on leisure and status items of their choosing. From this perspective, women's decisions to engage in income-generating activities appear to offer a definite advantage to their husbands.

Men who participated in Schroeder's study asserted that this advantage was not simply a fortuitous side-effect of their wives' self-motivated decisions, but rather the calculated outcome of purposeful strategies which husbands implement as they "actively pursue opportunities to gain access to their wives' money" (Schroeder, 1996: 77). The strategies identified by Schroeder and his male informants in The Gambia include seeking 'loans', provoking quarrels, and deliberately defaulting on traditional male financial obligations to the household. Following these examples, the way in which household expenses are constructed as 'women's expenses', and women's requests for financial contributions from their husbands to help defray such expenses are constructed as 'begging', may be regarded as a male strategy purposefully designed and implemented in an effort willfully to provoke women into taking on a greater proportion of financial responsibility within the household.

Whether a woman's initiative to earn an income is considered an entirely self-motivated and independent action, an act of resistance, or the direct result of contrived manipulation by her husband, remains open to interpretation, and depends largely upon the perspective from which the interpretation is made. As in the Katavu's case, for instance, a husband and wife are likely to maintain different interpretations of the circumstances which led the woman to pursue an income-generating activity. Thus, the division of power and control in decision-making, particularly with regard to decisions over the use of a woman's time, also remains subject to interpretation in these situations. Consideration of the ways in which women use the income which they generate through their business activities, however, may provide further insight into the gendered nature of the division of power and control within the household.

Perceptions of Financial Independence

When women in Mbeya began to earn their own income and to assume financial responsibility for household expenses previously provided for by their husbands, they experienced a new sense of autonomy in decision-making. Whereas in the past, under the conditions of the allowance system, women's spending decisions were subject to their husbands' scrutiny, these women are now free to allocate their own income according to their own priorities for the household. Thus, insofar as decisions about daily household expenditures are concerned, these women appear to have reasonably complete autonomy and control over their income.

In the broader picture, however, certain factors may act as constraints on this autonomy. For example, whereas men may choose deliberately to default on their traditional financial responsibility to the household, women may have few choices but to attempt to fill the gap which has been left by this default. Although women may gain a certain level of autonomy which allows them to implement their own decisions as they allocate their own financial resources to fill this gap, they do not generally enjoy the luxury of choosing to use their income for personal or other expenses, nor do they necessarily feel the freedom to assume that household needs will be met by some other means if they choose to use their income for other purposes. In this regard, husbands may be understood to maintain control over aggregate household income, deciding, by virtue of their deliberate defaults, the general areas to which their wives will be required to channel their income.

The gendered pattern of financial responsibilities which emerges here is divided along lines of short-term, variable consumption costs and longer-term, fixed and overhead costs.

While both of these categories of expenditure are necessary to support the household, it should be noted that perpetual immediacy of the short-term consumption expenditures for which women are generally responsible, appears to carry greater urgency, and therefore less flexibility, than the long-term costs for which men generally take responsibility. Thus, whereas men may choose to delay purchase of a new bed or investment in general household repairs, thereby affording themselves greater freedom to indulge in personal consumption, women tend to be more pressed to meet the daily subsistence needs of their household and therefore do not enjoy similar luxuries of postponing collective expenditures to indulge in personal savings or consumption.

Furthermore, whereas women's investments in household subsistence are quickly consumed, their husbands' investments in consumer durables, and acquisition and maintenance of fixed assets such as houses, represent means of accumulating savings and wealth as these commodities retain a cash value and potential for liquidation. Moreover, as Mwaipopo Ako (1995:171) notes in her Zanzibar case study, in spite of the importance of cash income to the survival of the household, possession of fixed assets such as houses continues to garner greater respect and to be considered to represent greater wealth. In this regard, the prevailing division of financial responsibilities in the household serves to continue to diminish women's contribution to the household publicly. Perhaps more importantly, however, this division of financial responsibility also serves to impede women from establishing savings or accumulating assets in their own names as the observed tendency is for men deliberately to default on household subsistence expenses in the order of what they assume to be the full amount of their wives' income, leaving no margin or surplus for women's personal savings or

expenditures.

As long as women's incomes are consumed by household subsistence needs, these women will not have the opportunity to accumulate assets or personal savings, and will therefore remain dependent on their husbands for their other requirements such as shelter and long-term economic security. Thus, upon closer examination of the terms and conditions through which women derive their greater sense of financial independence a number of questions are raised with regard to the way in which this 'independence' is defined, the limitations which might arise within this definition, and the implications which these may have in terms of the quest for greater gender equality in household relations.

Women's Strategies for Exerting Greater Control over Their Own Incomes

Since the proportion of household expenses which are transferred to a woman by default generally reflects her husband's estimation of the amount of income which she generates, women may attempt to evade total male control over their incomes by concealing the actual amount of their earnings from their husbands. In this regard, Tripp (1992: 169) notes that "urban women in Tanzania, as in other parts of Africa, do not . . . always let their husbands know what their real income is".

Women in Mbeya certainly do not volunteer information about their business income to their husbands, however, it became apparent through their descriptions and explanations that their husbands had various means of gaining access to this information. Where women's businesses are conducted close to the home, or in conjunction with household activities, for example, it is relatively easy for a husband to make a rough calculation of his wife's income based on casual observation of her activities. Moreover, where husbands have provided the

start-up capital for women's businesses, there is an air of entitlement in the expectation that these women will report their earnings to their husbands. As Celina, whose husband gave her the original start-up capital for her business, explains: "Because [my husband] has helped me with my business I have to tell him what I get, what I buy, and so on, but I have no idea what he earns - that's his business " (A04). The fact that Celina does not have access to information regarding her husband's income is indicative of the experience of most of the research participants, as women are rarely in a position to obtain information about their husbands' income, either through entitlement or casual observation. In fact, Bruce (1989: 981) posits that "women . . . are often deliberately kept uninformed of the husband's earning and spending", and Campbell (1995: 192) asserts that "[this] practice of men keeping their spouses in the dark about their earnings appears to be one way of forcing women with independent incomes to contribute to household expenditure".

Although they have not been terribly successful in concealing their income from their husbands, a number of women in Mbeya have managed to maintain independent control over at least a portion of their income, reducing the potential for it to be subsumed by consumption expenditures by strategically tying it up in small investments. Rotating savings and credit associations were among the most common designations for such investments,¹¹⁷ because they provide women with the opportunity to consistently invest a small portion of their income in a way which places it outside of the scope of household consumption. The cash received from these investments at the end of the rotation may be used to purchase bulk quantities of

¹¹⁷ Ninety-two per cent of survey participants indicated that they have taken part in *mchezo* or *mchango* activities at one time or another, 36 per cent of survey participants continued to engage in *mchezo* or *mchango* activities even while they had a loan from MCF.

staple foods or other household necessities, such as bars of soap; meet large cash requirements, such as school fees and health care costs; or invest in a small animal, such as a chicken, goat or pig, which represents both an opportunity for income generation and an asset which can be easily liquidated in case of financial difficulty.

Gendered Responses to Women's Access to Loans

If the notion of women earning an income of their own through independent business activities is perceived by men as a threat to their position of power and control within the household, then the prospect of women gaining access to relatively significant sums of capital through a credit programme is even more daunting. Fear that women's access to these unprecedented sums of money may upset the balance of power in the household raises much speculation among men about how women will react when they receive their loan money.

Perhaps the most threatening aspect of the loan for many men is the possibility, articulated by Jamira's husband, that "... women may perceive money as a substitute for their husbands" (A23). This supposed threat is based on prevailing male attitudes toward women's economic empowerment which, as noted earlier in this chapter, hold that women who gain independent access to cash will rise up against their husbands, ignoring tradition and customs, refusing to do housework, and challenging their husbands' authority (Kaihula, 1995). After carefully considering these threats, however, many men decide to support their wives' initiative to seek a loan. As one loan recipient's husband states: "We [speaking on behalf of the other three men present] all supported our wives in getting loans from MCF. We were not afraid that our wives would oppose us" (E01). These men's decisions to support their wives in the loan application process indicates that they perceived the loan to ultimately hold

more benefits than risks.

The implicit anticipation of benefits from the loan, the value which may be placed on these, and the impacts which these may have on gender relations in the household is demonstrated in Jamira's experience. She recalls:

During the time that I had the first loan, my life with my husband was very good. He was very happy with my idea of going to MCF to get a loan, and also with my efforts to follow-up until I got the loan. We were among the first people to receive a loan. Many people were requesting loans at this time. It was the ones who followed up and persisted that were able to receive the loans. My husband saw that I did this and he began to value me He said that I was a clever woman to be able to get a loan to help our household. He began to look at me as somebody or something useful . . . (B01).

Based on Jamira's description, it would seem that women who receive loans may be accorded greater respect or held in higher esteem by their husbands. The fact that MCF initially made loans available exclusively to women, may therefore have played a role in elevating women's status and worth in their husband's eyes.

Although these changes in male attitudes appear to represent a positive step toward gender equality, it is necessary to question the nature and motivation of support for women's income-generating activities and praise for their efforts to obtain loans, as professed by their husbands. Are these changes in men's attitudes toward their wives indicative of a genuine transformation in gender relations, or are these simply rhetorical and superficial means which husbands may employ in order to obtain access to loan funds?¹¹⁸ The experiences recounted by both loan recipients and their husbands in this regard indicate that the threat which women's hitherto exclusive access to credit has posed to the gendered balance of power

¹¹⁸ These questions are particularly pertinent in the context of MCF's extension of solidarity group loan services to men just prior to this research, and the widespread anticipation of male access to individual loans through MCF which prevailed during the research period.

within the household has been carefully manipulated by husbands and wives alike as they simultaneously endeavour to mitigate this threat and to use it to their own advantage.

Men's Strategies: Seeking to Control Potentially Threatening Situations

In an effort to mitigate the potential for women to perceive their loans as 'substitute husbands', Jamira's husband suggests that: "MCF should train [women to understand] that money is just a passing thing and that they should not keep this loan a secret from their husbands" (A23). The assertion that women should be required to tell their husbands about their loan was upheld by all husbands who participated in the research, but was often couched in more benevolent terms which emphasised the important advisory contributions which husbands could make to the management of the loan itself. As one loan recipient's husband explains: "It is lucky that these women have involved us [their husbands], because we have helped them to plan, we have helped to monitor their loans and their projects" (E01). In addition to giving husbands access to women's loan information, this strategy allows men to maintain a superior role, as it implies that women require their husbands' assistance in managing their loans. Jamira's husband's comments make this point quite explicitly:

When Jamira goes to MCF she comes back and tells me what has happened. That way I am in a position to advise her on what is best. That is how a woman can succeed. If they hide their affairs from their husbands then they will not be successful (A23).

Through this strategy, husbands may therefore belittle women's success with their loans, claiming at least part of this success for themselves.

As was the case in the establishment of women's income-generating activities, women whose husbands adopt this strategy may appear to be complicit with their husbands'

behaviour. Women may 'allow' their husbands to assume an advisory role and tacitly accept their husbands' boastful appropriation of a success to which they may or may not have contributed. However, these allowances are not generally indicative of the passive acceptance of patriarchal superiority and control, but rather are manifestations of strategies of false compliance. It is through these strategies that these women actively seek to negotiate new privileges, status or positions of power for themselves, while simultaneously seeking not to threaten their husbands' self-image by allowing them to maintain a public and personal perception of control.

Women's Strategies: Seeking to Placate their Husbands' Anxieties

Men's fears that their wives' behaviour might change for the worst after receiving the loan are, for the most part, unfounded. Thus far, there have been no reports of widespread husband abandonment, or even of significant unprecedented challenges to male authority, among loan recipients in Mbeya. Indeed, one husband remarked:

I did not notice any change in my wife's behaviour with the loan. She just continued to be responsible to her family. When she gets some money she uses it to buy something for the family, our household (E02).

