Entrenched and (Un)spoken: Neoliberalism and Canadian Microfinance

by

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A thesis submitted to the Graduate Program in Political Studies

In conformity with the requirements for the degree of Doctor of Philosophy

Queen’s University

Kingston, Ontario, Canada

September 2014

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ABSTRACT

This dissertation focuses on microfinance in the Canadian context. While heavily documented in regions of the global South, information on microfinance within Canada is limited. Two interconnected research objectives are pursued within this dissertation. Given the scarcity of information on the basic characteristics of the sector, an on-line survey was first administered to microfinance organizations throughout Canada (N=35). Information collected through the on-line survey includes details regarding the structure, size, scope and target borrowers of Canadian organizations. The second research objective investigated within this dissertation critically examines microfinance and its connections to the principles and theories of neoliberalism. Semi-structured interviews with three microfinance stake-holder groups (employees, volunteers and borrowers) (N=33) were conducted in an effort to obtain information relating to the reproduction of neoliberalism within microfinance organizations.

In this dissertation, particular attention is paid to the outcomes associated with neoliberalism, where gendered individuals (i.e. women) are rendered invisible and therefore deemed “unworthy” of support while simultaneously, certain racialized bodies are positioned as providing economic utility to the state and as such are deemed “worthy” of support (Jenson 2009; Dobrowolsky 2009; Bauder 2008 and Duggan 2003; Abu-Laban and Gabriel 2008). Research for this dissertation indicates that the theories of “roll-back” and “roll-out” neoliberalism are manifested within Canadian microfinance organizations (Peck and Tickell 2003 and Peck 2010). Deviating from the norm within microfinance organizations in the global South, Canadian organizations focus on women as borrowers...
only in an extreme minority of cases. Instead, research suggests that a new focus on Canadian immigrants is emerging among Canadian microfinance programs. It is this shift in focus in conjunction with the strategic usage of neoliberalized language and conceptions of the individual which lead to the conclusion that Canadian microfinance organizations are not only entrenched within the doctrine of neoliberalism but active agents in its reproduction.
ACKNOWLEDGMENTS

This dissertation would not have been possible without the co-operation of Canadian microfinance employees, volunteers and borrowers. I am grateful for the time that individuals took out of their days to speak with me. Not only generous with their time, microfinance employees, volunteers and borrowers were thoughtful, enthusiastic and continually reminded me about why I was pursuing a PhD on this particular topic.

I would also like to thank my supervisor, Dr. Margaret Little. I made the choice to come to Queen’s University because I knew I wanted to work with you and I have never once questioned this decision. Thank you for your unwavering support, guidance and encouragement throughout this process. I am also appreciative of my committee members Dr. Abigail Bakan and Dr. Grant Amyot, who have always provided me with insightful and helpful feedback and advice. Also deserving of recognition are the incredibly caring and knowledgeable staff in the Political Studies Department at Queen’s University, Dianne Flint, Barbara Murphy and Frances Shepherd.

Last, but certainly not least, I would like to thank the family and friends that have guided me along this path in life. You have patiently listened, kept me grounded and made me laugh. Throughout this process I have always known that you are in my corner and that I am loved and for this I am immeasurably grateful. It is with your support that I am where I am today and I am eternally grateful for everything you have done and continue to do. This dissertation is dedicated to you.
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Chapter One

Introduction: Microfinance, Neoliberalism and Global Reproduction

“In just 30 years, the concept of microfinance has entered the public imagination like probably no other international development policy before or since”
Bateman 2011

Setting the Research Context

Microfinance, ¹ is a globally replicated phenomenon producing a diversity of outcomes in the lives of individual borrowers, families and communities. No longer solely viewed as a poverty reduction strategy within the global South, ² the concept and practical manifestation of microfinance have been exported around the world (Yunus 2007). Paramount in the global transmission of microfinance has been its adaptation in both structure and function based on cultural context. Tethered closely to this global replication is an evolving and compounding divisive debate surrounding the objectives, outcomes and implications resulting from this alternative financial lending program. Creating a new dialogue, this dissertation moves beyond reductionist conceptions, and instead, envisions microfinance programs and their associated outcomes as individually manifested, complex and variable.

¹In this thesis, the terms microfinance and microcredit will be used interchangeably. These terms are used when referring to organizations that provide small loans of money to individuals in financial need for the purposes of being financially self-sustaining, usually through the development or creation of a small business. The precise understanding of microfinance applied in this dissertation is provided in the subsequent paragraphs of this work.

²In this dissertation, the term global South will be used instead of the dichotomous terminology of first world and third world. This choice in terminology reflects a desire to disrupt the “First/Third world balance of power...[which] perpetuates[s] and sustains[s] the hegemony of the idea of the superiority of the West” (Mohanty 2003, 41). Even in the choice of this terminology, there is a risk of homogenizing the experiences of individuals within the global South. This dissertation has been written understanding that the experiences of individuals within the global South are both unique and bear markers of similarities in certain contexts. As such, whenever possible, generalities are avoided and a discussion of “everyday lives” and “situated contexts/experiences/knowledges” is employed (Mohanty 2003; McEwan 2001; Naples 2002).
Microfinance as a concept and actual practice has undergone tremendous changes within the last decade. Garnering international praise and recognition, microfinance, or more specifically the Grameen Bank, received the Nobel Peace Prize in 2006 (Nobel Peace Prize website, “The Nobel Peace Prize 2006” 2014). Although continually reproduced and expanding, the dialogue surrounding microfinance globally has shifted substantially since this culminating moment in 2006. Once outnumbered by staunch advocates and supporters, the number of microfinance skeptics and critics has grown significantly, showcasing a shift in the discourse surrounding this so-called “altruistic poverty reduction strategy.” It is amid this landscape, epitomized by the rise and fall of microfinance, within which this thesis is written. This dissertation contributes to an increasing volume of introspective literature that asks pointed questions regarding the embedded nature of neoliberalism within microfinance organizations.

A further notable trend within microfinance scholarship is the abundance of literature on microfinance in the global South and the virtual absence of work on this topic in the Canadian context. Current Canadian scholarship on microfinance is

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3Neoliberalism is a central term within this dissertation and is examined fully within Chapter Three. Within this dissertation, neoliberalism is understood as a concept and ideology embodying multiple meanings and expressions and is understood as a multifaceted, geographically uneven process (Brenner, Peck and Theodore 2010; Peck and Tickell 2002; Larner 2009; Dobrowolsky 2009). Neoliberalism, as a process, advances unfettered markets, commodification, market-led growth and the dissolution of the Keynesian welfare state. Further detail on the precise understanding of neoliberalism employed within this thesis is provided within Chapter Three.

4While very little is known or written about microfinance in Canada, academic scholarship is available on microfinance organizations in North America, Europe, Latin America and the Caribbean (Schreiner and Morduch 2001; Defourny and Nyssens 2010; Sloan 2013; Buckland and Hay 2012; Harper 2011). Further information on the number of microfinance organizations within these locations is provided within Chapter Two in Table 2.1 – Global Expansion of Microfinance. In the latter half of Chapter Two, attention is paid to literature surrounding the global replication of microfinance. As a general trend, academic literature on microfinance in the context of the United States, Europe, Latin America and the Caribbean is more developed in relation to both depth and breadth than scholarly work on programs in Canada.
overwhelmingly organizationally specific and focused on borrower\textsuperscript{5} success stories rather than program and/or sector evaluations. To date, only two sector wide reports have been written on microfinance in Canada, leaving overarching trends and characteristics largely unknown (Aliu, Cosentino and Panasyuk, 2009; Social Investment Organization and Riverdale Community Development Corporation 2003). Designed to address this vacancy in the literature, this dissertation looks at microfinance programs throughout Canada therefore producing knowledge related to overarching sector wide features, commonalities and/or abnormalities.

Literature on Canadian microfinance has, until now, failed to consider introspective and/or critical questions regarding the utility and merit of such programs. Discussed at length within writings on microfinance in the global South are questions surrounding the embeddedness of neoliberalism within the foundations of microfinance (Rankin 2001; Bateman 2010; Karnani 2009 and 2011; Lingam 2008; Karim 2011; Selinger 2008). In particular, it is this critical scholarship, questioning the foundations and resulting implications of microfinance, which remains absent in Canadian literature. It is this void in Canadian microfinance scholarship which this dissertation is intended to address therefore providing theoretical depth and nuance to a largely function and structure orientated literature base.

\textsuperscript{5}In this dissertation the terms “borrower(s)” and “client(s)” will be used to refer to participants in microfinance organizations. The term “client(s)” is used extensively within Chapters Five and Six in an effort to showcase the embedded nature of neoliberal language within microfinance organizations. Microfinance organizations in Canada often refer to their participants as “client(s)” (Clow 2009).
Dissertation Organization and Guiding Questions

Varied conceptualizations and definitions of microfinance abound throughout the literature, therefore it is important to provide a clear and concise understanding of microfinance which will be employed throughout this dissertation. (Bornstein, 2005; Yunus 2003, 2007; Deshmukh-Ranadive and Murthy, 2005). Perhaps the most commonly cited definition of microcredit is that provided by the Grameen Bank. According to the Grameen Bank, microcredit “programmes extend small loans to very poor people for self-employment projects that generate income, allowing them to care for themselves and their families” (Grameen Bank Website “Definition”). Although not universally applicable to all microfinance organizations, this definition provided by the Grameen Bank outlines many of the central elements and/or objectives within a wide number of microfinance organizations in the global South.

In combination with the Grameen Bank conceptualization, Spotton Visano defines microfinance in the Canadian context as programs which offer loans to low-income Canadians who are otherwise unable to access funds from formal financial institutions ... the population targeted by these programs is the individual who is unable to access institutionalized forms of credit for lack of a credit rating or a bad credit history and needs only a small (less than $10K) loan for starting or expanding a small business (2008, 114).

Providing supplementation to Spotton Visano’s understanding of microfinance, Maksoud (2008) states that Canadian microfinance is characterized by its provision of services to persons unable to obtain credit through traditional banks, its desire to enhance economic and social welfare and further its placing of emphasis on “human capital rather than credit worthiness” (2). While conceptualized in relation to microfinance in different contexts, similarities between the aforementioned definitions abound. Paramount among
these conceptualizations is a focus on the provision of credit and services to low-income persons for the purpose of improving social and economic well-being. Rather than choosing between these complementary and supportive understandings of microfinance, a blending of the three aforementioned conceptualizations will be utilized throughout this dissertation. The hesitation in choosing a fixed definition of microfinance is reflective of the fluid and diverse nature that has come to optimize the concept and practical expression of microfinance. In a continual state of flux, with new organizations emerging frequently, the above noted conceptualizations of microfinance provided by the Grameen Bank, Spotton Visano (2008) and Maksoud (2008) adequately cover the spectrum that is microfinance. Further details on the origin and development of microfinance as both a concept and its practical expression are provided within Chapter Two and Chapter Four. 6

Due to the relative lack of macro or sector wide scholarly literature on microfinance in Canada, two interrelated research objectives are pursued within this dissertation. It is important to also state that these two interrelated research objectives were pursued consecutively, as it was necessary to complete stage one before beginning stage two. The first research objective of this dissertation is a mapping and/or identification of microfinance organizations within Canada. Included within this process is the identification of central elements within Canadian microfinance organizations including, structure, borrowers and associated outcomes. The second research objective

6Within this dissertation, microfinance programs and the loans that are provided to borrowers are depicted as variegated and unique in nature. Homogenizing descriptions of Canadian microfinance organizations are avoided. Introduced within Chapter Four is a subset of microfinance organizations classified in this work under the categorization of Training/Upgrading Loans. Unlike the “classic” version of microfinance, these organizations provide small loans to immigrant populations for skills upgrading/training not for business start-up or expansion. Further details on this subset of microfinance organizations are included within Chapter Four.
of this dissertation is to begin the dialogue surrounding the embedded nature of neoliberalism within Canadian microfinance organizations. In particular, attention is paid to the way in which gender and racialized persons\(^7\) are positioned within microfinance organizations and how this is connected to the principles and ideology of neoliberalism.

In an effort to address these interrelated research objectives, six research questions are posed and answered within this dissertation. During stage one of this research, the following questions were considered: (1) Where are microfinance organizations located in Canada? (2) What are the overall functions, outcomes and structures of Canadian microfinance programs and do they differ substantially from previously established models in the global South? (3) Who takes loans from these organizations and are there any trends or patterns in relation to the gender and/or race of Canadian microfinance borrowers? After completing stage one, the following research questions were considered in relation to the second research objective outlined above: (4) How are the principles of neoliberalism manifested within Canadian microfinance organizations? (5) How does microfinance, a phenomenon rooted in providing loans to women in the global South, transform into a largely gender neutral project in Canada and is this occurrence connected to the erasure and de-prioritization of women under the guise of neoliberalism? (6) Why has race become a central organizing principle for Canadian

\(^7\)The term racialized persons is employed throughout this dissertation. This term is derived from Teelucksingh and Galabuzi (2005) who employ this term to “refer to persons other than Aboriginal peoples, who are non-Caucasian in race or white in colour. Racialized categories include Chinese, South Asian, Black, Arab/West Asian, South East Asian, Filipino, Latin American, Japanese, Korean and Pacific Islanders (based on the Federal Employment Equity Act definition of visible minorities)” (5). Within this dissertation, Aboriginal/Indigenous persons are defined as a separate category. This difference was acknowledged in the design of the on-line survey administered as part of this research. Further, this distinction is portrayed in the on-line survey findings within Chapter Four.
microfinance organizations in relation to the targeting and disbursing of loans and is this 
ocurrence connected to strategic prioritization and perceived utility of certain racialized 
persons under the guise of neoliberalism?