Women's remarks in this regard reveal that such consistent behaviour is a conscious choice on their part. Reflecting on her position in the household and her interaction with her husband after receiving her first loan, Jamira remarks:

I continued with life as I had before. I did not raise myself up to be proud or the boss of the household. I knew that the money we were making now would be enough to take care of our children and send them to school, and to be able to receive guests in our home and look after them properly (B01).

In like manner, another loan recipient explains that even though she now has greater financial

independence as a result of her business and her loan, she continues to defer to her husband's authority in decision-making:

If I want to go home to visit my parents, I can just use my own money. . . .
I am proud of my independence, but I still ask my husband's permission to go
to visit my parents (F02).

These women's statements seem to reaffirm the findings of Mwaipopo Ako's (1995: 170) study, wherein ". . . most women claimed that wealth should not make one disrespectful to one's husband, because men are 'heads of the household'. Whatever a married woman does should have the consent of her husband".

As with the women's acceptance of their husband's self-appointed advisory status, the deference and respect which these women demonstrate toward their husbands should not be discounted simply as a passive act of submission to patriarchal control within the household. It should instead be regarded as an active strategy in which these women carefully and consciously engage in order to minimize the threat which their husbands may perceive in reaction to their participation in the loan process. Viewed from this perspective, the deference and respect which these women continue to show toward their husbands in this situation, reflect their (the women's) awareness of, and sensitivity to, the threat which their access to capital may pose to the delicate balance of gender relations within their households, and demonstrate the priority which these women place on maintenance of peaceful and harmonious relations, over personal power and recognition, within the household.

Vying for Control of Women's Loan Capital

In light of the evidence presented earlier in this chapter which demonstrates a tendency for husbands to seek control over their wives' incomes, it seems appropriate to

explore the possibility that some husbands may concede to the idea of their wives taking a loan in anticipation of manipulating the situation to their own advantage. Indeed, studies of other credit programmes, such as those sponsored by the Bangladesh Rural Advancement Committee (BRAC) and the Grameen Bank, have indicated that, where credit is provided to women, it is not uncommon for husbands to seek means of directly appropriating some or all of the loan monies for their own use (Ackerly, 1995; Hashemi *et al.*, 1996).

Individual women in Mbeya did not report direct appropriation of their loan monies by their husbands, but the issue did arise in group discussion, where women agreed that

[a husband] might ask his wife for some or (all) of the money, saying that he has supported her and her children all of these years . . . When she refuses to give him the money he can beat her until she gives in (G03; Appendix E).

Another group discussion revealed that other family members might also gain access to women's loan monies by invoking traditional obligations (E03). This seems to be especially true when large expenditures - such as school fees, funerals or medical expenses - coincide with a relative or family member receiving a significant sum of money such as a loan. As one woman explains: "If other members of the family need money, tradition forces you to give it to them" (A22).

Whereas direct appropriation of women's loan monies did not appear to be a widespread phenomenon in Mbeya, male loan-seeking strategies were much more common. Indeed, a number of women spoke openly about on-lending part of their loan money to their husbands. For example, Mama Katavu explains:

Sometimes a husband could request 20,000 Tsh to repay in two or three days. If [the wife] is sure that she will receive the money, then she can release it, otherwise she will have trouble repaying her loan to MCF (F01).

The distinction drawn here between appropriation of women's loan monies by their husbands, and men's loan-seeking behaviour is very fine. It rests on two factors. In the first place, whereas appropriation implies that force or coercion is used to gain access to funds, loan-seeking implies that the woman maintains control in deciding whether to turn money over to her husband. Secondly, whereas a loan, by definition, carries a promise of repayment, appropriated funds are unlikely to be reimbursed. It must be understood, however, that a woman's only guarantee that she will be reimbursed for this on-lending, is the degree to which she trusts her husband to keep his word. In cases of deliberate non-repayment, men's loan-seeking behaviour might be regarded as a carefully calculated strategy to gain access to their wives' loan capital in a more passive and publicly accepted manner than engaging in outright appropriation.

The Loan Process: Inciting New Perceptions of Women's Business Income

Research participants' holistic approach to financial management, and the way in which their loans are absorbed in their systems of combined business and household accounting, make it difficult to discern the exact financial impact which a loan may have on changes in the household division of financial responsibilities. In the absence of precise financial data, however, the attitudes and perceptions which emerge in conjunction with women's participation in the loan process provide useful insight into the changes in expectations and the shifting patterns of financial responsibility which affect the conjugal contract. In fact, Amartya Sen (1990) contends that these attitudes and perceptions may be more pertinent than actual financial data in the analysis of changing household gender relations.

In his analysis of the intra-household gender relations, Sen (1990) suggests that there is a proportional relationship between the productive contribution which an individual makes to the household and the degree of status and power which that individual is accorded within the household. In this regard, he argues that, when assessing an individual's productive contribution to the household, it is important to distinguish between *actual* contributions, the objective measurement of income and resources which an individual brings into the household, and *perceived* contributions, the value assigned to these contributions by other members of the household on the basis of their own subjective interpretations. Sen posits that the degree of public visibility of each contribution is one of the key factors which contributes to the distinction between *perceived* and *actual* contributions - between perception and reality. Thus, he contends that those contributions which are more highly visible are likely to be *perceived* as greater contributions than those which are less visible, irrespective of their *actual* relative values. An individual's *perceived* contribution may therefore be far more important than their *actual* contribution in determining their relative negotiating position in household resource allocation and decision-making processes.

Following these assertions, the gendered division of power and resource control within the household may be understood to be predicated on differences in the visibility, rather than the objective reality, of productive contributions to the household made by individual women and men. Thus, if men wield greater power and control within their households, it is because their productive contributions to the household are more visible, and therefore perceived to be more valuable than women's contributions. Furthermore, the way in which a woman's economic activities are perceived by others in the household may have

a significant impact on the relative degree of negotiating power she will have vis-à-vis her husband in household decision-making and resource allocation: women who are engaged in income-generating activities with less visibility will wield less power within the household than those women engaged in more visible activities. It follows that increases in the public visibility of women's income-generating activities may lead to changes in perceptions regarding the scope and importance of women's businesses and incomes, and that such changes in perception may, in turn, affect the claims and expectations which are associated with women's incomes, and the way in which these perceptions, claims and expectations are negotiated within the context of the conjugal contract. Finally, although Sen posits that increased visibility and recognition of women's income-generating activities will lead to stronger negotiating positions for these women in the course of household decision-making and resources allocation, it is important not to assume that greater visibility will always result in stronger negotiating positions, or that greater visibility will necessarily be desirable in all cases.

In the context of this research, the initial visibility of each woman's income-generating activity varied according to a number of factors. Regardless of the initial visibility of their businesses, however, participation in the loan programme almost certainly led to greater public visibility for women and their income-generating activities, both individually and collectively. These increases in public visibility manifested themselves on a number of different fronts and carried with them a variety of implications.

To begin with, the establishment of a credit facility concerned primarily with providing loans to women drew public attention to women's business endeavours, legitimizing them in

the public eye, and thereby potentially making it more difficult for husbands to continue to publicly diminish the value of their wives' income-generating activities. This situation may have led men who were previously content to discount women's business activities as insignificant, to pursue new measures of control over their wives' income. Such aspirations may have been facilitated by the fact that, as a result of their participation in the loan process, women's income information became part of the public transcript. Public access to such information may have provided men with an opportunity to make more accurate calculations about the full amount of their wives' business income. In this manner, the increased public visibility associated with participation in the loan process may pose a distinct disadvantage to women who previously sought to conceal the actual amount of their business income from their husbands as part of an active strategy to maintain control over their own incomes

This series of hypotheses is borne out in Mzee Katavu's comments about his wife's participation in the loan process:

The loan is good for women because it keeps them busy, keeps them from being idle. I have never seen my wife so busy as she was when she received this loan. She had to work very hard to get the money to pay back. I had no idea she could earn 6,000 Tsh or more each week. That is 24,000 Tsh each month! Now that the loan is finished she says she is tired and she is resting. I have said she should continue paying me 6,000 Tsh [laughs] (E02).

These remarks demonstrate that Mzee Katavu gained new insight into his wife's income and earning potential when he learned that her loan payments were in the order of 6,000 Tsh weekly. Thus, Mama Katavu's involvement in the loan process provided her husband with information about her income which she had not previously shared with him. His expression of surprise with regard to the magnitude of his wife's earnings seems to indicate that Mzee

Katavu had hitherto significantly underestimated the full amount of her income. Moreover, although his final remark about his wife continuing to pay him the amount of money she previously paid to MCF is made in a joking manner, it does lend support to the hypothesis that husbands might endeavour to gain access to larger portions of their wives' incomes once they become aware of the full extent of those earnings. While it may seem implausible that a husband would actually demand that his wife pay him a large portion of her earnings directly, or that a woman would tacitly submit to such demands, it is much more likely that the increased public visibility of women's business income which results from their participation in the loan programme may lead to changes in husband's expectations with regard to women's financial contributions to their households.

In order to accurately assess the implications that these changes in expectations will carry for women, it is important to recognise and account for the discrepancies which exist between the perceptions and realities upon which these expectations are based. The changes in expectations outlined above, for example, are based on changes in *perceptions* of the magnitude of women's business incomes, which derive from the greater public visibility of these activities as a result of participation in the loan process, rather than increases in the *actual* amount of women's income which might be assumed to follow from the loan. Indeed, as noted in the discussion of women's credit experiences, overall changes in women's income as a result of participation in the loan process are often negligible, and sometimes even negative. Where changes in the perceived amount of women's income exceed the actual change in income, the ensuing increase in expectations may jeopardize the ability to meet previously defined needs. Moreover, loans that are disproportionately large in relation to a

woman's business will lead to equally exaggerated expectations with respect to financial contributions to the household, thereby placing further strain on an income which may already be insufficient to meet her loan repayment and other financial obligations.

In addition to changes in perceptions regarding the significance of women's income, Mzee Katavu's reflections on his wife's involvement in the loan process also draw attention to certain characterizations of women's daily activities and attitudes about the value of women's work. His assertion that the loan is good for women because it "keeps them from being idle", together with his comments that his wife worked "very hard" during the loan period, and that she is "resting" now that the loan is paid off, have the combined effect of seeming to recognize, uphold, and even applaud, Mama Katavu's business activities, while simultaneously ignoring or discounting the fact that her domestic activities, which are vital to the survival of the household, might also be classified as "work" and merit similar respect. In this manner, Mzee Katavu reaffirms the dominant hierarchy of value which tends to privilege 'productive' endeavours which generate cash income, over 'reproductive' efforts which invest labour resources, particularly women's labour, directly in various elements of in-kind support which sustain and reproduce the household. The fact that Mzee Katavu makes these remarks in the context of his reflections about his wife's involvement in the loan process raises the question of the extent to which women's participation in the loan process may perpetuate or contribute to this hierarchy of value.¹¹⁹

¹¹⁹ This question will be addressed in the discussion regarding allocation of household labour which follows in Chapter Eight.

Conclusion

The evidence of women's experiences and men's perspectives as presented in this chapter clearly indicate that households in Mbeya do not function as altruistic corporate units wherein the individual incomes are pooled and shared out equitably in an effort to meet collective needs. It is therefore inaccurate to assume that an increase in a woman's income will necessarily correspond to a net increase in the income available to support and sustain the household. This discrepancy between the planners' assumptions and local realities may form a barrier to the accomplishment of the project's original objectives.

Indeed, evidence from this case study demonstrates that, rather than contributing to the improvements in the overall material well-being of the household, increases in women's income may be perceived by their husbands as an opportunity to off-load some or all of their household economic responsibility, thereby effectively decreasing the total household income. Contrary to project planners' aspirations, the net effect of an increase in women's income under these circumstances may be to incite lateral or even negative changes in the material well-being of the household. Even in the absence of net improvements in the level of material well-being, however, women may experience an improvement in social well-being. These improvements in social well-being may correspond more closely to women's own immediate objectives; women may, in fact, accord a greater value to these improvements than they would to material gains. Such changes are all the more significant insofar as they represent an opportunity for women to define empowerment in their own terms.

Tacit ignorance of the existence of power struggles and competing interests within the household enables projects like MCF to avoid posing an explicit challenge to prevailing

systems of gender relations. However, the evidence from this case study demonstrates that as participants adapt the project to their own realities, they may manipulate it in ways which create space to challenge, and potentially transform, the status quo. In this regard, it is important to recognise that participants' definitions of successful project outcomes may be drastically different from, or even contradictory to, those held by project planners.

Chapter Eight

'Keeping Women from Being Idle': Gendered Discourses of Power and Resistance in the Allocation of Household Labour

The fact that establishing and maintaining a business requires an investment of time and energy is widely agreed upon. Clearly, women who engage in income-generating activities are, therefore, required to commit a portion of both their time and energy to these activities. Less widely recognised, however, is the fact that engaging in a loan process often requires additional time and energy. Indeed, credit transactions associated with receiving a loan usually require an increased time commitment from the borrower (Berger, 1995: 194). In addition, the burden of taking on debt in itself often incites an intensification of business activities, as noted in women's descriptions of the strategies which they adopt in order to meet their loan repayment obligations.

Decisions to invest time and energy in business and loan activities, must not, however, be misconstrued as choices which are made by women who have nothing else to do, as Mzee Katavu's references to "keep[ing] women busy" and "keep[ing] them from being idle" might suggest. Instead, these commitments of time and energy take place in the context of a clearly established gender division of labour under which women bear "a relatively constant 'overhead' of domestic chores which have to be performed, as a part of their contractual obligations within the family, regardless of other responsibilities" (Kabeer, 1994: 123). Thus, as they engage in income-generating activities, and seek loans to support these, women expand the list of tasks which require their time and energy. Recognising that women's time and energy are not endlessly elastic, it is necessary to question how women manage to balance

the new tasks which are associated with their productive (business and loan) activities, with their pre-existing, contractually prescribed reproductive (domestic) activities.

Through women's own explanations and analysis, this chapter seeks, in particular, to identify the ways in which these women are able to use their business and loan activities as a means of creating space within which they can gain access to increased negotiating power with regard to the allocation of household labour. Although reductions in leisure time might be proposed as a solution to this end, women's leisure time is often negligible to begin with, and may already have been absorbed by other tasks in their daily routine.

When Women's Tasks Exceed Women's Time

The number of practical and sustainable strategies which women can invoke in order to cope with increases in their workloads appears to be limited. Most women can not substantially increase the number of hours which they currently dedicate to meeting the combined reproductive and productive needs of their households: the purpose of this chapter is to explore women's strategies for coping with the increased workload which results from their combined responsibilities for productive and reproductive activities within the household. Thus, it becomes apparent that women can not realistically be expected to absorb the increased task load associated with engaging in business and loan activities, while simultaneously maintaining all of their previous reproductive activities. Given that it would be neither realistic nor desirable to choose to neglect or compromise the satisfaction of household needs in either the reproductive or productive realm, perhaps the only sustainable alternative lies in the identification of additional resources which might be used to reduce women's workload to a manageable level by providing supplementary or replacement labour.

Strategies which aim to supplement or replace women's labour may include reallocation of household labour so as to reduce the overall number of tasks which women are expected to carry out, or the purchase of labour-saving services which will reduce the total time which women require to complete the current task load. Alternatives such as these would allow women to continue to meet their responsibilities with regard to the sustainable reproduction of the household, while simultaneously engaging in productive activities which contribute to household income, thus achieving a balance between their reproductive and productive activities. In order for women to implement such alternatives, however, they must have access to, and decision-making power regarding the control of, resources such as household labour which are vital to the success of this strategy. Furthermore, the ability to implement strategies such as these presupposes that a woman must have a certain degree of autonomy and decision-making power with regard to the use and allocation of her own labour.

Household Labour: Perfectly Substitutable or Profoundly Political?

Labour resources are a key factor in the satisfaction of household needs. In order to support the full range of household needs, the total labour power available within a given household must be divided between productive (market-based) activities, reproductive (domestic) activities and leisure activities. The process through which decisions about household labour are made, productive and reproductive tasks are divided, and labour is allocated to each of these, is particularly pertinent in the context of gendered struggles over power and control within the household.

In an effort to understand the prevailing gender division of labour, it might be assumed

that if women's labour is allocated to unremunerated domestic activities, it is because other members of the household hold a comparative advantage - are able to generate higher returns - in market-based activities. Taken further, this assumption suggests that if women increasingly engage in market-based activities which yield an income advantage for the household, their previous role in unremunerated domestic activities should be reallocated to other members of the household who demonstrate a lesser comparative advantage in productive activities.

These assumptions coincide with those of the neoclassical conceptualisation of the household, which holds that the division of tasks and allocation of labour resources within the household is an objective process through which the total utilities of all members are maximised. Under this model, individual members of the household are represented as interchangeable units of labour, differentiated only by their relative levels of productivity. As such, the maximum utility of the household will be achieved when labour units - that is, individual household members - are allocated to various activities according to their comparative advantages in productivity (Kabeer, 1994: 105).

In contrast to the image portrayed by the neoclassical model, however, household labour is not perfectly substitutable. The labour power of individual household members can not, in fact, be considered interchangeable. Labour differs from other factors of production in that it has gender, age and status (Evans, 1991: 55), as well as "consciousness, interests, preferences, obligations and differing amounts of power and agency" (Kabeer, 1994: 106-7). These characteristics significantly differentiate individual "units of labour" from one another. Such characteristics are also highly influential in the formulation of decisions regarding the

distribution and allocation of household labour to various productive and reproductive tasks, as well as in the determination of who controls such decisions.

Given the political and hierarchical nature of the characteristics which differentiate labour, it can be assumed that the propensity to assert one's own preferences will be greatest at the point where the highest levels of status, power and agency converge. It should be noted, however, that such hierarchies are constructed on the basis of relative levels of status, power and agency. Thus, considerable space may exist within such structures for individuals who are not positioned at the apex point of a given hierarchy to assert their relative status, power and agency over those in positions subordinate to their own, in an effort to negotiate for themselves a task load which is more preferable than that which was originally designated to them. Under such circumstances, it must be expected that labour may not necessarily be allocated objectively or equitably. Furthermore, those who find themselves in the lower echelons of the established hierarchy will, in accordance with their position, be faced with an increasing number of less preferential options as they seek to renegotiate their own task loads.

Productive and Reproductive Activities: All in a Day's Work

The ways in which women strive to balance their productive and reproductive activities - the strategies which they institute in order to ensure that their domestic obligations to the household are met - are contingent on the needs of their individual households, the resources and networks to which they can lay claim, the nature of their relationship with their husbands, and the varying degrees to which each of them is able to assert her own agency and to (re)negotiate the terms of her conjugal contract. These differences become apparent

through comparison of the following narratives in which individual women detail their divergent responsibilities, circumstances and management strategies.

Mama Katavu¹²⁰

Mama Katavu's approach to managing her productive and reproductive activities is significantly influenced by her husband's attitude which she describes as "very strict". She explains:

As the wife and mother in this household I have many responsibilities. I have to rise early in the morning and begin cleaning the house. Then I have to make sure that breakfast is ready for my husband. Then I go to the market place to attend to my business, but at 12:00 noon I must hurry home to prepare lunch for my husband. . . . I must not delay in leaving the marketplace, because my husband likes his lunch to be ready when he returns home at 12:30 pm. . . . Sometimes I bring the vegetables or fish home from the market when I come at noon, but normally I prepare these things the evening before so that when I come home from the market all I have to do is reheat these and prepare the *ugali*. When my husband comes home from work at 12:30 pm his lunch is ready. The small children who stay at home during the day eat their lunch at the same time. Soon after my husband finishes eating I return to the market. He returns to the office around 1 pm. The other children come home from school around 3 pm. They are old enough to prepare their own lunch and to eat it when they get home. I stay in the market until the evening. Normally I do not have to prepare the evening meal when I return home because the girls have prepared it themselves. On Saturdays and Sundays these girls do all of the cooking and I am free to

¹²⁰ Direct quotations of Mama Katavu's words are taken from the draft manuscript of her personal narrative (B03).

continue with my own programme.¹²¹ On Saturdays I work in the market all day. On Sundays I just go to church. I do not go to the market on Sundays.

Magdalena¹²²

Magdalena's shop is open from 6:30 am to 9 pm daily, except on Sundays when she goes to church in the morning and opens the shop after lunch. She explains how she maintains this schedule while also managing to meet her domestic obligations to the household.

I normally rise at 5 am, clean the house, wash the dishes and utensils - sometimes even the clothes, prepare the tea for breakfast, and then go to open the shop. I work in the shop alone. I have no one to help me.

Magdalena does, however, have a young brother-in-law who lives nearby and goes to purchase stock items for her in Mwanjelwa, free of charge. In addition, her 13 year old sister-in-law who lives with her assists with child care and other domestic chores.

My own child is grown up - almost five years old. She can stay here at the business when the other girl is at school. Then they go home together when she returns from school. This girl [the young sister-in-law] can cook *ugali* and so on at home, or come to the shop where I keep a stove. She is 13 years old. She knows how to cook the evening meal, but when my husband is around he

¹²¹ If Mama Katavu is unable to prevail upon her daughters to relieve her of the obligation to return home at noon to prepare and serve the midday meal to her husband, it is because these daughters have, up until now, been enrolled in secondary school. This situation contrasts with those of the Jirani group, whose daughters are about the same age as Mama Katavu's, but whose experiences have been shaped by circumstances. As Mama Leah explains:

We have girl children who are able to help us at home. They have finished Standard VII, but the tomato business isn't enough to feed us and send our children to secondary school. Before the children were grown up we had to do the housework ourselves. . . . Now before coming to the market we just clean the master bedroom, then the children clean the rest (F02).

Thus while Mama Leah's inability to finance her daughter's secondary school education means that she will be able to call upon that daughter's full-time assistance with household tasks much sooner, Mama Katavu's relative affluence, which affords her the opportunity to send her girls to secondary school, also means that she will be required to continue to return home to prepare the midday meal for her husband for several years after Mama Leah's daughter has assumed all such tasks on her mother's behalf.

¹²² Direct quotations of Magdalena's words are taken from the transcript of her individual interview (A17).

comes to the shop at 6 pm and I go home to prepare dinner. . . .

Magdalena's husband is an itinerant trader who is frequently away from home, as she explains:

[My husband] normally goes away for two weeks at a time, then returns for three days or a week. Whenever he comes he brings a lot of dirty clothes and so on. . . . If my husband is present, he can go to the shop in the morning and I can continue ironing clothes, going to mill flour, and so on. . . . I take advantage of the time that he is in the shop to set everything in order at home.

Thus, both Mama Katavu and Magdalena make use of the labour of junior family members and kin in order to fulfil their domestic responsibilities to the household while they are otherwise occupied with business activities. In addition, both of these women give some prominence in the description of their business schedules to the arrangements they have made to accommodate their husbands' needs and demands. The compromises which women might make in their husbands' presence are particularly apparent in Magdalena's situation: when her husband is travelling she is free to assert her agency and make independent decisions about the ways in which she wishes to allocate her own labour; her husband's homecomings, however, symbolize not only a heavier domestic work load, but also a significant deviation from the schedule of activities and allocation of labour resources which she chooses to follow during his absences.

Felisia¹²³

Felisia's experience differs significantly from those detailed above. She begins her narrative by explaining how she manages to run a shop in town while simultaneously travelling to the *mna dani* to sell *khangas* and *vitenge*:

¹²³ Direct quotations of Felisia's words are taken from the draft manuscript of her personal narrative (B05).

I have two boys who help me with my business. They are my own children, not employees. One is my son ... my first born. The other is my sister's child ... This boy is the same age as my first born [15 years old]. He has been staying with me for a very long time. I have raised him myself.