An overarching contribution of this dissertation is to situate Canadian 
microfinance within a neoliberal framework. As documented within Chapter Two, the 
literature review portion of this thesis, a substantial volume of scholarship exists which 
suggests that microfinance ventures in the global South are imbued with the principles of 
neoliberalism and therefore, negatively perpetuate and sustain these ideologies (Rankin, 
2001; Bateman, 2010; Karnani, 2011 and 2007; Lingam, 2008; Karim, 2011; Selinger, 
2008). Existing scholarship on Canadian microfinance has largely focused on statistical 
and structural analyses of these programs therefore excluding a discussion of the 
theoretical suppositions underpinning the sector. This dissertation will work to answer 
questions surrounding the strength to which the principles of neoliberalism are visible, 
either explicitly or implicitly, within Canadian microfinance organizations. Within this 
thesis, a new scholarly dialogue is constructed which critically interrogates the 
relationship between neoliberalism and Canadian microfinance organizations.

A second overarching contribution of this dissertation and arguably the most 
foundational is a normative discussion of the relevance, function and desirability of 
microfinance in the Canadian context. Microfinance organizations have existed within 
Canada since the late 1980s or early 1990s and as such, questions need to be considered 
regarding whether or not Canadian microfinance programs are producing significant 
“positive” changes in the lives of their borrowers. Is microfinance in the Canadian 
context an alternative lending program capable of producing “positive” outcomes within
the lives of its borrowers or is microfinance simply a differentiated version of a neoliberal strategy that, instead of reducing vulnerability and inequity, increases the financial, social and physical vulnerability of borrowers? Questions like these exist and are becoming more prevalent within the literature on microfinance in the global South and need to be raised in relation to the Canadian context.

**Methodology and Approach to Research**

This dissertation is informed by an interdisciplinary approach to research. It crosses many disciplines as it enters the areas of political science, political economy, feminist theory and critical race theory. Throughout this thesis, a feminist methodological lens is employed. Research conducted through a feminist lens is a perspective rather than a prescribed way of conducting research. Brooks and Hesse-Biber (2007) capture the essence of feminist research stating that it “emphasize[s] the synergy and interlinkages between epistemology, methodology, and method and [is] interested in the different ways that a researcher’s perspective on reality interacts with and influences, how she goes about collecting and analysing data” (4). Complementing and adding to this understanding of research conducted through a feminist lens are Creese and Frisby (2011) who discuss the principles of feminist community based research stating that it involves the “ideals of inclusion, participation, action, social change and researcher reflexivity” (189). It is the desire and objective of this research, as a feminist community based research project, that power imbalances between “researcher” and “researched” begin to be transformed and that the production of knowledge within this dissertation becomes useful for borrowers and microfinance organizations and provides a valuable scholarly contribution to the global discourse on this topic.
Within this thesis both quantitative and qualitative research methods are utilized in an effort to answer the research questions outlined above. This mixed-method design to research has been chosen because of its “complementarity, whereby the research seeks to gain a fuller understanding of the research problem and/or to clarify a given research result... [therefore] assisting the researcher’s total understanding of the research problem” (Hesse-Biber 2006, 319). Further information related to the on-line survey and semi-structured interviews deployed as part of this dissertation are provided within Chapters Four, Five and Six respectively. Before commencing data collection for this dissertation, research ethics approval was sought through the Queen’s University General Research Ethics Board (see Appendix A for Research Ethics Approval). Stage one of this research project consists of an on-line survey administered to employees from microfinance organizations throughout Canada. The on-line survey, directed towards current employees within microfinance organizations, was designed to aid in answering questions one through three outlined above. The research questions examined in this stage of research were designed to address the knowledge gap surrounding the structure, size, location and function of microfinance organizations in Canada. The total survey sample size for this dissertation was 52 organizations, of which 35 organizations responded yielding a response rate of 67% (N=35). See Appendix B for a copy of the combined survey letter of information and consent form for microfinance employees. Further details relating to the on-line survey and the results it yielded are outlined within Chapter Four.

Research questions four through six were answered using semi-structured interviews with three microfinance stake-holder groups (employees, volunteers and
borrowers). In total, 33 interviews were conducted as part of the research for this dissertation (24 employees/volunteers and 9 borrowers). See Appendix C and D for microfinance employee letter of information and consent form, Appendix E and F for microfinance volunteer letter of information and consent form and Appendix G and H for microfinance borrower letter of information and consent form. Interview findings from employees and volunteers are discussed in further detail in Chapter Five, while borrower interview findings are discussed within Chapter Six. For a full outline of the research objectives, research questions and methods used to answer these questions, please see Figure 1.1.

Within this dissertation, transcribed interview material is analysed using grounded theory (Glaser 1978; Glasser and Strauss 1967; Strauss and Corbin 1998; Charmaz 2005 and 2006; Wuest 1995; Evans 2013). Grounded theory is employed within this dissertation because of its ability to produce inductive theory where “the researcher has no preconceived ideas to prove or disprove. Rather issues of importance to participants emerge from the stories that they tell about an area of interest that they have in common with the research” (Mills, Bonner and Francis 2006, 2-3). This dissertation will, in particular, draw upon constructivist grounded theory techniques (Charmaz, 2005; Mills, Bonner and Francis 2006; Evans 2013). Rooted in the principles of the aforementioned classic theory, constructivist grounded theory “emphasizes the subjective interrelationship between the researcher and participant, and the construction of meaning…researchers, in their “humanness,” are part of the research endeavour rather than objective observers and their values must be acknowledged….as an inevitable part of the outcome” (Mills, Bonner and Francis 2006, 2). Constructivist grounded theory is
utilized in this dissertation because it reflects the belief that researchers have inherent biases and as such this impacts both their methods and findings. Constructivist grounded theory is also employed because of its ability to align with the previously discussed feminist methodological lens.
Figure 1.1: Research Objectives, Questions and Methods

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**Stage One**  
*(Research Objective One)*

**Method – On-Line Survey**  
*(Microfinance Employees)*

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**Research Questions Answered**

- Where are microfinance organizations located in Canada?
- What are the overall functions, outcomes and structures of Canadian microfinance programs and do they differ substantially from previously established models in the global South?
- Who takes loans from these organizations and are there any trends or patterns in relation to the gender and/or race of Canadian microfinance borrowers?

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**Stage Two**  
*(Research Objective Two)*

**Method – Semi-Structured Interviews**  
*(Microfinance Employees, Volunteers, Borrowers)*

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**Research Questions Answered**

- How are the principles of neoliberalism manifested within Canadian microfinance organizations?
- How does microfinance, a phenomenon rooted in providing loans to women in the global South, transform into a largely gender neutral project in Canada and is this occurrence connected to the erasure and de-prioritization of women under the guise of neoliberalism?
- Why has race become a central organizing principle for Canadian microfinance organizations in relation to the targeting and disbursing of loans and is this occurrence connected to strategic prioritization and perceived utility of certain racialized persons under the guise of neoliberalism?
Structure of Dissertation

In total, this dissertation is organized into seven chapters. Chapter Two provides a literature review of existing scholarship on microfinance within the global South and Canadian context. A by-product of the over-saturation of research on microfinance in the global South, the majority of academic scholarship within this literature review pertains to the existence of programs within the global South. Although less frequently studied, microfinance within Canada has been documented and these research projects are reviewed within this chapter. Of particular note is the void within current scholarship in relation to macro or sector wide studies of Canadian microfinance, a void which this thesis seeks to address. Presented within Chapter Three are the overarching theories informing this dissertation. In this chapter, the theory constructed by Peck and Tickell (2003) and Peck (2010) of “roll-back and roll-out neoliberalism” is introduced. Throughout the course of this dissertation, it is the theory of roll-back and roll-out neoliberalism which is applied and subsequently mapped onto Canadian microfinance organizations. Chapter Three plays an integral role in constructing the foundation for Chapters Five and Six where interview data from microfinance employees, volunteers and borrowers is discussed.

Chapters Four, Five and Six discuss the findings from the original research undertaken as part of this dissertation. In Chapter Four the results from an on-line survey administered to microfinance and developmental lending organizations throughout
Canada are examined (N=35). Presenting a comprehensive, sector wide summary of alternative financial lending in Canada, this chapter explicitly discusses organizational features such as loan size, structure, services and repayment rates. Aiding in the contextualization of these survey findings, Chapter Five analyzes material from interviews with microfinance employees and volunteers (N=24). Within this chapter, connections between the theories of neoliberalism, introduced within Chapter Three, and the interview findings from employees and volunteers are made. Of particular interest is the way in which the theory of roll-back and roll-out neoliberalism (Peck and Tickell 2003; Peck 2010) is manifested in the structure and actions of Canadian microfinance organizations as demonstrated through the words of employees and volunteers. Continuing with interview analysis, Chapter Six reviews material from interviews with current microfinance borrowers from three separate Canadian organizations (N=9). Strengthening the argument presented within Chapter Five, interview data from microfinance borrowers further showcases the embedded nature and replication of neoliberalism within Canadian microfinance organizations through the voices and experiences of borrowers. Chapter Seven revisits the research questions outlined within the introductory chapter and presents an overall summation of the research objectives and themes discussed within this thesis.

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8Within Chapter Four, survey organizations are broken into three distinct yet interconnected groupings. Two of the categories, Classic Microfinance and Training/Upgrading Loans are considered microfinance organizations. In this dissertation, organizations classified under the categorization of Developmental Lending are not considered microfinance programs. Further details on this category of alternative financial lending institutions and their inclusion within this thesis are discussed in Chapter Four.
Explored throughout this dissertation is the ubiquitous nature of neoliberalism within multiple facets of Canadian life. Neoliberalism is as Ready (2013) states “the project that has no name” (1). It is this un-named nature that casts neoliberalism as both insidious and hegemonic. Unable to be named or identified, neoliberalism has become the “common sense” or unquestioned norm underpinning institutions, structures and policies dictating Canadian society (Bakker and Brodie 2007). It is this pervasive nature, coupled with neoliberalism’s continually mutating nature, that render it dominant and therefore difficult to challenge and subsequently change (Larner 2009 and 2005). Within this dissertation, neoliberalism and its connections to Canadian microfinance organizations are explicitly identified and named. It is through this process of making the invisible, visible, that alternative conceptions become possible. As articulated by Dobrowolsky (2009) “by problematizing the breadth and depth of neo-liberalism…we can begin to identify and assess both competing, and better still, alternative, discourses and practices” (21). The entrenchment and perpetuation of neoliberal ideology in civil society organizations, like microfinance, is neither benign nor benevolent. This dissertation has been written in an effort to explicitly name and therefore “out” the replication and reiteration of neoliberalism through Canadian microfinance organizations. The discourse presented within this thesis both identifies the hegemonic entrenchment of neoliberalism within Canadian microfinance organizations while also envisioning alternative possibilities and pathways for Canadian civil society.
Chapter Two

Microfinance in a Global and Canadian Context

“In order to reduce, and ultimately eliminate poverty, we must go back to the drawing board...We must widen our concept of employment, ensure financial services even to the poorest person, and recognize every single human being as a potential entrepreneur.”

Muhammad Yunus

“On the whole, microcredit has, at best, a minimal impact on poverty reduction, and in some situations actually works to the detriment of the poor”

Aneel Karnani

As suggested by these quotes, literature in the field of microfinance is largely divided between those who advocate for the further development of microfinance (Yunus 2003 and 2007; Bornstein 2005; Daley-Harris 2009; Counts 2007) and those who question the very foundations of microfinance as a tool for poverty reduction (Rankin 2001; Bateman 2010; Karnani 2009 and 2011; Lingam 2008; Karim 2011; Selinger 2008). Also evident is the saturation of material on microfinance in the global South and the lack of discourse, both popular and scholarly, on microfinance in a Canadian context. Showcasing this void is the Globe and Mail article from early 2012 entitled “Can Microcredit Work in Canada?” (Kielburger). Within this piece the question of whether or not microfinance is a viable venture in Canada is debated. Unfortunately, this article is both outdated and uninformed because microfinance has existed throughout the country for over 20 years. Although this may represent the extreme end of the spectrum, microfinance in Canada remains significantly un-documented and therefore within this chapter, literature from the global South is heavily relied upon to contextualize the field. Although contextual differences exist, many of the themes present within scholarship on microfinance in the global South can be applied to an examination of the sector in Canada.
This chapter begins with a discussion of microfinance’s origins and the global replication of this phenomenon. Interconnected within this analysis is the disjuncture between the rhetoric of microfinance and the actual outcomes of these programs. Literature on microfinance in the global South, focusing on women’s empowerment and microfinance and neoliberalism is explored to showcase the divisive nature of literature on this topic. In the latter half of this chapter, the discussion shifts to consider the substantially more limited work on Canadian microfinance. This literature remains overwhelmingly dominated by organizationally specific information that fails to address the trends within the entire sector. To date, only two macro sector reports have been completed on microfinance in Canada and therefore this dissertation will contribute substantially to the discussion of overarching trends and characteristics within the field (Social Investment Organization and Riverdale Community Development Corporation 2003; Aliu, Cosentino, and Panasyuk 2009).