She continues her narrative with an account of how she meets her domestic obligations to her household, including her four younger children (aged 1 to 10), in spite of the fact that her business activities take her away from home nearly all day, every day. She explains:

At home I have employed two girls to help me with the household tasks. This is because the local markets we go to are quite a ways outside of town. It is possible for me to be late returning or to have transport problems, so that's the situation which has forced me to find girls to help me - to stay with my children and help with household chores in general. At first I had only one housegirl, but I found that she could not cope with all the chores. The whole day she is responsible for all duties - cooking, washing the dishes, bathing the children, washing clothes, and so on. I found that the tasks were too many so I had to employ another housegirl to help her. When I get up in the morning, the first thing I do is go to give them instructions, and find out if they need any supplies to carry out their daily work. I've taught them properly how to keep the house. The important thing which I can do is just to collect my dirty linens and clothing and those of my husband and children, and take them out of the rooms for the girls to wash. Then I take my bath and have my breakfast. In fact, all of the household chores are done by my housegirls when I am not at home. Only occasionally, when I take a day off to rest from my business trips, am I able to help them by participating in the daily chores.

In contrast with Mama Katavu and Magdalena, Sista has hired girls to look after all aspects of the housework. She also makes no mention of any particular efforts on her part to accommodate her husband's needs or demands. These two factors set Felisia apart from her colleagues. These differences seem to indicate that Sista not only has greater financial resources which enable her to employ domestic workers, but also that she has much greater autonomy in establishing her own schedule without having to submit to interference or demands from her husband.

These narratives demonstrate how the diversity of women's individual circumstances - the needs of their households, the resources to which they can lay claim, their relationships with their husbands, and the amount of space which these relationships leave open for them to assert their own agency - influence the strategies which each of them adopts in order to balance their productive and reproductive activities. In the midst of this diversity, however, a number of common elements exist. These common elements extend beyond the experiences of these three narrators; they are also reflected in the broader experience most of the research participants.

Perhaps the most noticeable similarity in Mama Katavu's, Magdalena's and Felisia's narratives is the priority, measured in terms of the number of labour hours allocated, which each of these women afford their business activities in the context of their daily schedules. Faced with a combination of more reproductive and productive tasks than they can personally attend to, these women demonstrate a clear preference for engaging in productive (business), over reproductive (domestic), activities, choosing to invest more significant amounts of their own labour time in income-generation, and relying on the labour of others to assist them with numerous domestic tasks in order to meet the reproductive needs of the household. Other research participants demonstrated similar preferences for productive, over reproductive, activities. These preferences were apparent in their choices regarding labour, not only through allocation, but also through their description of the benefits of engaging in business and loan activities.

'Keeping Women From Being Idle'

Throughout the research, women asserted that one of their chief motivations for engaging in income-generating activities, indeed one of the primary benefits which they derive in the pursuit of their business endeavours, is that productive activities such as these 'keep them from being idle'. In general usage, this phrase implies that engaging in productive activities allows women to make an active and tangible financial contribution to the household, an action which is contrasted with their previous inaction, or relative 'idleness', in this realm. On this level, women's references to their own 'idleness' appear to be similar in nature to those remarks made by Mzee Katavu and others.

While this definition of women's 'idleness' is widely accepted in public discourse, further elaboration by women themselves revealed that their own definitions of such 'idleness' emphasise social, rather than financial, factors. In an effort to elucidate the nuances of their definitions in this regard, feedback seminar participants explained:

Having a business or loan gives you a reason to leave the house, to become involved in other activities. It keeps your mind busy. It gives you something to think about other than your daily chores and household routine (G02).

Another woman's description of the benefits of receiving a loan help to further clarify the meaning which she and her peers attribute to women's 'idleness':

The good thing about the MCF loan is that it keeps you from being idle. Your mind is constantly busy doing calculations and so on. This is a different kind of 'business' than housework and the like. There is a difference between being a housewife and receiving a loan. If you have a loan you are somewhere thinking: "Am I really going to sell that rice?" If you don't have a loan you are at home. You think you have nothing. You feel you are the poorest of the poor (A07).

Thus, for these women, 'idleness' is associated with staying at home, carrying out daily chores,

and following the household routine. Having a business or a loan, on the other hand, represents an alternative to such 'idleness' - an opportunity to be diverted, or even to escape, from this monotony. Women's references to their productive activities as a means of delivering them from 'idleness' may therefore be understood as tacit indications of their preferences for the diversity and challenges of business and loan activities, over the monotony of their traditional domestic responsibilities.

The definitional nuance which women imply in their own references to women's 'idleness' allows them to participate in the male-dominated public discourse which portrays women's businesses and loans as activities which keep women from being idle; it also allows them to co-opt this discourse to promote their own self-interest. For example, a woman who justifies her participation in business activities as a means to 'keep from being idle' poses a lesser threat to her husband's status than a woman who boldly asserts her right to allocate her labour as she chooses. By co-opting the male discourse on women's 'idleness' in this way, women are often able to minimise their husbands' resistance to their new activities, and, in some cases, are even able to gain their husband's moral or financial support for their business endeavours.

If women's engagement in business activities meets both women's and men's requirements for 'keeping women from being idle', enabling women to both escape from the mundane routine of domestic chores and to make a financial contribution to the household budget, then the prospect of receiving a loan - which promises to require more fervent business activity and to generate increased income - might be expected to heighten the benefits. In addition, as noted above, participation in the loan process may increase the public

visibility of women's businesses; this may have the effect of further legitimizing women's diversion from the traditional activities and warranting increased male approval of women's participation in new activities. As feedback seminar participants explained:

If a woman has a loan for her business, her husband can even allow her to travel for business purposes, in order to generate money for repayment. Without the loan, many husbands will not allow their wives to travel, even if it would make their business more profitable (G02).

In this manner, a woman who obtains a loan for her business, may secure her husband's increased approval of her productive activities, and thereby gain greater autonomy to assert her own agency and preferences in decisions regarding the allocation of her own labour.

Women's manipulation of the male-dominated discourse on women's 'idleness' may be understood to constitute an act of resistance against an inequitable gender division of labour through which women are allocated responsibility for a disproportionately large task load and then disparagingly referred to as 'being idle'. It is important to note, however, that women's resistance in this regard does not necessarily seek to reject all aspects of the gender division of labour. For example, women's expressed preferences to invest their labour in productive, rather than reproductive, activities have undoubtedly been influenced by the lack of value which is assigned to reproductive tasks under the prevailing gender division of labour. Moreover, the establishment of a hierarchy of preferential tasks, such as the one which women promote even through their own nuanced definitions of 'idleness', serves to further devalue reproductive labour, and to reinforce the inequalities inherent in the current system. Furthermore, women's efforts to manipulate this discourse of idleness must not be misconstrued as an united attempt to transform the gender division of labour for the collective

advantage of all women, but recognized instead as manifestations of an individualized and self-serving pursuit of personal benefits, which are likely to imply reciprocal disadvantages for other women.

Recruiting Substitute Labour

Before she can assert her preference to increase her involvement in productive activities, however, a woman must consider what resources she can call upon to compensate for the reduced amount of time which she will have available to ensure the sustainable reproduction of the household. Herein lies the second common element of Mama Katavu's, Magdalena's and Felisia's narratives. Although these women may draw on different relationships, calling on their own children, members of the extended family, and even employees, to supplement or replace their domestic labour, it is, in each of these cases, the labour of younger women and girls which is relied upon to help the narrators fulfil their domestic responsibilities within the household. This points to a definite gender and generational bias in the recruitment of replacement reproductive labourers. This bias is both a product and a perpetuation of the prevailing gender division of labour, as will be discussed further below. It is also indicative of the privilege of seniority which affords older women the opportunity to lay claim to the labour of younger women in their households.

Generational Biases in the Allocation of Labour

The privilege of seniority allows older women to reserve for themselves the types of work and activities which they prefer, transferring the remaining, less desirable tasks to younger women in their households whose labour they can control and allocate without consultation. In this manner, the bulk of domestic tasks in many households may be

transferred from senior to junior women. However, it is important to note that, in accordance with the conjugal contract, senior women continue to maintain overall responsibility for the sustainable reproduction of the household, even where junior women actually do much of the work. Thus, within the resulting generational division of responsibility occurs, a distinction is made between *managerial* responsibility for domestic tasks, which is retained by senior women, and *physical* responsibility for such tasks, which is transferred to junior women. Senior women, therefore, assume a supervisory role, delegating tasks to junior women and, subsequently, appropriating the labour of these junior women as they claim responsibility and recognition for completion of all domestic activities within the household.

Gender Biases in the Allocation of Labour

Mama Katavu's, Magdalena's and Felisia's narratives draw particular attention to both the division of responsibility within the household and the balance of power between women and their husbands. For example, although each of these narrators use the income from her business to supplement (or replace) her husband's traditional contributions to the household budget, none of them mention any sort of reciprocal initiatives on the part of their husbands to contribute supplementary labour to domestic activities in support of women's traditional role within the household. The net effect of such changes would seem to be that while women take on more responsibilities overall, men's burden of responsibilities remains constant or may even decrease. The fact that women are taking on more responsibilities within the household, does not, however, necessarily indicate that they will wield greater power vis-à-vis their husbands. Although some women, like Felisia, appear to have established a certain degree of autonomy in decision-making, especially with regard to the allocation of their own

labour, many women, like Mama Katavu and Magdalena, continue to encounter constraints to their autonomy, as their husbands insist that - in accordance with tradition - certain tasks must be carried out personally by their wives.

The gendered nature of the division of labour, particularly with regard to reproductive activities within the household, therefore, remains relatively unchanged, as men continue to exert varying degrees of control over their wives' schedules and activities. This may be explained, in part, by widespread and deeply imbued attitudes regarding the immutability of gender roles, which, in turn, contribute to the perceived non-transferability of domestic tasks from women to men. Such attitudes are frequently expressed by men, and may be used to control women's labour, even to the point of restricting their business activities. For example, as Mama Katavu explains:

My husband is very strict. He will not allow me to travel more than a certain distance from the house to do my business. He likes me to stay close to home. He says that if I travel more than a certain distance I will not be able to look after the household properly. If I am not here during the day he says I will force him to prepare the meals like a woman.

While Mzee Katavu's attitude in this regard may come as no surprise, it is important to note that men are not alone in their expressions of resistance with regard to the notion that they might be required to take part in cooking, cleaning and other 'women's' activities. During the course of this research, many women demonstrated reluctance even to consider the possibility that their husbands might engage in domestic activities such as these. Mama Msafiri, who spent a number of years of her married life living in Europe, attributes this reluctance to the way in which Tanzanian women (including herself) have been socialized. She explains:

When we lived in Europe I saw that my peers were being assisted by their husbands during the weekends and holidays, but for we Africans, I recall that my mother told me to do everything - cleaning the floors, cooking and so on, even if I am sick. I would feel uncomfortable to see my husband doing these things. [Pauses.] Maybe that will be different for my daughter and her husband. Maybe they will live like I saw my European friends living (B04).

Women who participated in a focus group discussion about gender roles and women's work articulated perspectives similar to those expressed by Mama Msafiri. "Women must look after men", they asserted. "This is our tradition", one explained. "This is what we have been brought up to know", added another. Everyone agreed (E03).

Mama Msafiri's musings about the gender division of labour which will form the basis of her daughter's conjugal contract are particularly interesting in light of her preceding statement which indicates a tendency for girls to carry on the traditions which they have learned from their mothers. Focus group participants also contemplated the ways in which gender roles might change in future generations. These women noted that traditions were slowly evolving as girls were becoming more educated and wealth was increasing. However, their discussion of these evolving traditions juxtaposed two rather contradictory trends.