**Origins of Microfinance**

The concept of microfinance was conceived and brought to fruition by Muhammad Yunus (Yunus 2007; 2003). While not denying the multiple factors contributing to the poverty of Bangladeshi villagers, Yunus focused his attention on predatory moneylenders who, in some cases, were charging extremely high interest rates on small loans to women entrepreneurs within these villages (Molla, Mahmudul and Wahid 2008). Yunus believed that high interest rates on loans contributed significantly to the entrapment of individuals, families and communities within an infinite cycle of poverty. Challenging these exploitative lending practices, the ‘experiment’ of
microfinance was born in 1976 in the village of Jobra, Bangladesh (Bornstein 2005 and Yunus 2003). Yunus’ vision of non-collateral based lending to the poor was propelled forward by his unwavering belief in the villagers’ ability for productive economic activity if given credit (Yunus 2011). From these modest beginnings in a village of Bangladesh, microfinance grew and in 1983 the concept was institutionalized through the development of the Grameen Bank (Yunus 2011). It is important to note that while there are other early versions of microfinance, the Self-employed Women of India (SEWA) and Women’s World Banking, (McFarland 2004 as cited in Rose 1992; Williams 1987; Yunus 2000) the Grameen Bank is arguably the most popularly recognizable and the organization to which most scholars trace the origins of the sector (Simanowitz 2011; Molla, Mahmudul and Wahid 2008; Bornstein 2005). It is also important to note that what began as a predominantly financial lending venture has transformed over time into a hybrid organization tasked with the provision of a wide variety of services including life insurance, business, education and housing loans, and educational scholarships for Grameen children (Grameen Bank Website, “GB At a Glance” 2013).

While the Grameen Bank model is not a universally reproduced prototype, it is important to understand some of the central elements of Grameen style microfinance as they can be considered foundational to the very concept. As evidenced by the name microfinance and/or microcredit, these loans are, in general, small in numeric value. What is more difficult to articulate is a precise numeric range for these loans. The monetary range of loans varies from one organization to the next. In particular, a substantial difference in the monetary value of loans is evident in the context of the
global South and Canada, a theme that is revisited within this chapter and in subsequent chapters of this dissertation.

A further central element of Grameen style microfinance is its explicit focus on women as borrowers. According to the (2012) State of the Microcredit Summit Campaign Report by Maes and Reed, of the 205,314,502 microfinance borrowers worldwide 153,306,542 or 75% are women. According to Yunus, a focus on women as borrowers was purposely chosen, satisfying multiple objectives for both the individual woman and the entire family unit (2011). It is this deliberate focus on women as borrowers, pioneered within the Grameen model, which remains a central characteristic throughout microfinance in the global South. Mirroring the trend found in relation to monetary loan values, stark differences are evident in relation to the gender of borrowers within the global South and the Canadian context, a theme which will be reconsidered throughout this thesis.

A final foundational characteristic of Grameen style microfinance is the method of loan dispersal. Central to the Grameen model is the group or circle lending method of loan dispersal. The Grameen philosophy believes “shortcomings and weaknesses at the individual level are overcome by the collective responsibility and security afforded by the formation of a group of such individuals” (Grameen Bank Website, “Credit Lending Models” 2013). In this model, small groups of borrowers are organized into lending circles for the purposes of loan disbursement. The precise size and rationale behind these groups varies among organizations. As discussed by Grameen, the lending circle method produces a number of different outcomes including “educat[ion] and awareness building, collective bargaining power, peer pressure etc.” (Grameen Bank Website, “Credit
Lending Models” 2013). Again, while not necessarily a standard found throughout the microfinance sector, the group or circle lending model is predominantly utilized among organizations in the global South.

**The Rise and Fall of Microfinance – Rhetoric to Reality**

From its modest beginnings, microfinance has grown into a globally replicated phenomenon. With global transmission came accolades from developmental agencies and heads of state including former United States President and former Secretary of State, Bill and Hillary Clinton (Bond 2007). Praise and recognition for microfinance culminated in 2005 when it was declared the *International Year of Microcredit* by the United Nations and with the receipt of the Nobel Peace Prize in 2006. In this apex moment, skeptics and critics of microfinance existed but there was an overwhelming atmosphere of support and enthusiasm for a new, productive, empowering tool of poverty reduction (Dowla and Barua 2006; Counts 2007; Mayoux 2005). Muhammad Yunus and other supporters saw in microfinance the potential for the eradication of poverty on a global level. This belief was made famous by his quote “maybe our great-grandchildren will go to museums to see what poverty is” (Yunus quoted in Bornstein 2005, 287). Since these bold proclamations of support, the discourse around microfinance has changed substantially.

In the same way that critics of microfinance programs have always been present, staunch supporters and advocates of microfinance continue to exist but in the current context much of the initial enthusiasm surrounding microfinance has diminished. In particular, recent events have cast increasing doubt and scrutiny on microfinance’s effectiveness as both a poverty reduction strategy and a tool for the enhancement of and/or production of female empowerment. As reported in the Globe and Mail in 2013,
“The number of people around the world who have access to microfinance [loans] has fallen for the first time in 13 years, reflecting turmoil in the sector and the fallout from the global financial crisis” (Grant 2013, 1). The crisis currently engulfing microfinance globally cannot be traced to one particular incident or organization but is rather interconnected to multiple factors.

Microfinance programs globally have come under increased scrutiny for what can be characterized as a shift in the foundational priorities of the sector. MacFarquhar (2010) and Harper (2011) present an interrelated critique and question the recent commercialization of microfinance ventures. MacFarquhar is particularly concerned with the high interest rates that microfinance programs are charging borrowers. Harper looks specifically at the Mexican organization, Compartamos, stating that since going commercial, the two founders of the microfinance bank have each made capital gains of several million dollars (Harper 2011). Not only has Compartamos become a fully commercialized bank, it charges “an annual interest rate of over 90% on its mainly very small loans to Mexican women” (Harper 2011, 50-51). Laden within both MacFarquhar and Harper’s critiques of the rapid commercialization of microfinance is the question - has microfinance gone too far where the cost of membership outweighs the benefits? For critics like Harper, microfinance is an ineffective mechanism in the battle against poverty, offering little more than a temporary abatement in relation to underlying structural causes of poverty. Bateman (2011) and Karnani (2009) echo these sentiments stating that commercialized, profit driven microfinance is “making a fortune – by exploiting the poor!” (Karnani 2009, 2). Further to this point Bateman states “exploitative aspect[s] may be taking over from the more benign face that the movement had at its
inception….suggest[ing] that microfinance may actually be contributing to the perpetuation of poverty, rather than to its alleviation” (2011, 51). Even Muhammad Yunus casts doubt on exploitative lending practices and high interest rates within the sector stating, “that if the microcredit interest rate is more than 15% above the cost of funds, then it is too high….you are moving into the loan shark zone” (Yunus as cited in Karnani 2009, 13).

Further complicating the future of microfinance was the ousting of Muhammad Yunus, leader and founder of the first microfinance organization, from the Grameen Bank. Far from a consensual decision, Yunus’ departure from the Grameen Bank in May of 2011 is being portrayed by many as a forced ousting (News Wires May 2011). Citing exceeding the mandatory retirement age of 60, a high court in Bangladesh ruled that Yunus was required by law to retire. It is unclear what the future of microfinance will look like amid the recent controversies and the non-consensual departure of Yunus from the Grameen Bank, a man whom many would claim was the visionary and force behind the global movement of microfinance.

Perhaps an even more telling mark of the shift occurring within the sector is that increasingly, critiques are not only coming from scholars critical of the phenomenon, but microfinance practitioners and previously supportive advocates (Morduch 1998 and 1999; Yunus 2009). Jonathan Morduch, a former supporter and advocate of microfinance, questions Khandker and Pitt’s (1998) positive endorsement of microfinance suggesting that the conclusions “were actually quite suspect, and so could not be constructed as confirming a positive impact” (2011, 8). A similar internal skepticism and/or restraint can be found within the most recent editions of The State of the Microcredit Summit
Recent editions have discussed the need for the development of a seal of excellence for microfinance organizations which practice good microfinancing techniques including, knowing your client, encouraging savings, transparency, and promoting financial literacy among clients (Maes and Reed 2012). Instead of a push for ever increasing rates of expansion and replication, recent statements have called for caution and restraint in the development of microfinance organizations and have suggested that the focus needs to again become centred on borrowers rather than profits (Reed 2011; Maes and Reed 2012, Yunus, 2011).

A final notable point of contribution to the bourgeoning crisis in microfinance is the lack of regulation in relation to the development and structure of these programs. Polgreen and Baja (2010) and Karnani (2009) explicitly express this critique drawing on the case of program over saturation in India. Polgreen and Baja and Karnani state that rapid expansion of microfinance organizations throughout India, particularly in the state of Andhra Pradesh, have led borrowers within these areas to take multiple microfinance loans, subsequently finding themselves in default positions, unable to repay loans. As Polgreen and Baja assert, microfinance in India is on the verge of collapse from a rampant rate of defaults among borrowers (2010; Karnani 2009).

Perhaps even more troubling is Karnani’s finding of coercive loan recovery techniques being used by organizations in Andhra Pradesh. According to Karnani, microfinance organizations use intimidation methods in an effort to force loan repayment (2009, 4). Saturation of the Indian state, Andhra Pradesh, with microfinance organizations is also being connected to and blamed for the suicide of over 200 people, predominantly women. Reports indicate that “over 200 people committed suicide
allegedly because of intimidation by microfinance institutions (MFIs)... 50 branches of
two major MFIs [were closed] and charged...with exploiting the poor with usurious
interest rates and intimidating the borrowers with forced loan recovery practices”
(Karnani 2009, 3).

For Polgreen and Baja and Karnani, stricter regulation is necessary in order for
these organizations to continue on as productive development strategies. Karnani
concludes by stating that, external transparency and regulation mechanisms are necessary
within the field because the current internal/self-regulation continually fails (2009). As
discussed throughout this section, a significant shift from jubilation and accolades to
condemnation and restraint has occurred within the field of microfinance, a sentiment
perhaps best captured in the words of Bateman (2011) “the rhetoric is way in advance of
the reality….it more than ever appears that the microfinance model’s achievements are
strictly limited in scale and scope, if not wholly destructive in the longer term” (236).

Divisive Scholarship: Women, Empowerment, Neoliberalism and Microfinance

As discussed within this chapter, one of the central features of Grameen style
microfinance and more generally, microfinance in the global South, is its explicit focus
on women as borrowers. Central to scholarship by Yunus is the intrinsic nature of women
as recipients of microfinance. He believes that by providing credit to women, this money
will be spent on the entire family rather than just one individual, subsequently aiding in
the entire family’s economic situation (Yunus 2007; Khandker 1998). In a study of the
Grameen Bank, Rahman (1999) supports the targeting of women as microfinance
borrowers stating that the pursuit of women as recipients of microfinance leads to the
achievement of multiple policy goals. The rationale underlying women as the principal
borrowers relies heavily on ingrained stereotypes surrounding women as altruistic and men as individualistic. This is reflected in Yunus’ discussion of women as microfinance borrowers, “women have longer vision [and] want to change their lives much more intensively”….On the other hand, “men are more callous with money” (Yunus as cited in Karnani 2011, 36). It is these very same sentiments in support of women as the principal borrowers, which are questioned within critical scholarly literature on the topic (Harper 2011; Rankin 2001).

Rankin (2001) is especially critical of the gendered focus of microfinance and suggests that the so called “benign” and perhaps even “positive” features of women-only borrower groups may in fact do more harm than good. For Rankin, these women-only groups serve to “anchor” women within “cultural ideologies [which] preclude much in the way of associational life for women…. [such that] as spheres of women-only activity, the groups help to mitigate the threat to established cultural ideologies” (2001, 29).

Although not explicit in articulation, Rankin is skeptical of microfinance’s ability to challenge patriarchy when men and women do not interact, therefore allowing for the avoidance of a confrontation between patriarchal views and women’s “empowered” state vis-à-vis microfinance. Adding to this discussion are scholars who suggest that instead of producing alterations to patriarchal gender relations, microfinance reproduces and in fact further over burdens its female borrowers (Ciprus, Hughes and Vukojevic 2011; Goetz and Gupta 1996). For these scholars, the inappropriateness of microfinance lies in its inability to understand “gender constraints and gender relations” (Ciprus, Hughes and Vukojevic 2011). The central problem is best articulated through the words of Ciprus, Hughes and Vukojevic who state, “if a woman who already has a full workload taking
care of family subsistence, domestic work, and bearing children also has to run a business and repay the loan, her workload may become unsustainably heavy” (2011, 211). It is this double burden which microfinance ignores and therefore fails to address. The double burden facilitated through women’s involvement in microfinance is reckless and does not address gender inequality between the sexes in relation to workload responsibilities.