Discussing the current gender division of labour within their own households, focus group participants alluded to changing gender roles. In particular, one participant asserted:

Nowadays we are not depending so much on our husbands. We are helping to support the family. We have our own income generating projects. Our husbands have to help with our work now. . . . (E03)

However, this woman's claim that husbands are now obligated to help with domestic activities was not necessarily shared by her peers. Another woman depicted male participation in domestic activities as more of a voluntary initiative. She explained: "A man can assist his wife

with her work if he feels like it. . . . If he sees that she is tired he can help her. He can carry food to the table - things like that" (E03). Focus group participants offered a number of additional examples of ways in which men might contribute labour in an effort to reduce their wives' task load: "Some husbands can help with the outside work in the *bustani*¹²⁴ or the *shamba*"; "Others can press the clothes in the evenings"; and, "Some can even take the children to school or take them to the doctor if they are ill"(E03). For the most part men's participation in the household tasks will take the form of occasional voluntary assistance and will be limited to those tasks which are perceived to be least degrading. However, focus group participants did note that in a few exceptional cases: "Those who have studied outside [of the country] can even cook dinner"(E03).

As an alternative to participating in household tasks, some husbands may demonstrate a willingness to contribute labour to women's income-generating activities as a means of assisting in the reduction of women's workload. For example, when he is present in the household Magdalena's husband minds the shop while she carries out her domestic duties. However, men's willingness to contribute labour to their wives' income-generating activities may depend on the nature of the task involved. Although this strategy seemed to be particularly prevalent among shopkeepers' husbands, men whose wives engaged in less prestigious activities, such as market vending, made no mention of such contributions. This strategy may therefore afford men the opportunity to assert their own preferences with regard to the activities in which they wish to invest their labour. Moreover, in choosing to contribute to their wives' productive activities, men may effectively use this strategy to reaffirm their

¹²⁴ Small garden adjacent to the home.

position of power in the household, as well as to reinforce the hierarchy of gendered tasks and responsibilities, and reaffirm women's traditional subservience to their husbands.

In the end, focus group participants generally agreed that providing a housegirl or financing labour-reducing technologies, e.g. purchasing a sewing machine or transport to deliver firewood, were among the best examples of the types of contributions which husbands might make in an effort to reduce their wives' workloads. It should be noted that male contributions to these ends will be in cash rather than in kind, and that the subtlety with which such cash transfers can be made will be far less threatening to a man's public image than any sort of physical participation in 'women's work'. In addition to protect the public image of individual men, the relative public invisibility of such contributions may also diminish the propensity for such contributions to be recognised as a more collective and permanent trend which may be indicative of an evolution in the gender division of responsibility within the household.

If the preceding descriptions of men's attempts to assist in the reduction of women's work load inspire an illusion of a potential evolution on gender roles, such illusions disappear in the context of focus group participants' discussion of the ways in which they endeavour to prepare younger women in their household for adulthood. Rather than using this mentoring role as an opportunity to further, or at least to reinforce, some of the potential changes in gender roles which they describe above, focus group participants appear to perpetuate the patterns of their own socialization in these younger women, inculcating in them the traditional values which they learned from their own youth. In this regard, one participant reiterated the assertion that "women must look after the men", explaining:

This is what we teach our daughters before they get married. We send them to friends and relatives to be trained in everything that they need to know to look after their husbands (E03).

This type of deliberate training, together with the tendency, as noted above, for women who engage in business and loan activities to transfer many of their domestic responsibilities to junior women and girls in their households, serves to reinforce the prevailing gender division of labour. If young people tend to carry on the traditions they have learned from their parents, as Mama Msafiri suggests, then these trends would seem to indicate that the gender division of labour is likely to be perpetuated according to its current formulation in the next generation.

The tendency which these senior women exhibit with regard to the inculcation and perpetuation of the prevailing gender division of labour in the subsequent generations may be motivated either by hopeless resignation or opportunistic self-interest. Where hopeless resignation is the motivating factor, this tendency may reflect a perception that there are no practical alternatives to living by the norms of the prevailing gender system. Based on this perception, older women may consider that the best coping strategy which they can give their daughters is to train them to accept these conditions of gender inequality, and to behave according to the corresponding parameters and expectations which will be placed on them as women (Papanek, 1990: 181).

Alternatively, older women's motivation to inculcate the prevailing gender division of labour in the next generation may be rooted in opportunism and self-interest. Indeed, women who, having attained a certain level of seniority, find themselves in a position from which they are able to call upon and lay claim to the labour of younger women, stand to benefit from the

current division of labour and may, therefore, be more interested in reaping their individual rewards within this hierarchical structure, than in challenging it on the basis of the disadvantageous situation in which it places women collectively (Mayoux 1995a: 244). In the context of this study, for example, senior women are able to use the privilege of seniority to capture the labour of younger women in their households. This youthful labour is used to supplement or replace the domestic labour of older women, who thereby create fear themselves so that they might enjoy the opportunities to dedicate more of their own time and energy to business and loan activities, in accordance with their own expressed preferences. Observing such tendencies, Hanna Papanek (1990: 181) postulates that as long as it is in the self-interest of older women to assert their control over the labour of younger women, the prevailing gender division of labour is likely to continue in perpetuity with very few significant changes, as one generation after another seeks to gain the advantage which they have seen older women reap, and for which they have paid their dues through their youthful labour for these older women.

'Liberation by Substitution'

Throughout the research, women explained that as they engage in business activities and participate in the loan process, they exercise their creativity, keep their minds active and diversify the range of tasks in which they engage. Each of these manifestations of the ways in which women's business and loans keep them from being 'idle' represent new opportunities for women to experience personal fulfilment and an increased sense of autonomy. In addition, such activities may also afford new opportunities for increases in women's status and prestige within the household, as well as in the broader community.

The increased sense of personal autonomy which many women gain through these new opportunities may be referred to as 'liberation by substitution', as the very process which enables these individual women to escape from the monotonous routine of their traditional domestic tasks involves exertion of power and control over the labour of others. Thus the hierarchal structure of the gender division of labour remains unchanged in this process; all that is different is the position of certain individuals within the hierarchy of the status quo.

At the level of the household, for each woman that benefits from the 'liberating' aspect of this process, others experience the reciprocal disadvantage associated with being recruited as 'substitute' labourers. In the broader context, the process of 'liberation by substitution' serves to further devalue the important contributions to society which women make through their domestic and reproductive labour. Furthermore, this process reinforces the relegation of mundane (but none the less vital) tasks to the marginal and less powerful (i.e., younger women whose labour can be manipulated and controlled), while simultaneously perpetuating the notion that fulfilment and value are directly associated with 'productive' activities.

Conclusion

The evidence of women's experiences as presented in this chapter indicates that issues surrounding the allocation of household labour are profoundly political. This evidence clearly demonstrates that labourers are active agents with competing interests, but also that the tasks which must be allocated may be ranked in order of prestige and desirability.

In accordance with the traditional gendered division of labour, the conjugal contract which shapes the initial division of responsibilities in most households allocates all reproductive labour to women. Although participants in this study made significant

contributions to household income - traditionally considered a husband's responsibility under the terms of the conjugal contract, as discussed in Chapter Seven - such contributions do not appear to have precipitated reciprocal male efforts to assist women in the fulfilment of their traditional responsibilities to sustain the reproduction of the household.

Whereas the gendered nature of the division of labour appears to be relatively non-negotiable, women's accounts of the ways in which they balance their productive and reproductive activities, together with their explanations of the ways that their productive activities 'keep them from being idle', demonstrate that these women have identified significant potential to negotiate their own task load through the reallocation of their domestic tasks to other women in their household. The evidence presented here underlines the importance of broadening the scope of household-related research, which currently tends to focus primarily on gender relations and conjugal contracts, to include other (subordinate) members of the household, and other differentiating factors such as age and seniority (Creighton and Omari, 1995: 4; Warner *et al.*, 1997). These preliminary findings point to the need for more extensive research into the nature of intergenerational relations within the household, particularly with regard to the ways in which patterns of gender socialisation and definitions of gender roles are passed down from one generation to the next.

Chapter Nine

Beyond Credit: Creating Space for Women's Empowerment

MCF has made credit available to people and in places where it was not available before. This marks a significant departure from other initiatives, both past and present, which give priority to men's economic endeavours, or continue to conceptualise women's role in 'development' only in terms of their reproductive capacities (Mayoux, 1995b: 55-56). In this regard, MCF, and other projects like it, may pose a challenge to the status quo through the simple fact of their existence (Kabeer, 1994: 26). While this challenge should not go unnoticed, its potential to effect lasting transformations to the unequal relations of power which currently prevail is negligible.

Lack of access to capital resources is not the cause of poverty or gender inequality; rather, it is a symptom of the unequal relations of power which create and perpetuate these structures of oppression. Provision of credit can therefore only be expected to relieve the symptom; the root causes of poverty and gender inequality will only be overcome with the transformation of existing structures through processes of empowerment. Although credit itself is neither transformatory nor empowering, credit projects may serve as an entry point through which more fundamental issues, such as the root causes of oppression, may eventually be addressed. Credit may therefore be considered a means to empowerment. However, its potential in this regard depends on the way in which it is conceptualised and delivered by 'developers' (Ackerly, 1995; Holcombe, 1995; and, Kabeer, 1994), as well as the way in which it is perceived and received by project participants.

The structure and organisation of political space within a project is a key determinant of that project's empowerment potential. Projects which are structured with the explicit intention of establishing political spaces which are easily accessible to project participants create potentially enabling environments in the context of which participants may contribute to needs identification and policy formulation (Kabeer, 1994: 235). Participants may also make use of such spaces to establish discursive venues within which to socialise their individual experiences and begin to build a collective consciousness (Young, 1993: 142). Where project structures impose constraints on political spaces, or project managers assert tight control of such spaces, participants, as active agents, may find ways to modify or manipulate the existing space so as to meet their own self-defined needs. Alternatively, groups or individuals who find themselves constrained by the shape of political spaces which are structured from above, may actively engage in the creation of new spaces which conform more closely to their own needs and objectives.

Drawing on the explanations and analyses of women's experiences elaborated in the preceding chapters, this chapter seeks to explore the extent to which MCF has, through its conceptualisation and delivery of credit, created spaces - either by design or by default - which have enabled women to achieve new levels of empowerment, that is, to act on their own behalves, to fulfil their own objectives. The chapter begins with a review of the key findings of the case study, focusing on the interface between women's objectives and MCF's policies. The next section explores the various ways in which 'empowerment' has been defined and experienced in the context of this project, and assesses the potential for each of these forms of empowerment to contribute to the renegotiation of power relations and the

transformation of structures of oppression. Reflecting on the ways in which empowerment is currently being actualised through this project, this section concludes with suggestions regarding the reconceptualisation of certain political spaces within the MCF framework, with a view to increasing their transformatory potential. The final section of the chapter situates the findings of this research in the broader context, and seeks to identify lessons from this micro-study which might inspire thoughtful reflection among those involved in 'development' initiatives of all sorts.

Credit as a Means: Positioning Women as 'Real' Actors?

Where credit is understood to be a means to empowerment, rather than an end in itself, greater emphasis is placed on the way in which credit is delivered, rather than the simple fact of making it available. Indeed, the essence of transformatory potential in projects such as these may lie in the structure of power relations within the project, with specific emphasis on the degree to which project participants are positioned in this structure and the degree to which they are encouraged to assert their own power and agency to mould the project to meet their own needs. In this regard, Naila Kabeer (1994: 235) comments that project participants may be positioned as "component, but socially constrained actors who are capable of making choices, articulating priorities and taking responsibility, or as passive clients in need of enlightenment and uplifting". Kabeer (1994: 261) upholds the example of the Grameen Bank which she credits with having "positioned women as independent entrepreneurs, able to utilize and repay loans . . . seek[ing to] treat women as 'real' actors in the development process rather than seeking to act on their behalf".