Further articulating this concern is Harper (2011) who believes that the rationale behind women as the principle borrowers is far from benevolent. Explicitly challenging the “double bottom line” rationale of microfinance, Harper suggests that working with women makes strategic sense from a business perspective. Harper discusses many factors that make women “better” borrowers including their predictability as borrowers and therefore the reduced risk associated with lending (2011). What is perhaps even more telling of Harper’s analysis of women as principle borrowers is how closely these reasons align and reinforce gender stereotypes. He states “women are weaker….they are less likely to have social and political networks to help them avoid repayment….they have fewer opportunities to break away from the traditional activities and constraints of their local communities” (Harper 2011, 55). Paramount throughout Harper’s discussion is the notion that women are targeted as borrowers not because of an altruistic development goal but rather because they are “safe” and “profitable”. Implicit also is the idea that rather than challenging gendered stereotypes of women’s nature and behaviour, the institution of microfinance reinforces and in fact relies on these myths.

Within the literature on microfinance in the global South, perhaps one of the most explored questions revolves around the impact of these programs on female borrowers. In particular, scholars diverge on whether or not these ventures empower female borrowers.
This is a contested issue in part because there is no standard method of measurement or agreed upon definition of the term empowerment (Kabeer; Farazi, Rahman and McAllister 2011). Further complicating this issue is the way in which the supposed empowerment of female borrowers is used as a means of justification for such programs. In support of microfinance programs and their beneficial impact on the lives of female borrowers is Khandker (2001 and 1998) whose analysis of microfinance programs in Bangladesh suggests that women benefit both financially and inter-personally from involvement in these programs. Khandker states “program participation has enhanced women’s productive means by increasing their access to cash income generation from market-oriented activities and by increasing their ownership of non-land assets. These improvements should enhance women’s empowerment within the household influencing their own and children’s consumption” (1998, 149-150).

Diverging slightly from Khandker’s endorsement of microfinance’s ability to empower female borrowers, Mayoux (2005) is cautious and suggests that encompassing claims cannot be made about all microfinance organizations and that different organizations may prioritize women’s empowerment more so than others (2005). She is also careful to suggest that certain factors may constrain women’s ability to be empowered including, access to the microfinance loan, position within the household, and ingrained social values (Mayoux 2005, 11-12). Despite her cautions against generalizations and absolute conclusions, Mayoux, like Khandker, believes that “although no ‘magic bullet,’ they [microfinance loans] are potentially a very significant contribution to gender equality and women’s empowerment, as well as pro-poor development and civil society strengthening” (Mayoux 2005, 1).
Deshmukh-Ranadive and Murthy (2005) and Kabeer (2001) show restraint in their assessment of microfinance programs and their ability to empower female borrowers. According to these scholars, empowerment through involvement in a microfinance program is neither an absolute nor an impossibility. The healthy skepticism which abounds in this work is captured in the conclusion to Deshmukh-Ranadive and Murthy’s book when they state that it is inaccurate to portray a continuous link between poverty relief, women’s empowerment and microfinance (2005). Kabeer reflects a similar sentiment and suggests that women’s experiences with microfinance will be individualized and therefore generalizations should not be made regarding microfinance’s potential to empower “women,” when conceived as a homogenous entity (2001). Adding further to her conclusion is the notion that dichotomous understandings of empowerment, as a result of microfinance, as either present or absent are inaccurate. For Kabeer, empowerment lies more on a continuum in which women within microfinance find themselves. (2001). Deshmukh-Ranadive and Murthy and Kabeer’s critiques, rather than denying microfinance’s potential for empowerment completely, suggest that statements like those offered by Khandker (1998 and 2001) and Mayoux (2005) are overstated and therefore misleading.

While Deshmukh-Ranadive and Murthy (2005) and Kabeer (2001) illustrate restraint in their critique of microfinance and its connection with female empowerment, others like Lingam (2008), Karim (2011), Selinger (2008) and Faraizi, Rahman and McAllister (2011) thoroughly refute microfinance’s ability to empower its female borrowers therefore casting doubt on the effectiveness and appropriateness of these ventures. Particularly compelling in this scholarship is the fundamental questioning of
whether or not it is appropriate to approach changes in gender relations through a financially driven development project (Lingam 2008; Karim 2011; Mahmud 2003; Rankin 2001; Goetz and Gupta 1996; Ciprus, Hughes and Vukojevic 2011; Karnani 2011; Roberts 2012). As articulated by Rankin, microfinance is short sighted in its understanding of women’s empowerment and the transformation of patriarchal gender relations. She states, “credit in itself does not guarantee transformative processes and, on the contrary may further entrench gender inequality. Obstacles to women’s empowerment….then lie not in lack of finance capital *per se*, but in the persistence of subordinating gender ideologies” (Rankin 2001, 32). For Rankin and others, there is a conflation in the rhetoric of microfinance between access to credit and the alleviation of poverty and women’s empowerment (Lingam 2008; Karim 2011; Mahmud 2003; Goetz and Gupta 1996; Roberts 2012). It is this conflation which Faraizi, Rahman and McAllister resolutely challenge stating “we could not find any hard evidence to support the view that microcredit empowers women ….the microcredit programme does not directly challenge any official views that subjugate women. Local or disparate voices against patriarchy are silenced [despite microfinance]” (118). For these scholars, access to credit does not equal the alleviation of poverty and/or the empowerment of its female participants.

Also present within critical microfinance scholarship is a questioning of who controls loans once distributed. Scholars provide evidence suggesting that in many instances female borrowers are the recipients of the loans but in actuality do not control the use of the loan (Lingam 2008; Karim 2011; Goetz and Gupta 1996; Ciprus, Hughes and Vukojevic 2011; Karnani 2011). In an early study of microfinance programs in rural
Bangladesh, Goetz and Gupta (1996) found that in a significant portion of cases, (63%) of women had “partial, very limited or no control; indicating a fairly significant pattern of loss of direct control over credit” (49). Karim’s recent study of microfinance programs in Bangladesh echoes this sentiment, stating that while women continue to be the recipients of loans, it is men who actually control the usage of the loan therefore leaving women contractually obligated to the microfinance organization (2008). Selinger (2008) articulates a similar sentiment suggesting that women who are part of microfinance ventures are locked into webs of both empowerment and disempowerment. For Selinger, like Lingam and Karim, microfinance’s ability to empower its female borrowers is substantially limited by the way in which male partners force women into taking loans and then subsequently control the usage of such loans. Further complicating this narrative of microfinance and its empowerment of female borrowers is the evidence which suggests that certain microfinance organizations, namely the Grameen Bank, rely heavily on traditional cultural norms surrounding women “that emphasize the ‘virtues’ of ‘submissiveness,’ ‘modesty,’ ‘purity,’ ‘respectability,’ and ‘humility’ [to enforce the successful repayment of loans]” (Selinger 2008, 33). For Selinger, this reinforcement of traditional behaviour represents the antithesis of female empowerment.

Notably absent from the discussion of women and microfinance’s empowerment potential is a postcolonial, anti-racist feminist questioning of the underlying principles and/or ideologies imbued within microfinance. As evidenced in the literature discussed within this chapter, the concept of microfinance and its economic profitability relies heavily on assumptions regarding the “nature” or “behaviour” of women. This is problematic for multiple reasons and can be critiqued using a lens of postcolonial, anti-
racist feminism (Mohanty 2003, 2013; McEwan 2001; Arif 2007, 1997; Alexander and Mohanty 2001; Amos and Parmar 2001; Natrajan and Parameswaran 1997). Particularly problematic within the literature is the way in which women from the global South are construed as being a homogenous entity, with similarly submissive attitudes, behaviours and beliefs. Compounding this concern is the way in which gendered stereotypes around women as “powerless and exploited” are perpetuated and replicated within the foundational principles of microfinance (Mohanty 2003). These assumptions, imbued within microfinance, are far from benign and serve to construct dangerous views around women’s “innate” nature. Women within the global South are not identical and therefore do not have innate characteristics. It is these assumptions, foundational to the concept of microfinance, which perpetuate the erasure of differences among women of the global South (Alexander and Mohanty 2001; McEwan 2001).

Further problematized within postcolonial feminism is the way in which a hegemonic, homogenous view of women from the global South constricts or even completely removes the principle of agency (Naples 2002; Natrajan and Parameswaran 1997; Mohanty 2003). As discussed within the literature on microfinance, female borrowers are described as optimal borrowers due to their “submissive nature,” “safeness” and in turn “profitability” (Harper 2011; Selinger 2008). While these assumptions are critiqued within the literature for their overreliance on gendered stereotypes (Harper 2011; Selinger 2008) further work is necessary to illuminate the way in which these statements categorize women as a homogenous, powerless group. The deliberate targeting of women as microfinance borrowers relies heavily on ingrained assumptions around a lack of women’s agency. This belief constructs women as
“powerless victims” upon whom microfinance, as a development strategy, is practiced. A sustained review of microfinance literature by postcolonial, anti-racist feminists is necessary and it is through this lens that new critical discourse surrounding microfinance will emerge.

Beyond the discussion of women, empowerment and microfinance, academic discourse on this topic is overwhelmingly preoccupied by a debate on microfinance and its linkages to capitalism and the principles of neoliberalism. On one side of the debate is microcredit’s founder, Yunus, who remains unavering in his belief that microfinance, as originally envisioned, appropriates the ideas of neoliberalism and capitalism to work for those previously disadvantaged by the same systems (Yunus 2007). Implicit within this understanding is a focus on the inclusion rather than exclusion of individuals within the matrix of capitalism. Yunus focuses on capitalism as a “half told story” and is especially critical of the form of capitalism which only envisions people as one-dimensional, profit maximizing individuals (Yunus 2007, 2011). Through microfinance, Yunus believes that “we can change the character of capitalism radically and solve many of our unresolved social and economic problems though the power of the free market – a broader free market that recognizes all kinds of human motivations, not just the profit motivation” (2011, 124-125). Present also within this understanding is the notion that action to reduce poverty needs to occur now and that successful strategies to address this pandemic will need to not only recognize but work within the dominant ideologies of capitalism and neoliberalism. Yunus firmly believes that microfinance appropriates and reconstructs the ideologies of capitalism and neoliberalism to address those most vulnerable within society.
On the opposite end of the spectrum are those scholars who believe microfinance is a development strategy firmly rooted in, and replicating, the principles of capitalism and neoliberalism. Alexander Cockburn, as cited in Bond (2007), looks at Yunus’ receipt of the Nobel Peace prize critically, stating that, “Yunus won a Nobel Peace Prize for neoliberalism” (Cockburn as cited in Bond 2007, 246). Connected with this is the notion that microfinance promotes the expansion of the free market while simultaneously dismantling the welfare state in both theory and practice. Bateman (2011, 2010 and 2006), Rankin (2001), Bond (2007) and Karim (2011) epitomize this critique. Rankin argues that the advent of microcredit lending corresponds with the height of neoliberal, state developmental aid re-structuring and therefore it is not surprising that a market driven model was used as the basis. As a critique of the form and structure of microfinance programs, Rankin is cynical of the merit of these programs. She and other critical scholars are leery of the entrenchment of capitalism in the minds of individuals around the world under the auspice of a so-called productive venture. From this perspective, the adoption of microfinance as a development strategy signals that the state is no longer responsible for the economic well-being of individuals and that each person must become economically self-sufficient or suffer the consequences (Bond 2007; Rankin 2001; Karim 2011).

According to this understanding, microfinance organizations, rooted in private, capitalist methods, signal the replacement of the welfare state with a neoliberal, free market system and ideology. In her study of microfinance in Bangladesh, Karim (2011) suggests that capitalist, neoliberal-infused microfinance organizations have already begun to replace the formal state. Karim argues “the categorical distinction between the
government and the nongovernmental organization (NGO) has become blurred in many areas, leading to the creation of the NGO as a shadow state in the rural economy” (2011, 33). According to Karim, NGOs taking on the role of a “shadow state” further erodes and signals the dismantling of the formal state. As articulated by Karim and others, the replacement of a welfare providing state with microfinance organizations signals the entrenchment of free market ideals, capitalism and neoliberalism within society (Bond 2007; Rankin 2001; Bateman 2011, 2010, 2006). It is these above noted themes, discussed at length within scholarship on microfinance in the global South, which will be revisited during discussion of Canadian microfinance throughout this dissertation.