Claims which accredit development projects with having empowered women by

positioning them as 'real' actors in the development process must be carefully assessed. In situations where the terms, conditions and objectives of development projects continue to be determined from above such claims must be subject to particular scrutiny. For example, following Kabeer's statement about the Grameen Bank, MCF may also be said to have positioned women as 'real' actors in their own 'development' insofar as women have been accorded access to credit through the project. Insofar as the terms and conditions of this credit, and the expectations and measures of 'success' in the context of this project, are concerned, however, these women continue to be constrained by a project structure which denies them any formal space to shape the project according to their own needs, priorities and objectives.

The evidence of women's experiences within the MCF project framework clearly indicates that participants have not been involved in needs identification or policy formulation at the project level. Instead, the project's policies are based on externally defined models of entrepreneurial behaviour which assume that business growth is both feasible and desirable. This model does not coincide with the daily realities of either the business objectives or management strategies described by the majority of the women who participate in the project.

This research demonstrated that the assumption that women's businesses are growth-oriented is largely unfounded in the case study environment. Indeed, many of the women who participated in this research view their businesses as a means of security or even sheer survival, rather than a vehicle for capital accumulation. Moreover, women's explanations of their business management strategies indicate that, for the most part, their businesses constitute only one component of a much larger web of interdependent strategies and

initiatives upon which they rely in order to ensure the daily survival or security of their household. As such, women's businesses are often inseparable from the other aspects of their livelihood strategies. In this context, the tendency for project policies to conceptualise women's businesses as independent entities which can be thought of in isolation, and the emphasis which is placed on the need to maintain separate business and household accounts, is, in many cases, simply impracticable. The disparity between planners' assumptions about women's businesses and the realities within which the majority of project participants actually conduct their business leads to the formulation of credit policies which are largely inappropriate.

MCF's Objectives: Emphasis on Economic Empowerment

The MCF project framework was designed with a view to promoting women's economic empowerment, defined here as a net increase in access to economic resources which will enable the participant to ensure increases in material well-being within her household. Although this definition of empowerment is compatible with the business growth model upon which MCF credit policies are based, it is not necessarily congruent with the objectives, resources and capacities of the women whose empowerment it aims to promote. In light of this disjuncture, it should not be surprising that substantial net gains and increased levels of economic empowerment were limited to those few project participants who had previously enjoyed greater business 'success' were already engaged in growth-oriented strategies. In this regard, MCF's growth-oriented credit policies and emphasis on economic empowerment continue to privilege the privileged: women who are already successfully engaged in growth-oriented enterprises are most likely to meet the conditions of the project's

actual lending criteria, to derive measurable economic benefits and to experience further economic and social empowerment as a result of receiving a loan.

Women's Strategies: Creating New Spaces within the Project Framework

Although they have not been accorded an official space to participate in the determination of the project objectives or credit delivery strategy, and in spite of the fact that the externally defined objectives and strategies do not appear to coincide with the realities of the majority, women in Mbeya have actively engaged in the manipulation of official project policies in order to create spaces for themselves within the project framework. Through such manipulation and creativity a number of women have been able to achieve their own short-term goals, i.e., to gain access to credit. However, such strategies are limited in their empowerment potential. In many cases, women who engage in the manipulation of project policies in order to gain access to credit in the short-term, subsequently encounter difficulties when they are faced with rigid repayment regulations which are externally determined, controlled and enforced. Such regulations are based on business models and expectations which do not coincide with or allow room for the realities of women's own business objectives and management strategies.

Where a significant disparity exists between the assumptions which inform project policies and the realities which constitute women's experience, strict enforcement of repayment regulations may lead to decapitalisation of a woman's business, reduced consumption within the household, and new or renewed forms of financial dependency. These situations may, therefore, be understood to be contraindicative to the project's objective of economic empowerment, as they place new constraints on women's capacities

to fulfil their own objectives using the resources available to them. In addition, where repayment is pursued at all costs, i.e., through harassment, intimidation, litigation and extortion, participants may experience fear, shame, loss of self-esteem and self-confidence, and other responses which are contraindicative to the social aspects of individual empowerment. Moreover, given that project staff and members of the judiciary who might employ these strategies are predominantly male, such strategies may have particularly negative implications for women's empowerment in the context of gendered relations of power.

Women's Strategies: Renegotiation of Political Spaces within the Household

The ways in which women have used their participation in the credit project as a basis for the renegotiation of political spaces within their households are among the most fascinating elements of this case study. Drawing on the increased public recognition of their productive contributions to the household, many of the research participants have been able to negotiate new levels of autonomy and decision-making power around the allocation of household financial responsibilities and labour resources. Through this process of negotiations, these women have been able to define empowerment in their own terms. These definitions are manifested in their claims that they have 'reduced their dependency on their husbands', and that they have increased their ability to 'keep from being idle'.

It must be noted here, however, that neither of these claims of empowerment necessarily represents a permanent change or a transformation in the status quo: reduced dependency on husbands may mean that the responsibility for the purchase of daily market goods has been transferred from husband to wife, or that a woman has transferred her

previous dependence on her husband to the project; the ability to 'keep from being idle' represents a transfer of mundane tasks to other women and children within the household. Neither the oppressive structures or the inequitable power relations which are the basis of poverty and gender oppression have been challenged in this process. Indeed, the responsibilities of the women involved have increased, and their traditional work remains unvalued. The status quo remains in tact; the only thing that has changed is the position of certain women who have secured for themselves more comfortable positions within its hierarchical structure. In this regard, the empowerment strategies which have emerged through this process are highly individualised.

Enhancing Existing Spaces for Empowerment at MCF

Credit projects which incorporate training and solidarity group components often attribute these with significant empowerment potential. Although each of these components has the potential to provide enabling and empowering circumstances for women, the extent to which this potential will be developed in the context of a particular initiative will be largely dependent on the theoretical underpinnings of that initiative. In the case of MCF, where a minimalist, market approach guides credit delivery and policies, the transformatory potential of both the training and solidarity group components is sacrificed in the name of efficiency and cost-effectiveness: 'training' is reduced to a didactic four hour review of the regulations regarding repayment prior to receiving the first loan; and 'solidarity groups' represent little more than a cost-effective method of credit distribution.

The spaces linked to training and solidarity groups could definitely be used more effectively in the context of the current project, not only as a means of promoting

consciousness-raising and collective empowerment among women, but also as a means of increasing opportunities for mutual learning and the establishment of greater rapport between project participants and staff. I suggest that the transformatory potential of this project could be meaningfully enhanced through the reconceptualisation of the use of these spaces and the adaptation of a more participatory approach overall.

For example, training sessions which take a more participatory approach to discussion, placing an emphasis on mutual learning and peer education could provide meaningful opportunities for women to express themselves, explaining and analysing their own situations and circumstances.¹²⁵ Such training would not only be more appropriate to women's own needs and priorities, it might also afford them new opportunities to socialise their individual experiences and gain new levels of self-esteem and self-confidence. Moreover, these sessions would provide project staff with an excellent opportunity to cross-check the appropriateness of credit policies. In like manner, requiring solidarity groups to meet together regularly with project staff and other participants, would increase the potential for consciousness-raising through the discussion of shared experiences, and also provide an opportunity to involve current participants in the assessment of in-coming loan applications, the training and monitoring of new groups, and deliberation of the rescheduling of their colleagues' loans when necessary.¹²⁶ Together these opportunities might increase the enabling environment and transformatory potential provided through the project. This might lead to women's input in

¹²⁵ For further discussion of more participatory modes of credit training, refer to Awori (1995).

¹²⁶ For detailed discussion of the benefits of regular group meetings as suggested here, refer to the case of the Grameen Bank as elaborated by Holcombe (1995).

planning and policy formulation, which could, in turn, create a new sense of respect for, and identification with, the project's objectives among participants - perhaps even a new sense of project ownership.

The participatory research experience upon which this case study is based demonstrates women's willingness to engage in other related processes. Indeed, during the final feedback seminars, participants took the initiative during the final feedback seminars to recommend that they should be included in a regular policy review process with MCF staff and managers. Moreover, their reactions to, and comments on, the research process, especially the feedback seminars and debriefing sessions, demonstrate that these women experienced new levels of self-confidence and self-worth, and reflect their recognition that, through their participation in this research, they had renegotiated their position within the NGO's power structure. The question which remains, however, is whether MCF is prepared to absorb the cost, and project staff are prepared to invest the time and effort, required to facilitate on-going participatory processes of this kind.

Situating the Research Findings in the Broader Context

The findings of this research are particular to the participants and the context of this case study. The actions, priorities and strategies of the women who participated in this research are, for the most part, bound up in their individual experiences and circumstances and can not be generalised, even where other groups or individuals appear to be engaged in similar activities or coping with similar circumstances. That is not to say, however, that the findings of this study are irrelevant beyond the lives of the individual case study participants. Indeed, a number of relevant lessons can be gleaned from this study in order to inform other

research and similar endeavours. These lessons lie, not in the specific content of the particular actions, priorities and strategies which women in this research invoked, but in the underlying significance of these strategies within the broader framework of the 'development apparatus'.

In this regard, this research demonstrates that project participants are, indeed, active agents, who have their own agendas and possess the power and creativity to challenge the rigid structures of development projects which are planned from the top-down, in some cases successfully manipulating these to meet their own self-defined needs and objectives. Such manipulation of policy may divert the project from fulfilling its initial objectives. In cases where a project fails to meet its original, expert-defined objectives because its resources have been diverted by the local participants in order to fulfil their own self-defined needs and priorities, a number of questions should be raised: Is this project assumed to be a 'failure' simply because the original objectives were not met? Will the project be renewed with a new mandate which seeks to support participant objectives more directly? Why were participants' self-defined needs and priorities not given greater priority in the original project design?

Regardless of whether or not they are 'successful', attempts to manipulate project policy are indicative of the fact that the project's structure does not reflect participants' self-defined objectives and priorities. The very existence of this gap draws attention to the fact that projects involving human agents as key 'beneficiaries' can not be planned from afar on the basis of a ubiquitous set of assumptions. In this regard, two important characteristics of human agency must be kept in mind. First, as this research has shown, human agents have interests and preferences which they will seek to fulfil even if these are ignored or overlooked in the formal project structure. Secondly, human agents are often constrained in their actions

by exogenous factors. In many cases, the propensity of development planners to compartmentalise individual aspects of people's lives, seeking to treat each 'problem' in isolation, rather than acknowledging and accommodating the interdependency of participants' needs and obligations within the project framework, serves to compound these constraints.

These observations point to the conclusion that in order to be truly successful, a project must, from its inception, include broad-based participation and meaningful consultation with the intended project beneficiaries in the areas of needs identification and prioritisation, as well as project implementation and on-going processes of evaluation. Both in the context of individual projects, and the broader context of the 'development apparatus', the invocation of strategies which seek to provide new or expanded formal spaces for empowerment through attempts to incorporate increased participation at all levels of the project framework will present a challenge to 'developers'.

This research has demonstrated that women's definitions of 'success' and 'empowerment' may differ significantly from those of envisioned by 'developers'. When, in the context of well-intentioned consultative processes of needs identification and policy formulation, such discrepancies inevitably arise, whose objectives, whose definitions of 'success', whose interpretation of 'empowerment', will prevail? In order to respond to this question, those involved in the planning, implementation, monitoring and evaluation of all types of 'development', may be forced to re-examine their own personal and institutional values, goals, priorities and visions of change. Ultimately, such introspection will lead to a series of more fundamental questions about the nature of 'development' interventions: What is their purpose? In whose interest are they initiated? Whom do they aim to serve?

NOTE TO USERS

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310-311

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Appendix A

Proposal to Conduct an Impact Assessment of the Mennonite Economic Development Associates' Micro-Enterprise Business Development Project (MEBDP) in Mbeya, Tanzania

Purpose of the Research

- To define the positive and negative impacts of this project at the individual and household level.
- To yield recommendations on how to improve and sustain these individual and household level impacts.
- To generate lessons which might be adapted or applied to similar projects in the future, by situating the findings of this research within the framework of recent literature on credit programmes and micro-enterprise development.
- To test the applicability of the evaluation methodology outlined below, and to provide recommendations for the development of an on-going impact assessment methodology.

Principle Research Question

What are the economic and social impacts of participation in the MEBDP for individual micro-entrepreneurs and their households?

Method of Investigation

The research will follow a participatory model of investigation, involving as much direct input from the project participants as possible. Project participants will be encouraged to identify their own economic and social objectives for becoming involved in the MEBDP, to assess their current economic and social situation in light of these goals and to determine their relative progress toward achieving these goals.

Emphasis will be placed on qualitative research methods which are highly compatible with the participatory model because their scope allows for ongoing revision of interview questions as the study progresses and new facts are brought to light.

Stages of Data Collection

1. *Topic Focused Interviews* will be used to establish the basic framework or parameters of the study: to identify general trends among project participants, and to determine pertinent issues for further investigation.

Twenty micro-entrepreneurs will be selected to participate in these interviews. These principal participants will represent three categories of the Mbeya Credit Facility (MCF)'s clients according to the following percentage breakdown:

- a. *Non-Repeat Clients* (25 per cent) - Clients who, following successful completion of a loan cycle within the past six months, have elected not to seek further loans from MCF. Within this category a distinction will be made between clients who completed only one MCF loan and those who completed two or more.
- b. *Continuing Clients* (50 per cent) - Clients who, following successful completion one loan cycle, have sought further loans from MCF. Within this category a distinction will be made between those clients who are currently in their second loan cycle and those who are currently in their third or fourth loan cycle. This category may also include clients who have graduated from solidarity group loans to individual credit lines.
- c. *Prospective Clients* (25 per cent) - Micro-entrepreneurs who are currently applying for their first MCF loan.

The object of this stage being to identify the parameters of the study, care will be taken to select participants from each category who reflect diverse view points and concerns. In this selection process, consideration will be given to the sectoral divisions between productive (agricultural and manufacturing), commercial and service activities, and the classification of participants' activities subsistence- or micro-enterprises. Other characteristics such as the household composition, ethnicity, age group, and education level of the informants, as well as their location in a rural or urban setting will also be taken into account.

These conversation-type interviews will be conducted using an interview guide (attached) which lists the main topics and subtopics to be covered. Participants will be encouraged to express themselves fully and to reply in greater detail to those questions which are of greatest personal interest. Although additional questions might be asked in order to pursue interesting leads, information collected from different respondents will be comparable enough to determine simple frequency of responses.

2. *In-Depth Interviews* and *Focus Group Discussions* will be used to to probe for clarification and provision of further details with regard to the issues which were raised in the previous set of interviews.

During this stage, it may be necessary to revisit some of the principal participants to clarify responses, as well as to ask more direct questions about specific issues raised in the original interview. Group or individual interviews may also be held with the members of the participant's household in order to cross-check information, as well as to gain a deeper understanding of relationships and division of responsibilities within participant's household.

Focus group discussions will be used as a means to obtain information about the impact of the MEBDP from a wider range participants than would otherwise be possible with individual interviews. The focus group format may also unveil different ideas and reveal information that would not be brought out in one-on-one situations. Information collected through focus group discussions can also be used to cross-check responses obtained in sample group surveys and interviews.

In addition, collection of a small number (perhaps five) *Personal Narratives* will provide a few cases of even greater detail and more explicit explanation of the micro-enterprise and credit

experience of individual women. In these interviews, narrators will be given the opportunity to tell the story of how their life has (or has not) been affected by micro-enterprise, the informal sector, access to credit, and involvement with MEBDP, as well as how they perceive that the community and the local economy have been affected by these factors over time. Candidates for these interviews will be selected from those who have been identified in the initial interviews and in focus group discussions, as well as those who have been identified by MCF staff and other community members. An attempt will be made to select candidates with varied backgrounds and experiences, who represent the different classifications of micro-entrepreneurs. In this way, the individual case studies developed from these narratives will complement the information generated through use of other research techniques.

Information gathered in these first two stages of research will be used to develop *Composite Portraits* which highlight the stories and situations of four or five 'typical' MCF clients.

3. The qualitative data collected in the previous two stages will be used to generate hypotheses and propositions which can then be tested on a wider population using a *Structured Questionnaire*. It is anticipated that the questionnaire will follow the general topics outlined in the Topic-Focused Interview Guide (attached). The specific questions which make up the survey, however, can not be pre-determined, as they will be the outcome of the previous two stages of the research.

One hundred micro-entrepreneurs will be selected to respond to this questionnaire. These respondents will be drawn from the three categories of MCF clients identified in Stage One, and have the same proportional representation.

The structured nature of this questionnaire will allow effective use of research assistants in its administration.

4. Preliminary conclusions will begin to be drawn at this stage, based on the data collected in the previous three stages of the research. The primary purpose of this stage is to allow for *Verification of Data* and *Cross-Checking of Information* through use of follow-up interviews, more focus group discussions, and *Feedback Sessions* with project staff and participants.

Other Research Techniques

- *Weekly Cash Flow Monitoring* - In order to track the revenue (losses) generated in individual micro-enterprises as a result of receiving an MCF loan, cash flow reports will be collected from 10 micro-enterprises on a weekly basis throughout their loan cycle. In the absence of accurate record-keeping, these reports will be completed by the micro-entrepreneur on a memory-recall basis.

Assistance will be sought from MCF staff in the development of an appropriate cash flow report form and in the collection of data from micro-entrepreneurs at the time of their weekly loan payments.

- *Interviews with Key Informants* will be used to gather information about the project and general perceptions of its performance and impacts. Potential key informants include MCF staff, regional and district government officials, and representatives from other credit facilities and business groups active in the area.

Analysis of Data

Data analysis will be on-going throughout the research process as the very nature of the research design requires analysis at the end of each stage as a determinant of the issues of investigation in the next.

Due to its qualitative nature, the majority of the data to be collected will be contained in notes and summary transcriptions. This information will be analysed by preparing descriptive summaries, which can then be collated and sorted these into categories of response. The questionnaire used in Stage Three is the exception here. It will be structured in such a way as to allow some quantitative analysis.

Research Schedule

March	Final preparations for field work
April	Topic-focused interviews
May	In-depth interviews Collection of personal narratives Focus group discussions
June	Structured Questionnaire
July	Verification of data Cross-checking of information Feedback sessions with project staff and participants
August	Preparation and submission of final report to MEDA

Target Dates for Research Output

April 26	Identification of major issues based on topic-focused interviews.
May 24	Submission of Composite Portraits of MCF clients to MEDA.
June 7	Questionnaire design complete. Questionnaire translated. Coding mechanism established.
July 9	Submission of preliminary questionnaire results to MEDA.
July 26	Completion of Feedback Sessions, including participation from some senior Huduma staff.
August 12	Submission of first draft of final report to MEDA.
August 21	Submission of final report to MEDA.

for: MEDA Tanzania
 by: Corey Huntington
 c/o UDSM Links Office,
 P.O. Box 35091, Dar es Salaam
 date: March 15th, 1996

Appendix B

Topic Focused Interview Guide - Credit Recipients

- ***Perceptions of credit***

How and when did you first hear about MEDA loans? What you hear about these loans? What did you think about these loans? What is credit? What role does credit play in micro-enterprises? In what ways did you think credit might be useful for your business activities? What other sources of credit were available to you at the time? What risks and advantages were associated with each of these sources of credit?

- ***Personal experience with credit***

Why did you choose to apply for credit? Where did you get the capital required for the insurance deposit? Have you been able to pay this back? How have you used the loan which you received most recently? Has the overall result been positive or negative? Have you made all of your payments on time? Have you ever had to borrow from other sources in order to make your loan payments? How has your business changed as a result of receiving credit? How have these changes effected your household? Have they resulted in changes in the sources of income and the categories of consumption or the distribution of responsibility? Have you received credit before? If so, when, and from which source(s)? How does your most recent experience compare with past experiences?)

- ***Reflections on the solidarity group experience***

Who were the members of your original solidarity group? What is your relationship with each of these women/men - immediate family/kin/friend/neighbour? How did you know they were trustworthy and reliable? Had you participated in mutual support activities with any of these women/men before becoming involved with MCF? Were group relations smooth during your loan cycle? If not, what problems arose? How were these resolved? Would you (have you) participated in a solidarity group with these same women/men again? Why or why not? Have you engaged in mutual support activities with these/other women/men since completion of/during your loan cycle?)

- ***Views on skills and training***

What skills are essential in your business? How did you acquire these skills? What training did you receive from the MCF prior to receiving (each of) your loan(s)? Were these skills new to you? Have you been able to use these skills in your business? If so, when was the last time you used each skill? Are there other skills which would be useful to you in your business? What are they? Which are the most important of these skills? How could you acquire these skills?

- ***Perception of the Mbeya Credit Facility (MCF)***

What did you expect when you first applied for a loan from MCF? Has the programme met your expectations? Do you intend to apply for another loan through MCF at some time in the future? Why or why not? Have you/would you recommend that a friend or relative apply to MCF? Why or why not? What are the overall strength and weaknesses of the programme? What changes would you make to the programme?

- ***Business background - Rationale for engaging in micro-enterprise activity***

What was the original motivation for getting started in your business- household economic need/success of a friend or relative in a similar endeavour/possessed certain skills, knowledge or talent/perceived market demand? What factors entered into the decision when considering what type of activity to undertake - magnitude of financial need/labour power available/time allocation (daily, weekly, seasonally)/possession of skills, knowledge or talent/availability of tools or technology/access to start-up capital/success of a friend or relative in a similar endeavour/perceived market demand? What investments/sacrifices were necessary in order to get started? What rewards were anticipated in return for these investments/sacrifices?

- ***Perception of own enterprise as a dynamic entity***

How long has the initiative been under way? Is it successful? Are the original needs/demands being met? Have the anticipated rewards been realized? Have the original motivation or the reward expectations been altered in any way by changes in your status as an individual micro-entrepreneur, your household, your community or the local economy? In what ways has the enterprise been altered to meet these changes? Are these new needs/expectations being successfully met by the enterprise as it currently exists? If not, what changes might be initiated to meet these needs/expectations? What inputs are necessary in order to make such changes? What obstacles/constraints stand in the way of obtaining these inputs/realizing these changes? How could these obstacles/constraints be overcome?

- ***Role of the enterprise within the household***

What activities are involved in the daily management of this enterprise? Which household members are involved in these activities? How much time does each member contribute to each task? Has the workload within the enterprise increased over time? In what ways? Why is this so? Who has absorbed this extra work - the original contributors/other members of the household or extended family/additional employees hired? How are the proceeds from this business used within the household?

- ***Information about the micro-entrepreneur's household***

Who are the members of your household? What are the sources of income for this household (including the shamba/farming plot)? What activities generate income within the household? Which household member is chiefly responsible for each of these activities? Which is the most important of these activities? Which of the items on the list provided are consumed within your household? Which household member/economic activity provides each of these consumption items? What non-economic (reproductive) activities (from the list provided) are necessary to maintain your household? Who is responsible for each of these? How much time is required to complete each task?

Appendix C

Feedback Seminar Findings - August 5th, 1996: Participants' Policy Compliants and Recommendations

Participant Complaints about MEDA Policies	Participants' Policy Recommendations
1. The repayment period is too short.	Repayment should be once every two weeks, except during the rainy season when it should be once monthly. The rationale for changing the repayment period during the rainy season is that most businesses experience great difficulty during this period due to the fact that: <ul style="list-style-type: none"> * people are paying school fees; * people are occupied with <i>shamba</i> work so there are fewer customers; * transport becomes difficult; * more money is spent on agricultural inputs.
2. The interest rate is very high.	The interest rate should be reduced to half the current amount.
3. The grace period is too short.	The grace period for Solidarity Groups should be one month. For ICL it should be two months.
4. Weekly repayment is too frequent. Paying every two weeks only means having to double the amount of the weekly payment - this is no advantage.	Refer to Recommendation 1 above.