**Global Transmission: Replication and Development**

Since its inception in the 1970s, microfinance has grown into a global phenomenon with organizations throughout the world (Karim 2011; Morduch 1999; McFarland 2004; Molla and Wahid 2008). This global replication can be linked to the popular discourse surrounding microfinance as the “almost universal antidote for poverty” (Molla and Wahid 2008). As articulated by Morduch (1999) “In the last two decades, a diverse assortment of new programs [have] been set up in Africa, Asia, Latin America, Canada and roughly 300 U.S sites from New York to San Diego” (As cited in *The Economist* 1997). This focus on global expansion is captured in the (2011) Microcredit Summit Report by Reed (see Table 2.1).
Table 2.1: Global Expansion of Microfinance

<table>
<thead>
<tr>
<th>Region</th>
<th>No. MFIs</th>
<th>No. Total Clients</th>
<th>No. Total Women Clients</th>
<th>No. Poorest Clients</th>
<th>No. Poorest Women Clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-Saharan Africa</td>
<td>1,028</td>
<td>14,239,171</td>
<td>8,016,454</td>
<td>8,637,854</td>
<td>5,887,337</td>
</tr>
<tr>
<td>Asia &amp; Pacific</td>
<td>1,751</td>
<td>154,606,358</td>
<td>125,623,062</td>
<td>110,399,508</td>
<td>93,483,172</td>
</tr>
<tr>
<td>Latin America &amp; Caribbean</td>
<td>668</td>
<td>15,702,740</td>
<td>10,152,799</td>
<td>3,025,480</td>
<td>1,958,889</td>
</tr>
<tr>
<td>Middle East &amp; North Africa</td>
<td>92</td>
<td>4,899,474</td>
<td>2,633,866</td>
<td>2,036,891</td>
<td>1,301,704</td>
</tr>
<tr>
<td><strong>Developing World Total</strong></td>
<td><strong>3,539</strong></td>
<td><strong>189,501,743</strong></td>
<td><strong>145,456,181</strong></td>
<td><strong>124,099,733</strong></td>
<td><strong>102,631,102</strong></td>
</tr>
<tr>
<td>North America &amp; Western Europe</td>
<td>89</td>
<td>169,309</td>
<td>61,711</td>
<td>53,133</td>
<td>23,124</td>
</tr>
<tr>
<td>Eastern Europe &amp; Central Asia</td>
<td>75</td>
<td>5,343,918</td>
<td>252,321</td>
<td>140,861</td>
<td>95,417</td>
</tr>
<tr>
<td><strong>Industrialized World Totals</strong></td>
<td><strong>164</strong></td>
<td><strong>5,513,227</strong></td>
<td><strong>314,032</strong></td>
<td><strong>193,994</strong></td>
<td><strong>118,541</strong></td>
</tr>
<tr>
<td>Global Totals</td>
<td>3,703</td>
<td>195,014,970</td>
<td>146,770,213</td>
<td>124,293,727</td>
<td>102,749,643</td>
</tr>
</tbody>
</table>

(Reed 2011)

As can be seen within this table, a significant amount of the world’s microfinance institutions, (96%) are found within the global South (“Developing World” in Table 2.1). A smaller fraction, (4%) are found within the industrialized world, which includes North America, Western Europe, Eastern Europe and Central Asia. This difference in terms of microfinance saturation levels is important to understand when progressing further in this chapter to a discussion of microfinance in the Canadian context. Also important in the context of this dissertation is the stark differences between the number of women borrowers within the global South and what is classified in the chart as the industrialized world. As indicated within Table 2.1, women comprise 77% of total microfinance borrowers in the global South versus only 57% of total borrowers within the industrialized world. The gender ratio of microfinance borrowers in the Canadian context
will be revisited throughout this dissertation but particularly within Chapters Four through Six.

The transmission and replication of microfinance programs has taken place throughout the world but what is particularly important to understand in the context of this dissertation is the growth of these institutions within North America (Karim 2011; Yunus 2009). Yunus, removing a notion of cultural specificity states, “I would say the strength of the idea [microfinance] is that it’s not country-specific or people specific. It’s global. It’s a human thing. It’s not something that works with one particular character trait or community” (2009, 10). Fueling this belief that microfinance is and can be a universal tool for poverty reduction is the notion that poverty bears similar markers from one context to the next. It is this unwavering belief in the innate experiences of poverty, coupled with the notion that greater access to financial resources will reduce poverty, which has propelled the global transmission of microfinance forward.

Khandker (1998) and Hollis and Sweetman (1998) divide sharply from the above noted literature and are skeptical of the worldwide replication and applicability of microfinance. Without denying the fact that microfinance has been reproduced globally, as indicated in Table 2.1, it is important to ask questions around the appropriateness of this venture. Hollis and Sweetman (1998) focus on the impact of culture on the implementation and success of microfinance organizations, therefore showing restraint in their assessment of the replication of these organizations within every cultural context. Khandker (1998) reinforces this climate of restraint, questioning the applicability of group-based lending programs stating that this method of loan dispersal may not be applicable, appropriate, or welcomed by borrowers within all contexts. More discussion
on Canadian microfinance and the methods of loan dispersal will occur within Chapter Four. As illustrated in the above noted scholarship, important questions need to be raised surrounding the cultural appropriateness and actual structure of microfinance programs before replication occurs. It therefore seems inappropriate to presume that poverty and/or microfinance as a poverty reduction tool can remain similar from one context to the next. In the following section, differences and similarities between microfinance in the global South and Canadian context will be explored.

**Canadian Microfinance: Origins and Overarching Trends**

As mentioned in the introduction to this chapter, at present, there is little scholarship on microfinance in Canada despite the existence of numerous organizations throughout the country. Information on microfinance in Canada tends to be organizationally specific and therefore fails to discuss themes, similarities and/or differences among these organizations. This trend can be partially explained through the large geographic space and subsequent isolation of these organizations from one another (Social Investment Organization and Riverdale Community Development Corporation 2003). An example of this isolation and therefore production of siloed scholarship, is the microfinance organization, PARO Centre for Women’s Enterprise, located in Thunder Bay, Ontario which has a rich collection of reports and publications on microfinance as it relates specifically to its own organization (Tasala and Lockyer 2008; Babcock 2007; Geddes, Robinson and Lockyer 2004). This type of introverted, organizationally specific scholarship is the trend in literature on Canadian microfinance.

According to the 2003 report by the Social Investment Organization and Riverdale Community Development Corporation report entitled *A National Study of*
Community Investment in Canada (henceforth SIO/RCD study), there were 60 microfinance organizations in existence within Canada at the completion of the report (7). This number, however, is eleven years out of date and therefore needs to be viewed as an approximation rather than as a firm number. Research for this dissertation has revealed that the field of Canadian microfinance is in a constant state of flux due to issues relating to long-term sustainability. In the conclusion to her piece, Spotton Visano (2008) discusses the scale and sustainability of microfinance programs in Canada. She states, “these small lending programs are operated on a very small scale….The programs are extremely labor intensive and expensive to operate” (116). It is these concerns around scope and scale raised by Spotton Visano that contribute to the precarious nature of microfinance organizations within Canada.

Coyle and Wehrell (2006) and Reynolds and Novak (2011) locate the origins of contemporary Canadian microfinancing within the early 1900s and the advent of caisse populaires in Quebec and credit unions within English speaking Canada. Although not suggesting that these organizations are identical, Reynolds and Novak (2011) believe that in terms of purpose, “providing formal financial services to the poor and other communities neglected by most banks,” caisse populaires, credit unions and therefore microfinance organizations can be connected to one another both historically and in the contemporary context (2). Reynolds and Novak articulate this conception stating “although Dr. Mohammed Yunus would popularize it much later, Father Coady and M. Desjardins were already practicing a type of microfinance in Canada” (2011, 3). From these early beginnings, domestic microfinance has evolved and in the 1980’s, the Calmeadow Fund, the first “traditional” or microfinance organization, emerged in Canada
(Social Investment Organization and Riverdale Community Development Corporation 2003).

The Calmeadow Fund is largely considered the first 21st Century domestic example of Grameen Style microfinance. (Friendly and Wright 2001; Frankiewicz 2001). According to Frankiewicz, “Calmeadow, a Canadian-based nonprofit organization, was one of the first institutions to test the peer group lending model in North America....Between 1987 and 1999, it disbursed more than C$4.6 million in 2,558 loans to microentrepreneurs across the country” (2001, 1). Calmeadow first targeted three Indigenous communities in Ontario as recipients of services and then later started to provide services to rural populations in Nova Scotia, Toronto and Vancouver in the early 1990s (Reynolds and Novak 2011). Drawing heavily on methods of microcredit lending established in Bangladesh by the Grameen Bank, the Calmeadow model of microfinance incorporated a peer-lending and an escalating scale-loan system (Friendly and Wright 2001). 9 As discussed by Reynolds and Novak (2011) and Friendly and Wright (2001) it is difficult to take the peer-lending model of microcredit employed in Bangladesh and transport it to a Canadian microcredit lending organization. A shift away from the peer-lending model in the context of current organizations will be discussed further in Chapters Four through Six.

Illustrating the challenges associated with operating a peer-lending model in Canada, coupled with sustainability concerns, Calmeadow closed in 2001 (Reynolds and

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9 An escalating scale-loan system is characterized by the provision of numerically small loans in the beginning of membership, followed by the gradual numerical increase of loan values upon successful repayment of earlier loans.
Friendly and Wright’s (2001) work sheds significant light on the differences between the Calmeadow model and the Grameen Bank model. One substantial difference was the non-gendered mandate of Calmeadow. According to the experiences of Calmeadow Nova Scotia and Calmeadow Metrofund, women did not comprise a higher percentage of borrowers than men (Friendly and Wright 2001). Calmeadow’s borrowers were comprised of a variety of men and women from different age groups, ethnicities and employment backgrounds. Although a gendered analysis of microfinance in Canada was not the central focus of the above noted work, it opens up the dialogue surrounding the place of gender in Canadian microfinance programs, a concept which will re-emerge throughout the course of this dissertation. The above noted discussion of the Calmeadow fund and its place within the history of domestic microfinance is important because as articulated during interviews for this dissertation, many of the now existing organizations attribute features of their organizational structure or mandate to this early experiment in microfinance.

Although there is still relatively little known about the field of microfinance in Canada as a whole, it is important at this point to discuss some of the documented overarching characteristics of this sector. A central difference between Canadian microfinance and microfinance in the global South is the method of loan dispersal. In the Canadian context, loans are overwhelmingly delivered through an individualized method as opposed to a peer-lending or circle lending method (Maksoud 2008; Margolis 1999; Spotton Visano 2008; Aliu, Cosentino and Panasyuk 2009). According to the 2009 report by Aliu, Cosentino, and Panasyuk entitled *Highlights of Existing Microcredit Programs*
(henceforth York study), only 9 of the 28 or 32% of the organizations surveyed employed a peer-lending model of loan dispersal.

A secondary theme, present within the literature on microfinance in the context of the global South, is the erasure of the state’s responsibility for the provision of services to individuals under the guise of neoliberal infused programs like microfinance. Unlike scholarship on this topic in the context of the global South, literature on the Canadian sector remains underdeveloped, a gap in the literature which this dissertation addresses. A further distinction between literature on this topic in Canada and in the global South is the absence of an explicit discussion of microfinance as connected to neoliberal ideology. As discussed previously, a large volume of academic scholarship on the global South explicitly names microfinance as connected to neoliberalism (Rankin 2001; Bond 2007; Karim 2011 and Bateman 2011). This is virtually absent from the Canadian dialogue and when it is discussed, the connection is considered positive. As an example, the adoption of microfinance in Canada is positioned as positive because of its ability to alleviate and/or remove costs associated with the provision of services to individuals for both tax payers and the state (Blaise 1996).

Discussions on this topic in the Canadian context fail to critically challenge the principles or underlying ideology of neoliberalism. Instead, these accounts adhere to neoliberal rhetoric regarding the necessity of individuals to provide for themselves, and therefore the removal of state responsibility (Dua, Subbiah and Visano 2007; Alterna Savings 2010; Blaise 1996). As an example of this discourse Dua, Subbiah and Visano, state that microfinance in Canada exists to “promote economic self-reliance in which either individuals or community groups become less reliant on state sources of income
support” (2007, 1). Echoing this objective of retraction of government support through greater self-reliance is the Alterna Savings report on its micro-loan program (2010). Put forward as a positive impact of microfinance they state that “fifty percent of those who were on social assistance when they received their loan no longer rely on government subsidies” (Alterna Savings 2010). Questions need to be raised around the way in which this occurs, through the adoption of a neoliberal infused program like microfinance and also whether or not this outcome should be construed as a positive (i.e. producing a “better standard of living”). It is this discussion of domestic microfinance and its embeddedness within and reproduction of neoliberal ideology that is considered throughout this dissertation.

As an evolving field in both practice and discourse, discussions on the future of Canadian microfinance abound. Within these debates the themes of commercialization and borrower/loan growth and diversification emerge (Coyle and Wehrell 2006; Margolis 1999; Reynolds and Novak 2011). Reynolds and Novak (2011) discuss the trend towards the commercialization of Canadian microfinance and suggest that programs like those offered by Alterna and VanCity are the way of the future with formal financial institutions supporting microfinance (6). Coyle and Wehrell argue for the achievement of scale and scope through commercialization stating, “mainstream commercial banks, in other words, possess infrastructure, human and financial resources far beyond other microfinance providers, and therefore have the potential to vastly expand access to financial services” (2006, 12). Canadian microfinance has yet to be fully commercialized in the way envisioned by the above noted scholars, but what is evident is the way in which the space between microfinance organizations and commercial banking institutions
is shrinking, a theme explored within Chapter Four. Also examined within Chapter Four is the development of microfinance organizations in Canada which exclusively target immigrant populations as the recipients of microfinance loans (Coyle and Wehrell 2006). In the current context, this is an ever expanding and evolving sub-field within the sector of Canadian microfinance.