Participant Complaints (continued)	Participants' Policy Recommendations (continued)
<p>5. The requirements for ICL are very difficult to meet:</p> <ul style="list-style-type: none"> * You must have two guarantors. These guarantors must be men. <ul style="list-style-type: none"> - Each guarantor must have a house deed or an original copy of a vehicle's blue card. - The guarantors' businesses must be licensed. - The value of each guarantor's business/assets must be at least double the amount of the loan that he is to guarantee. - The guarantor can not be your husband or another MEDA client. * The client who is applying for ICL must have a license for her/his business. 	<p>The requirements for ICL should be divided or set up according to:</p> <ul style="list-style-type: none"> * client history; size of business; and, value of loan required. * Those requiring a loan of less than one million shillings should have the same rules as Solidarity Groups * Clients who have participated in Solidarity Groups and have been faithful and successful in paying should be considered first * Instead of limiting individual loans to fixed amounts (i.e. 500,000/Tsh to 1 million/Tsh), clients should be allowed to request the amount that they feel they require. MEDA should then assess the request against the client's business. * MEDA should trust their clients instead of insisting that they find guarantors: <ul style="list-style-type: none"> - It is not easy to find male guarantors. A woman who asks a man to be her guarantor will raise suspicion from her own husband and from that man's wife. - People can be very jealous. Some people can refuse to guarantee your loan because they don't want to see you become successful.
6. The Solidarity Groups are too big. Five people is too many.	The Solidarity Group should be reduced to three people.
7. Being in a Solidarity Group means having to worry too much about whether the other group members will be able to pay (or finish repaying) their portion of the loan.	Refer to Recommendation 6 above.

Participant Complaints ... (continued)	Participants' Policy Recommendations (continued)
<p>10. Clients' time is wasted in:</p> <ul style="list-style-type: none"> * making follow-up on loans; * making follow-up on the disbursement cheque; * making follow-up for the insurance refund. <p>In order to make these follow-ups, clients:</p> <ul style="list-style-type: none"> * stop/delay their businesses; * leave their responsibilities in their households, i.e. preparation of the midday meal for their husbands and children. <p>When they arrive at the MEDA office to make these follow-ups they are often told:</p> <ul style="list-style-type: none"> * to wait outside indefinitely; * to come back the following day to try again. 	<ul style="list-style-type: none"> * Clients who have requested another loan should be trained in the thirteenth week of their current loan, i.e. three weeks before completing payment on their existing loan. * MEDA should have a proper procedure for disbursement (giving cheques to clients) instead of wasting clients' time while they wait at the office to pick up their cheques. * If a client needs to be refunded their insurance money, they should be refunded within the first week of after completing their repayment. If there are delays in repayment, MEDA should pay interest on that insurance money and should refund the fare that clients use for follow-up.
<p>11. The insurance deposit is too big.</p>	<p>No recommendation. (Forty per cent of the participants felt that the insurance deposit should be reduced by half. Others felt that this complaint should not even have been listed. They said they realized that they "can not get something for nothing".)</p>

Participant Complaints.... (continued)	Participants' Policy Recommendations (continued)
<p>8. Promoters requesting a commission (a percentage of the loan) from the clients prior to registration or training results in clients having difficulties repaying their loan.</p>	<p>In order to avoid this in the future:</p> <ul style="list-style-type: none"> * Clients should be informed at their training session as to when they can find out about their loan status and when to collect their cheques. * Promoters should not visit clients between training and disbursement. * The CTM and the promoters should have a clearly defined relationship with the clients. Rules and regulations regarding this relationship, including timing and frequency of field visits and the purpose of these visits, should be clearly established. These rules and regulations should be written in the MCF policies and should be clearly explained to clients.
<p>9. Fines and penalties are imposed on women when they are already experiencing other problems and difficulties, i.e., illness, funerals, attending the sick, or beatings from their husbands.</p>	<p>With regard to penalties, MEDA should assess their clients.</p> <ul style="list-style-type: none"> * Clients who have been faithful in paying should be consulted before being fined. If they delay payment due to various problems like illness, funerals, or attending the sick, they should not be fined based on their record of faithful payment. * Clients who are troublesome should be fined. * Clients who are very troublesome should not be considered for another loan.

Appendix D

Feedback Seminar Findings - August 6th, 1996: Benefits of MEDA Loans

What Participants Like about MEDA Loans

1. MEDA has no complicated rules and regulations, bureaucracy or prejudice like the banks.
2. MEDA has helped us to increase our working capital.
3. The loan has helped us to keep from being idle. It has made us active. We have become creative by taking on other activities.
4. We have reduced our dependency on our husbands.
5. We have made new friends and met other business people through MEDA. We have been exposed to new ideas and expanded our ways of thinking by meeting with different business people.
6. Because MEDA has helped us to expand and take on new business activities, employment has been created for others.
7. MEDA has helped us to learn/gain more skills and knowledge from others in other places -- other regions in Tanzania, as well as other places outside the country (i.e. Zambia, Malawi, Kenya).
8. Through MEDA we have gained the trust and respect of our communities.

Appendix E

Feedback Seminar Findings - August 8th, 1996: Struggles and Hardships Associated with the Loan Process (Part I)

Struggles and Hardships during the Loan Period: Participant Experience

1. Decapitalization of the business:
 - Original business continues to exist but is reduced in size.
 - Original business is dissolved, but a new business which requires a smaller working capital replaces it.
 - All business activities are halted.
2. Illness (stress, high blood pressure, etc.) due to struggles and hardships encountered in repayment.
3. Reduced consumption within the household, i.e. reduced consumption of luxury foods like meat and rice or fresh milk.
4. Having to request assistance from others
5. Reallocation of time from other business and household activities to MEDA activities.

Feedback Seminar Findings - August 8th, 1996:
Struggles and Hardships Associated with the Loan Process
(Part II)

Causes of Struggle and Hardship during the Loan Period: Participant Analysis

- * One week between payments is not enough time.
- * The interest rate is very high compared to the loan period.
- * "Bahati Mbaya"
 - * illness within the household
 - * funerals to contribute to and to attend
 - * caring for the sick, especially relatives who live far away
 - * robbery
 - * unfaithfulness of one (some) of the group members:
 - if one member refuses to pay or runs away the others must pay her/his debt
 - if the chairperson collects payments from the group but is not faithful in returning the money to MEDA, the others remain indebted to MEDA.
 - * unfaithfulness of the husband. He may have agreed that his wife should take the loan, but when she brings it home:
 - he might be asked to purchase some goods for the his wife's business, and then misuse the money.
 - the wife can give her husband some money as a loan (out of love), because she knows he has no money at the moment, but then he never pays her back.
 - he might ask his wife for some (all) of the money, saying that he has supported her and her children all of these years... When she refuses to give him the money he can beat her until she gives in.
- * For various reasons, some of the promoters do not follow the proper procedures for disbursing loans - they do not check the clients' businesses, etc..

Appendix F

Currency Conversion Chart

TSH ¹	CAD ²	USD ³	TSH	CAD	USD
500.	1.14	.89	50,000.	113.89	80.91
1,000.	2.27	1.62	55,000.	125.29	89.00
2,000.	4.56	3.24	60,000.	136.67	97.09
3,000.	6.83	4.85	65,000.	148.06	105.18
4,000.	9.11	6.47	70,000.	159.45	113.27
5,000.	11.38	8.09	75,000.	170.84	121.36
6,000.	13.67	9.71	80,000.	182.23	129.45
7,000.	15.94	11.33	85,000.	193.62	137.54
8,000.	18.22	12.94	90,000.	205.01	145.63
9,000.	20.50	14.56	95,000.	216.41	153.72
10,000.	22.78	16.18	100,000.	227.79	161.81
12,500.	28.47	20.23	125,000.	284.74	202.27
15,000.	34.17	24.27	150,000.	341.69	242.72
17,500.	39.86	28.32	175,000.	398.63	283.17
20,000.	45.56	32.36	200,000.	455.58	323.62
22,500.	51.25	36.41	250,000.	596.48	404.53
25,000.	56.95	40.45	300,000.	683.37	485.44
27,500.	62.64	44.50	350,000.	797.27	566.34
30,000.	68.34	48.54	400,000.	911.16	647.25
32,500.	74.03	52.59	450,000.	1,025.06	728.15
35,000.	79.73	56.63	500,000.	1,138.95	809.06
37,500.	85.42	60.68	600,000.	1,366.74	970.87
40,000.	91.12	64.72	700,000.	1,594.53	1132.69
42,500.	96.81	68.77	800,000.	1,822.32	1294.50
45,000.	102.51	72.82	900,000.	2,050.11	1456.31
47,500.	108.20	76.86	1,000,000.	2,277.90	1618.12

¹ Tanzanian Shillings

² Canadian Dollars. Equivalencies calculated from April 1, 1996 exchange rate: 1 CAD = 439 TSH (OANDA, Inc., 1997-1998).

³ United States Dollars. Equivalencies calculated from April 1, 1996 exchange rate: 1 USD = 618 TSH (OANDA, Inc., 1997-1998).

Appendix G

Deposit, Payment and Savings Amounts for MCF Solidarity Group Loans in Tanzanian Shillings (Tsh)¹

Loan Amount		Insurance Deposit ²		Weekly Payment Amount ³		Accumulated Savings ⁴ (including deposit) upon completion of successful repayment	
Group ⁵	Individual ⁶	Group	Individual	Group	Individual	Group	Individual
250,000	50,000	50,000	10,000	21,250	4,250	90,000	18,000
400,000	80,000	80,000	16,000	34,000	6,800	144,000	28,800
500,000	100,000	100,000	20,000	42,500	8,500	180,000	36,000
650,000	130,000	130,000	26,000	55,250	11,050	234,000	46,800
750,000	150,000	150,000	30,000	63,750	12,750	270,000	54,000
850,000	170,000	170,000	34,000	72,250	14,450	306,000	61,200
1,000,000	200,000	200,000	40,000	85,000	17,000	360,000	72,000
1,200,000	240,000	240,000	48,000	102,000	20,400	432,000	86,400
1,500,000	300,000	300,000	60,000	127,500	25,500	540,000	108,000
2,000,000	400,000	400,000	80,000	170,000	34,000	720,000	144,000
2,500,000	500,000	500,000	100,000	212,500	42,500	900,000	180,000

¹ Refer to Appendix F for Canadian and United States dollar equivalencies.

² Twenty per cent of Loan Principle (LP), i.e., the insurance deposit required for a 500,000 Tsh loan = $.20(500,000) = 100,000$ Tsh

³ $[LP + \text{Cost of Capital}^a (20 \text{ per cent LP})]/16 \text{ weekly payments} + \text{Forced Weekly Savings (1 per cent LP)}$, i.e., a 500,000 Tsh loan, weekly payments = $[500,000 + .20(500,000)]/16 + .01(500,000) = 42,500$ Tsh;

^{3a} As noted in Chapter Six, MCF solidarity group loans are subject to a flat interest rate of 13 per cent, as well as a five per cent technical service fee, and a two per cent application fee. These fees are combined and presented to borrowers as 'the cost of credit' in order to simplify matters (MEDA, 1995a: 7).

⁴ 16 weeks Forced Savings (1 per cent LP/week) + Original Insurance Deposit (20 per cent LP), i.e., upon successful repayment for a 500,000 Tsh, accumulated savings = $16[.01(500,000)] + .20(500,000) = 180,000$ Tsh

⁵ Figures appearing in the 'Group' columns of this table correspond to the full amount received or owed by the solidarity group as a whole.

⁶ Figures appearing in the 'Individual' columns of this table correspond to the portion of the group amount received or owed by each of the five individual members of the group.

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APPLIED IMAGE, Inc
1653 East Main Street
Rochester, NY 14609 USA
Phone: 716/482-0300
Fax: 716/288-5989

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