As is evident within this chapter, there is a great deal of literature on microfinance in the global South and a relative lack of scholarly discourse on this topic in the Canadian context. What is also pervasive within the current discussion on microfinance in the global South is a fundamental shift within both the field and literature. What was once an overwhelmingly excited and positive conversation is transforming into a skeptical and cautious discussion around appropriateness and actual outcomes. Particularly compelling are the questions being raised by former advocates of microfinance (Morduch 1999). This shift is also evident in the most recent editions of the Microcredit Summit Campaign Reports which, instead of advancing unfettered replication, now focus on caution and sector wide regulation. In the context of 2013, it is an understatement to characterize microfinance in the global South as facing a crisis. At present, the very foundation of microfinance is under pressure and beginning to crack and erode. Notably, this crisis has yet to firmly take root within the Canadian context. As such, this dissertation will explore whether the foundational questions being asked of microfinance in the global South are applicable within the Canadian sector.

Interrogated within the literature and this chapter is the connection between microfinance and neoliberalism. Although this discussion emerges in both literature from the global South and in the Canadian context, it remains under theorized in the latter. In
particular, scholarship on microfinance and neoliberalism in Canada remains underdeveloped and fails to critically and explicitly debate the integration of these two phenomena. In the Canadian literature, discussed within this chapter, microfinance’s entrenchment within neoliberal ideology is left unnamed and therefore unquestioned. It is these connections between Canadian microfinance and the principles of neoliberalism which need to be critically and explicitly explored. Academic scholarship is needed which provides an in-depth exploration of the connections between neoliberalism and microfinance in the Canadian context. Although similarities may arise, it is not appropriate or effective to simply apply literature on microfinance, neoliberalism and the global South to the Canadian context. Important contextual differences need to be recognized and reflected upon within academic scholarship on this topic. It is this lack of literature on microfinance, neoliberalism and the Canadian context that motivates this dissertation. Explicit questions need to be asked: How do the principles of neoliberal ideology manifest within microfinance programs domestically? How are certain populations targeted or erased within microfinance programs as a result of neoliberalism? These questions, along with an in-depth exploration of neoliberal ideology and microfinance, are a central focus of this dissertation.
Chapter Three

Neoliberalism as a Process

“Who benefits and who is left out? Who loses?”
Braedley and Luxton 2010

Neoliberalism, briefly discussed within Chapter One, is a central concept within this dissertation. It embodies a variety of different meanings within both scholarly and popular discourse. Neoliberalism has become a “rascal concept” (Brenner, Peck and Theodore 2010b) employed in a wide variety of contexts and serving multiple objectives. As such, an extensive amount of scholarship currently exists exploring both the theoretical underpinnings of this concept and its lived outcomes and realities. Important within this chapter and dissertation as a whole is an understanding of neoliberalism as both a theory and lived experience. A discussion of the overarching theoretical principles of neoliberalism is therefore incomplete without a consideration of the way in which these principles translate and appear within the lives of citizens and non-citizens. 10 In this chapter attention will be paid to both the theoretical principles underlying and continually

10Within this dissertation, it is acknowledged that the term “citizenship” and/or “Canadian citizen” is a contested term/conceptualization. Adding nuance to the discussion of citizenship as a contested term are Stasiulis and Bakan (2005), Bakan and Stasiulis (1997); Dhamoon (2009) and Pateman and Mills (2007). As articulated by these scholars, citizenship is a “variable and unequal process shaped not only by national/local conditions but also by global realities and accompanying racialized, gendered discourses” (Bakan and Stasiulis 1997, 32). Further contextualizing this understanding, citizenship is positioned as a “dynamic rather than static process” (Bakan and Stasiulis 1997, 44) therefore allowing for the production of “citizens and non-citizens” (Stasiulis and Bakan 2005; Bakan and Stasiulis 1997; Pateman and Mills 2007; Dhamoon 2009). Also important to discuss is the power associated with and/or lack of power associated with being a “citizen” or “non-citizen”. As articulated by Dhamoon (2009) citizenship is a “meaning making” process whereby structures of power are utilized in an “othering” process (50-51) therefore constructing persons as “citizens or non-citizens” (Stasiulis and Bakan 2005; Bakan and Stasiulis 1997). The understanding of Canadian citizenship presented in this dissertation aligns with above noted scholars who critically examine the supposed universal structure and therefore entitlements afforded through formalized citizenship. Citizenship is, as Stasiulis and Bakan (2005) state, a “negotiation” and/or “relationship” that instead of “acting as an equality enhancing form of membership, in fact, ….is conditional, partial, particularistic and generates inequality” (165). Within this dissertation the terms citizens and non-citizens are employed to convey a contested and “dynamic” understanding of citizenship.
shaping the process of neoliberalism, as well as the everyday manifestations of this phenomenon in the lives of individuals, families, and communities.\(^\text{11}\)

Neoliberalism, within this dissertation, is considered an uneven, variegated and geographically specific phenomenon. Of particular importance in this chapter is Larner’s (2009) theory suggesting that neoliberalism flows in a multi-directional trajectory. It is Larner’s theory regarding the variable flow of neoliberalism that is used to support the notion that microfinance in Canada is a neoliberal infused poverty reduction strategy. Within this chapter attention is directed towards the various expressions that neoliberalism embodies in Canada. Underlying this analysis is the idea that neoliberalism impacts persons differently dependent on factors including but not limited to citizenship, age, gender, race, class, sexuality and ability. Attention is directed to the expression of neoliberalism within the lives of women and racialized persons, two groups adversely impacted by this ideology.\(^\text{12}\) Within the latter half of this chapter the central theory of “roll-back and roll-out neoliberalism” (Peck and Tickell 2003 and Peck 2010) is introduced. This theory underpins this dissertation and will be discussed in the following chapters. Complimenting this overarching theoretical framework is work by both feminist

\(^{11}\)It is acknowledged that there is no clear divide between the physical manifestations of neoliberalism and the theories guiding this phenomenon. Within this dissertation it is believed that the theories underpinning neoliberalism are integrally connected and imbued within the practical expressions of neoliberalism in the everyday. This approach to research, with a clear focus on lived experiences and theory, is rooted in the feminist methodological lens employed within this research (Hesse-Biber and Yaiser 2004; Brooks and Hesse-Biber 2007; Creese and Frisby 2011). Further details on the methodological approach taken in this dissertation are provided within Chapter One. Within this dissertation both theory and praxis are prioritized. This choice aligns with framework presented in Braedley and Luxton’s (2010) book entitled Neoliberalism and Everyday Life, which critically examines the theoretical underpinnings of neoliberalism in addition to its actual expression in the everyday lives of individuals.

\(^{12}\)Within this dissertation it is acknowledged that differences among individuals within the subsets of women and racialized persons abound. These differences based on factors including but not limited to citizenship, age, class, sexuality and ability impact the individualized expressions and experiences of neoliberalism.
scholars (Jenson 2009; Jenson 2008; Dobrowolsky 2009; Brodie 2008; Bakker and Brodie 2007; Coulter 2009) and critical race theorists (Giroux 2005 and 2008; Davis 2007; Goldberg 2009; Roberts and Mahtani 2010; Bauder 2008; Abu-Laban and Gabriel 2008 and Duggan 2003). In the latter half of this chapter, connections are made between the overarching theory of roll-back and roll-out neoliberalism and the theoretical frameworks specifically addressing gendered and racialized persons. These theoretical suppositions are specifically applied to the Canadian microfinance sector within subsequent chapters of this dissertation.

**Neoliberalism – Central Elements through the Canadian Example**

For this dissertation, neoliberalism is understood as a multifaceted, geographically uneven process (Brenner, Peck and Theodore 2010; Peck and Tickell 2002; Larner 2009; Dobrowolsky 2009). Multifaceted in nature, neoliberalism remains entrenched in the underlying principles of unfettered markets, commodification and market-led growth. In the Canadian context and elsewhere, it has also meant the dissolution of the Keynesian welfare state (Brenner, Peck and Theodore 2010; Peck 2004). Adding nuance to this understanding of neoliberalism is Giroux (2008) who believes that neoliberalism is “both an economic theory and a powerful public pedagogy and cultural politics” (12). A true testament to the pervasiveness of neoliberal ideology and its related practices is the way in which individualistic, market driven approaches to life have become the “commonsense of the times” (Peck and Tickell 2002; Giroux 2008). In the Canadian context, neoliberal ideology has become “normalized” and because of its ubiquitous nature goes unquestioned by many (Tickell and Peck 2003; Harvey 2007; Ready 2013).
A key element of neoliberal ideology is a shift in responsibility from the state to individuals in a perverse effort to induce self-sufficiency (Bashevkin, 2002). This process of ‘responsibilization’ of individuals is critically reflected upon in the work of Rose (1999). He describes the neoliberal transformation as a process where, “to govern better, the state must govern less; to optimize the economy, one must govern through the entrepreneurship of autonomous actors - individuals and families, firms and corporations” (139). Under the praxis of neo-liberalism, the state’s role in peoples’ lives is minimized and individuals are ‘responsibilized’ or empowered to take control of their own situations. This corresponds with Peck and Tickell’s understanding of neoliberalism as a shift away from the collectivist or “common good” state strategies found in Canada post World War II. Articulating this shift, Braedley and Luxton (2010) suggest that under neoliberalism, competition is praised and conceptualized as providing freedom while notions of collectivism through social policies are demonized and depicted as taking away freedom.

Early visible manifestations of neoliberalism can be traced back to the late 1970s/early 1980s and the governments of Margaret Thatcher and Ronald Reagan (Fudge and Cossman 2002). Employed under the overarching principle of “privatization”, the central features of neoliberalism were first introduced in the Canadian context under the Conservative Government of Brian Mulroney in the 1980s (Fudge and Cossman 2002, 4; Ready 2012). Propelled forward by the Macdonald Commission and then the Free Trade Agreement of 1988, neoliberalism firmly took hold in Canada during the 1980s (Fudge and Cossman 2002). Driven by the desire to eliminate the Federal Government deficit, the Mulroney government orchestrated the initial dismantling of the Keynesian welfare
state and in particular targeted the reduction and/or elimination of state funding for advocacy groups, particularly groups targeting women, indigenous persons and racialized persons (Fudge and Cossman 2002). Contrary to its campaign promises, the subsequent Liberal government of Jean Chrétien continued the destruction of the Canadian welfare state by initiating serious financial cuts on social programs (Fudge and Cossman 2002). It is in the 1990s that Canada experienced a “neoliberal moment” on both a federal and provincial level (Banting and Myles 2013). Pervasive in nature, the doctrine of neoliberalism, in the form of welfare state restructuring, was and still is perpetuated by both the provincial and federal governments in Canada (Little 2010 and 2003; Struthers 1994). Discussed in later paragraphs, Stephen Harper’s Conservative government, while still adhering to many of the same neoliberal principles implemented by his predecessors, has adopted a new form of neoliberalism characterized in this dissertation as embodying both a process of roll-back and roll-out neoliberalism (Peck and Tickell 2003 and Peck 2010).

Neoliberal discourse, as articulated in Canada since the 1980s, has systematically worked to erode social welfare programs and/or services. This has subsequently resulted in drastic cuts to the Keynesian welfare state under the neoliberal restructuring of

13Before progressing further, it is necessary to deconstruct the notion of the Canadian welfare state as a universally positive program providing “equal” benefits to all “citizens” (Monture 1996; Thobani 2007; Razack 1998 and 2002; Struthers 2002). Discussing the non-universal nature of the social welfare system in Canada, Struthers (2002) coins the term “unequal citizenship” (171) therefore showcasing the social benefits awarded to only some individuals. As articulated by Thobani (2007) “the welfare system reinforced citizenship as the mechanism organizing the racial hierarchy of the settler society” (107-108). It is important to state that the entitlements granted through the Canadian welfare system have never been universal and further that race has been used as a means of exclusion and/or differential treatment (Monture 1996; and Thobani 2007; Little and Marks 2010; Little 1998). In addition to this means of exclusion, Struthers (1994) discusses the way in which conceptions of morality attached to marital status were used as a means of including or excluding certain women in relation to the provision of Mother’s Allowance (29-30).
the 1990s. Since the early expressions of neoliberalism in the 1980s, virtually all aspects of life in Canada have been impacted. From the nation state to the daily lives of individuals, expressions of neoliberalism can be found everywhere. The latter half of this chapter will consider the retraction of the Canadian state during the 1980s and 1990s and the “rolling out” of social services in the early 2000s to the present (Tickell and Peck 2003).

Demonstrating the pervasive adoption of neoliberalism within the Canadian state is the shift from the Canadian Assistance Plan (CAP) to the Canadian Health and Social Transfer (CHST). The replacement of CAP with CHST affected all provinces within Canada and subsequently, hundreds of thousands of Canadians. In 1996 CHST

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14It is important to note that funding has not been reduced in relation to all government programs/departments as a result of neoliberal restructuring. Under the guise of neoliberalism there has also been strategic investment in prioritized individuals and specific government departments/programs (Tick and Peck 2003; Harvey 2007; Peck, Theodore and Brenner 2012). As articulated by Peck and Tickell (2002) under the process of “roll-out” neoliberalism, a “deeply interventionist agenda is emerging around “social” issues like crime, immigration, policing, welfare reform, urban order and surveillance and community regeneration” (389). As evidenced by this quotation, neoliberalism simultaneously entails the destruction of certain social services like health care and education while also investing in and bolstering government programs focusing on law enforcement and surveillance more generally. As a result of 9/11 and a culture of increasing securitization, government spending on military services/programs has increased throughout Canada and the United States and therefore it is difficult to directly correlate this increased spending with neoliberal priorities. What is becoming evident, as a result of neoliberal restructuring, is an increasing privatization of military services and contracts (Ettinger 2013 and 2011; Perry 2009).

15Within this dissertation it is acknowledged that neoliberalism impacts individuals in a wide variety of ways. While exhibiting some similarities, the actual lived expressions of neoliberalism are highly individualized and influenced by a multitude of factors, including but not limited to race, gender, class, citizenship, ability, sexuality, etc. It is important to also iterate that while many of the impacts of neoliberalism are outwardly visible, others remain concealed and therefore are under theorized in academic discourse. As such, this dissertation discusses only some of the everyday expressions of neoliberalism in the lives of women and racialized persons. Included within the following paragraphs are key themes within the academic literature related to neoliberalism and its impact on the lives of gendered and racialized persons (Galabuzi 2004, 2010, 2008; Block 2010; Galabuzi and Teelucksingh 2005; Bezanson 2006; Vosko 2006; Luxton 2006 and 2010; Braedley and Luxton 2010; Brodie and Bakker 2008; Little 2003, 2010). While it is acknowledged that neoliberalism has and continues to significantly impact the restructuring of the Canadian welfare state, it is beyond the scope of this dissertation to present a comprehensive analysis and discussion of this evolution.
transformed the Canadian landscape of government spending by eliminating the previous method of federal government spending, CAP, where unlimited cost-shared funding was given to specific social programs (Struthers 1994). The new CHST funding formula provides each province with a reduced amount of block funding that can be spent on whatever programs the individual province deems necessary. Under CHST the neoliberal principle of competition for funding dollars reigns supreme as social service programs strive to obtain limited, multi-purposed finances.

This policy also detrimentally impacts the possibility for national standards to be achieved and places certain social services in jeopardy. The decisions concerning which social services are deserving of funding has become arbitrary under CHST. The direct results of this change in funding procedures are evident as less government money is being spent on organizations that provide basic social services to Canadians (Mulvale 2001; Brodie and Bakker 2008). Although leaving little unscathed, it is important also to iterate that the impact of neoliberalism is expressed differently depending on multiple factors including but not limited to gender, race, class, citizenship and ability. For the purposes of this dissertation it is necessary to explore the scholarship that investigates the impact of neoliberalism on women, racialized persons and the economically marginalized.

**Gender, Race, Neoliberalism and the Canadian Context**

Altamirano-Jimenez (2009) expresses the need to explore neoliberalism through different lenses. She believes that it is incorrect to assume that neoliberalism impacts individuals equally, therefore ignoring the fact that individuals face systemic inequalities related to factors such as race, gender and class. According to Altamirano-Jimenez, the
impact of neoliberalism can only be understood through a conceptualization of gender and race as significantly mediating the impact of neoliberalism. In accordance with this belief, this dissertation will pay particular attention to ways in which neoliberalism impacts gendered, racialized and economically marginalized persons.16

Central to work on race and neoliberalism is a discussion of the negative outcomes that racialized persons experience as a result of state and societal neoliberal restructuring. Prominent within this scholarship is a discussion of neoliberalism and racialized persons’ overrepresentation within situations of poverty. As articulated by Galabuzi, the “racialization of poverty” is due to “structural changes in the Canadian economy that conspire with historical forms of racial discrimination in the Canadian labour market to create social and economic marginalization, the result of which is the disproportionate vulnerability to poverty” (2008, 86). Both implicitly and explicitly discussed in this literature is the interconnected relationship of race, poverty and neoliberalism in the Canadian context. Leading the field in these discussions is Galabuzi (2004, 2010, 2006, 2008) and Teelucksingh and Galabuzi (2005) who assert that although Canada is heralded as a multicultural nation, racism still exists, and race continues to

16Of particular importance in the context of this dissertation is an understanding of the feminist coined term “intersectionality”. Developed originally by the Combahee River Collective, intersectionality is focused on an “integrated analysis and practice based upon the fact that the major systems of oppression are interlocking” (Combahee River Collective as cited in Kolmar and Bartkowski 2010, 254). Brah and Phoenix (2004) as cited in Dhamoon (2009) use the term intersectionality to refer to the process where “the complex, irreducible, varied, and variable effects which ensure when multiple axes of differentiation – economic, political, cultural, psychic, subjective and experiential – intersect in historically specific contexts” (61). In this dissertation, attention is paid to the way in which compounding systems of oppression based on factors such as gender, race, sexuality, class and citizenship impact the lives and everyday experiences of individuals. In subsequent paragraphs, greater detail is paid to the interlocking forms of oppression expressed in the lives of gendered and racialized persons under the regime of neoliberalism (Galabuzi 2006 and 2008; Razack 2002; Thobani 2007).
have a profound impact on individuals’ experiences with labour force attachment, income levels and poverty. The negative experiences of racialized persons in relation to the workforce, according to the work of Galabuzi, are exacerbated by the entrenched principles of neoliberalism in Canadian society. Racialized Canadians are overrepresented in low paying occupations as a result of the inherent deregulation and flexibility paramount within neoliberalism. Within this environment the exploitation of racialized Canadians is intensified and the process of ghettoization, as a by-product of precarious employment, is furthered (Galabuzi 2004).

Galabuzi (2006 and 2010) and Block (2010) use census data from Statistics Canada to reveal disturbing trends within the experiences of racialized persons in Canada. Both Block and Galabuzi demonstrate that racialized persons experience higher rates of unemployment than non-racialized persons, therefore earning lower incomes and experiencing greater rates of poverty. It is this cyclical nature of poverty which makes it difficult to transcend. Illustrating this trend, Galabuzi uses Statistics Canada data from 1996 and 2001, while Block uses data from 2006. Producing similar findings, Galabuzi and Block’s work demonstrates the persistent nature of racialized persons’ experiences of inequity in Canada. Looking specifically at rates of poverty in Ontario, Block states that “while 6 per cent of non-racialized families lived in poverty in 2005, more than three times the share of [racialized] people, 18.7 per cent, lived in poverty” (2010). An even further troubling pattern, noted within both Block and Galabuzi and Teelucksingh’s work, is the inability of racialized persons within Canada to translate higher levels of education into higher income earning occupations. For Block, this gap between education levels and occupations is evident in the way in which racialized men and women continue to cluster
within low paying, insecure jobs despite educational attainment. Block (2010), Galabuzi and Teelucksingh (2005) and Galabuzi (2010, 2006 and 2008) believe this trend speaks to the insidious nature of racism in Canada coupled with the manifestations of neoliberalism within the labour market. It is also worth mentioning that the above noted Statistics Canada data is prior to the 2008/2009 economic recession and as articulated within the literature, the recession’s impact was disproportionately felt by racialized persons (Block 2010). It is amid this new economic landscape that the research for this dissertation is conducted and it will be important to evaluate the ways in which the experiences of racialized persons have changed as a result.

Further conceptualizing the racialization of poverty in Canada, Galabuzi (2006 and 2008), using an intersectional analysis, pays particular attention to the way in which racialized women bear a double burden. Theorized by Galabuzi, racialized women within the Canadian work place experience both racism and sexism or “double jeopardy” (2006, 126). Racialized women experience persistent discrimination and subsequently higher unemployment and poverty rates when compared to non-racialized persons in Canada. Demonstrating this gap, Block (2010) states that racialized women in 2005, on average, earned $39 901 dollars as compared to racialized men who, on average, earned $50 612 and non-racialized men who, on average, earned $66 401 (income levels are based on full-time employment over the course of a full year). This income gap, which spans from $10 000 to $26 500 can be attributed to both racial and gender exclusion and inequality. Although a great deal of literature exists regarding income gaps, employment gaps and the overarching social exclusion of racialized persons within Canada, more work is necessary to disaggregate this data. Galabuzi (2006) presents a compelling look at the
impact of both race and gender on experiences of poverty but relies on Statistics Canada numbers from 1995. In the context of 2013, Galabuzi’s work aids in setting the historical landscape but newer scholarship, beyond that of Block (2010), is necessary to truly understand the complex intersectional realities of racialized women under a neoliberal Canadian state.

Further interrogating the negative impact of neoliberalism are scholars who examine the increased policing and incarceration of gendered and racialized persons under the guise of neoliberal ideology and policy (Mirchandani and Chan 2007; Wacquant 2009; LeBaron and Roberts 2010 and 2012; Roberts 2014; Galabuzi 2010b). Outlining this increasingly punitive approach are LeBaron and Roberts who believe that as collectivist strategies for governance are dismantled new individualized, privatized and harsh ones emerge (2010). Discussed at length within the literature is the way in which poverty, and in particular racialized and gendered experiences of poverty have been subject to criminalization and increased rates of incarceration under the framework of neoliberalism. LeBaron and Roberts (2012) showcase the growth of incarceration rates among racialized and gendered persons, under the guise of neoliberalism stating “increasing sevenfold between 1970 and 1995 the rate of incarceration for blacks [men and women] tripled in only a dozen years to reach 1,895 per 100,000 in 1993…seven time the rate for whites (293 per 100,000)” (38). Rather than responding to increased rates of poverty through the expansion of social services and/or entitlements, neoliberalism dictates that an appropriate response to this occurrence is the criminalization of poverty. Capturing the essence of this shift are LeBaron and Roberts
who state,

As the tensions between capital accumulation and neoliberal restructuring have been exacerbated by the shift of resources away from social-service-orientated institutions, the inevitable fallout has been contained through the carceral management of the classed, gendered, and racialized bodies that have been marginalized by this social order (2010, 28).

While this movement towards criminalizing experiences of poverty impacts everyone it is important to recognize that these policies, as a result of neoliberal restructuring, are neither gender nor race neutral due to disproportionately higher rates of poverty among these groups.

Providing an example of this increased policing and surveillance, Mirchandani and Chan look at welfare policies in Canada suggesting that neoliberalism has produced a new insidious form of racism, “welfare racism” (2010, 10). Specifically focused on the campaigns and policies surrounding welfare fraud, Mirchandani and Chan believe that this is an example of how under the guise of neoliberalism experiences of inequality are expressed as individualized conceptions of blame. It is under this framework that structural inequalities related to racialized and gendered experiences of poverty are rendered unimportant or completely invisibilized (2010). Explicitly gendered and raced, neoliberalism creates the artificial categories of the “deserving” and “undeserving” poor. Characterized as the “undeserving,” racialized and gendered experiences of poverty are increasingly met with coercive and punitive forms of punishment. Under the guise of neoliberalism “the prison has been integral to class-based, gendered, and racialized relations of capitalist production and social reproduction and a crucial dimension of the carcerality that pervades the daily life for certain sectors of the population” (LeBaron and Roberts 2010, 29).
Neoliberalism is neither a gender neutral ideology in conceptualization nor in practice (United Nations 1995; Bashevkin 2002; Braedley and Luxton 2010). The practical manifestation of neoliberalism within the lives of Canadians is gendered, raced, classed and, as previously discussed, compounding. Focused on the restructuring of the Canadian welfare state as a result of neoliberal policies, Little (1995) highlights the intersectionality of oppression which women face under the regime of neoliberal restructuring. She states, “women are doubly disadvantaged if they are First Nations, disabled, ethnic minority, immigrant or lesbian women. These women generally receive lower wages, less job security and less benefits than their white able-bodied heterosexual sisters” (5). Connell (2010) believes that neoliberalism is an ideology imbued with masculinity. He suggests that underpinning the neoliberal project is a perverse form of masculinity which redistributes income from women to men and imposes more unpaid work on women (Connell 2010).

Documented within the literature, neoliberalism promotes a decrease in full-time, stable employment and subsequently an increase in precarious employment. Compounding this process part-time jobs offer both lower paying wages and few to no benefits (Luxton 2010). Vosko (2006) echoes this point stating that not only has there been a trend towards more part-time, precarious employment but that women are more likely to be clustered into non-standard or contingent work. Brodie (2008b) states that neoliberalism has brought with it a “pink ghetto” of precarious, poor paying jobs which women predominantly occupy. Statistics Canada data on full and part-time employment by sex and age from 2007 to 2012 supports Vosko and Brodie’s arguments and presents the trend of women’s increasing participation in part-time employment (Canada,
CANSIM, 2012). Part-time employees are not afforded many of the same privileges as full time employees such as access to health benefits, regular work hours and a pension. According to Vosko, increasingly smaller and smaller proportions of the Canadian workforce have access to benefits and employment protections (2006). Without these services, part-time employees are left physically, legally and financially vulnerable. The reduction in the number of full time employment opportunities in Canada generally, coupled with the higher numbers of women who occupy precarious employment, can be directly correlated with the feminization of poverty in Canada. Using Statistics Canada data from 2004-2008, it has been documented that women comprised a higher percentage of Canadians living in low-income situations after tax when compared to men (Canada, CANSIM, 2010).

Well represented within the feminist political economy literature is a critique of the way in which, under a neoliberal framework, citizens and non-citizens are positioned as competitive, disassociated individuals (Luxton 2010; Coulter 2009; Brodie and Bakker 2007). The creation of disassociation allows for blame to be placed on the individual rather than the system. Under this framework inequality between individuals is rationalized by the belief that “effort” directly correlates to what each individual deserves (Armstrong 2010). This type of thinking encapsulated within the principles of neoliberalism is especially damaging for women because it provides a mechanism for the sustained inequality of women within Canadian society. According to the individualistic perspective of neoliberalism, failure within the system is solely based on an individual’s own flaws or lack of effort (Brodie and Bakker 2008; Jenson 2009). It is the rationale of “choice” which reigns supreme under neoliberal doctrine (Luxton 2010; Jenson 2009;
Abu-Laban and Gabriel 2008). This perspective ignores and conceals systemic problems and barriers associated with the system. Through this invisibilization, the individual is blamed and the coercive system of neoliberalism remains untarnished, pursuing its course (Jenson 2009; Jenson 2008; Dobrowolsky 2009; Brodie 2008; Bakker and Brodie 2007; Coulter 2009; Bakker and Brodie 2009).

A further negative outcome of neoliberalism is the way in which the “family” and “women’s work” is viewed. A central concept used in the analysis of the gendered nature of production introduced by feminist political economists is social reproduction. Luxton (2006) states that social reproduction refers to the “activities and attitudes, behaviours and emotions, responsibilities and relationships directly involved in the maintenance of life on a daily basis, and intergenerationally” (35-36). Luxton (2006 and 2010) and Braedley and Luxton (2010) state, that it is women who are primarily involved in the various activities of social reproduction. According to this perspective “women’s work in the home acts as residual subsistence labour, expanding or contracting as much as possible to offset the impact of market forces, state practices, or changing family circumstances” (Luxton 2006, 38). With the cuts to social welfare services, women’s responsibility for social reproduction has steadily increased. As indicated, the neoliberal restructuring of the state has produced a crisis of social reproduction which has detrimentally impacted vulnerable households and women (Luxton 2006; Braedley and Luxton 2010; Brodie 2008b).

According to Luxton (2010) neoliberalism is built upon the assumption that with cuts to state social services, the family unit, particularly the work which women produce,
is expected to step in and fill the void left through government restructuring. Under the
regime of neoliberalism, women’s labour, which was already under recognized
and unrewarded, is increased significantly. Women’s social reproduction is tied to and
underpins the effective production of society. Further articulating this point, Stasiulis and
Bakan (2005) state “in care areas where the state has withdrawn, women become the
unacknowledged shock absorbers” therefore underlying the centrality of women and their
labour in the continued functioning of society. Women’s unpaid work within the family
and as caregivers enables the current economic system to continue functioning. Without
the uncompensated work that women primarily complete within the household, the
current economic system would change drastically. It is women’s unrecognized work
within the domestic sphere that underpins the functioning of the formal Canadian
economy. Complementing the above noted scholarship, the second half of this chapter
considers the theories underpinning neoliberalism. It is these theoretical foundations of
neoliberalism that guide the analysis of microfinance provided within this dissertation.

Resiliency and Variegation – Neoliberalism as a “Roll-back and Roll-out” Process

Rather than being viewed as a monolithic, homogenous process producing similar
outcomes, neoliberalism is conceptualized as producing various expressions dependent

17 It is important to note that in the Canadian context, women are increasingly faced with the complexity of
managing both paid employment and domestic responsibility (Stasiulis and Bakan 2005). In the absence of
a national child care strategy, Stasiulis and Bakan document the prevalence of foreign domestic workers in
Canada suggesting that “some female citizens are thus able to attain greater equality with men as citizen-
workers because they are accompanied by the ‘ghostly, often racialized figure of the domestic
worker/nanny/caregiver’ who is positioned on the other side of the globalized citizenship divide”(2005,
25). It is important to state that while the relationship between men and women in relation to domestic
responsibilities is unequal, it can also be unbalanced between “citizen and non-citizen” women (Stasiulis
and Bakan 2005; Bakan and Stasiulis 1997). Capturing this sentiment is Sedef Arat-Koc (1997) who argues
that “instead of housework being done by all women, it has become the responsibility of only some, with
subordinated racial, class, and citizenship status” (as cited in LeBaron and Roberts 2010, 37-38).
on context. Essential to this understanding of neoliberalism is the idea that it is a continually evolving process rather than a phenomenon with a “desired,” complete state (Tickell and Peck 2003; Peck, Theodore and Brenner 2012). It is the constantly changing nature of neoliberalism which signals its ubiquitous nature and durability throughout time and across geographic locations. The “incomplete” state of neoliberalism is not a weakness but rather a constructive feature ensuring that, without reaching a totality or complete state, neoliberalism can never fail (Peck, Theodore and Brenner 2012).

Evidence of neoliberalism’s durability can be found in the 2008/2009 economic recession which swept much of the globe but had a particularly negative impact in the North American context. Peck, Theodore and Brenner (2012) state “hardly a victim of the Great Recession neoliberalism has once again demonstrated a capacity to capitalize on crisis conditions leading to a further entrenchment of market-disciplinary modes of governance” (265). Even in the wake of the 2008 recession, neoliberalism has remained the unquestioned economic, political and cultural standard (Connell 2010). Rather than fundamentally altering the logic of the markets in the wake of the 2008 recession, Canada and other nations employed strategies to make neoliberal principles and the market function “better” (Connell 2010; Peck 2010).

Providing both further complexity and specificity to the concept of neoliberalism is Larner (2009 and 2005). Central to her work is a desire to understand both what is lost and created as part of the neoliberal process. For Larner, neoliberalism is a concept which “travels” and “mutates” with time, geographical location and cultural context. Tickell and Peck (2003), congruent with Larner, believe that differences in the expression of neoliberalism are evident from one state to the next and also within the same state.
According to Larner, it is incorrect to assume that neoliberal ideas flow only from the global North to the global South (2009). She challenges this assumption of one directional flow by asserting that microfinance, a neoliberal development strategy, has moved from the global South to the global North. This is particularly important in the context of this dissertation as an argument will be constructed suggesting that microfinance in the Canadian context is infused with neoliberal ideology. Larner’s analysis of neoliberalism ties in closely with the above noted scholars who envision neoliberalism as a variegated, uneven, and unfinished project (Peck and Tickell 2002; Peck, Theodore and Brenner 2012).

Central to this dissertation is the theory of neoliberalism as a “roll-back and roll-out” process (Peck, Theodore and Brenner 2012; Tickell and Peck 2003; Peck 2010; Peck and Tickell 2002; Brenner, Peck and Theodore 2010; Larner 2005) (see Table 3.1 and 3.2). In addition to this above noted discussion, this chapter will review two additional theoretical lenses. Examined first, from a feminist theoretical position, is the Canadian state and the recent de-prioritization of equality related concerns and/or programs as a result of neoliberalism (Sawer 2006; Young, 2000; Chappell 2002; Bakker and Brodie 2007). Interrelated to this theoretical framework is work by feminist political economists who discuss a trend toward the “invisibilization” of women within Canadian social policy as a result of the entrenchment of neoliberalism (Jenson 2009; Jenson 2008; Dobrowolsky 2009; Brodie 2008; Bakker and Brodie 2007; Coulter 2009; Bakker and Brodie 2009). This dissertation seeks to expand upon these theoretical suppositions by examining and then applying these ideas to the context of Canadian microfinance. The application of the above noted theoretical frameworks will build upon and raise critical
questions around the impact of neoliberalism in relation to the de-prioritization of gender-related concerns in Canadian civil society organizations.

The final theoretical contribution of this dissertation relates to an expansion of existing critical race theory. In particular, this thesis looks closely at the theory which suggests that under the guise of neoliberalism, certain racialized bodies are perceived as valuable and providing “economic utility” to the Canadian nation state (Roberts and Mahtani 2010; Bauder 2008; Duggan 2003 and Abu-Laban and Gabriel 2008). According to this concept, immigrants are prioritized and therefore deemed worthy recipients of assistance and government provisions.18 Contrasting this theory, other critical race theorists point to the way in which race, much like gender, is erased under a neoliberal discourse (Giroux 2005, 2008; Davis 2007; and Goldberg 2009). As theorized by these scholars, neoliberalism systematically works to erase and therefore delegitimize the systemic inequalities associated with markers of difference like race and gender. Within this dissertation these paradoxical theories on race and neoliberalism, are for the first time, explored and applied to the study of Canadian microfinance.

Neoliberalism is a process evolving and morphing over both time and space. Central to this understanding of neoliberalism is that there is no predetermined or desired

18In this dissertation it is important to contextualize the term “immigrant”. Throughout this thesis homogenizing and/or universalizing depictions of immigrants are avoided. This is in-line with the previously discussed understanding of the category “women” (Mohanty 2003, 2013; McEwan 2001; Arif 2007, 1997; Alexander and Mohanty 2001; Amos and Parmar 2001; Natrajan and Parameswaran 1997). As discussed by Dhamoon (2009), some immigrants may in fact be more “desirable” than others based on factors including (perceived “whiteness,” ability and preferred sexuality (i.e. heterosexuality). Dhamoon further deconstructs the term “immigrant” stating that in the Canadian context there is “the ‘good immigrant’ (a cosmopolitan, adventurous contributor to the economy who replicates existing norms) and the ‘bad immigrant’ (who is dirty, selfish, backward, dangerous and a financial drain on the nation) (70). The term “immigrant” within this dissertation is understood as dynamic rather than homogenous and static.
end state. Corresponding to this conceptualization is the notion that neoliberalism embodies overlapping, contradictory and mutually reinforcing phases. Neoliberalism in North America, as articulated within the literature, embodies both a “roll-back” and “roll-out” phase (Peck and Tickell 2003; Peck, Theodore and Brenner 2012; Peck and Tickell 2002). It is important to note that because neoliberalism is a process, neither phase is complete and the characteristics of each phase may vary from one context to the next.

In Canada, the roll-back stage of neoliberalism began in the 1980s with the dismantling of the Keynesian welfare state (Peck and Tickell 2003). The roll-out phase takes on various different expressions but is characterized by the rolling out of state sponsored and financially supported programs. Important also within the roll-out phase of neoliberalism is the notion that in order to focus on certain persons or aspects of Canadian society, others are deemed unimportant and therefore rendered invisible. In the context of this dissertation, it is asserted that women and gender related portfolios, departments and policies are invisibilized through the process of both roll-back and roll-out neoliberalism. Articulated by Peck (2010) roll-back neoliberalism represents “the destructive and deregulatory moment” while roll-out neoliberalism is “the creative and proactive moment” (26). Adapted from Peck and Tickell (2003) and Peck (2010) the following tables illustrate the specific characteristics and sites of both roll-back and roll-out neoliberalism (See Table 3.1 and 3.2).
<table>
<thead>
<tr>
<th>Roll-back Neoliberalism….</th>
<th>Shallow Neoliberalization….</th>
<th>Deep Neoliberalization….</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pursuit of locally specific strategies</td>
<td>Inter-local connectivities and reflexive relations</td>
</tr>
<tr>
<td></td>
<td><em>Attack on inherited Keynesian-welfarist structures, coupled with deregulation of markets, including:</em></td>
<td><em>Extension of neoliberal strategies to the international domain, including:</em></td>
</tr>
<tr>
<td></td>
<td>- Primitive marketization: dogmatic deregulation and privatization</td>
<td>- Reduction in overseas aid</td>
</tr>
<tr>
<td></td>
<td>- Place-specific assaults on institutional and spatial strongholds of welfare statism and social collectivism (e.g. social service cuts, deunionization)</td>
<td>- Imposition of structural adjustment programs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- External imposition of neoliberal strategies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Intensification of coercive pressures emanating from international markets</td>
</tr>
</tbody>
</table>

(Peck and Tickell 2003, 169; Peck 2010, 26)
### Table 3.2: Understanding Roll-out Neoliberalism

<table>
<thead>
<tr>
<th>Shallow Neoliberalization….</th>
<th>Deep Neoliberalization….</th>
</tr>
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<tbody>
<tr>
<td>Pursuit of locally specific strategies</td>
<td>Inter-local connectivities and reflexive relations</td>
</tr>
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</table>

#### Roll-out Neoliberalism….

**Proactive statecraft and institution-building in service of neoliberal goals, including:**
- Invasive moral re-regulation of the urban poor
- Continued crisis-management of deregulated and privatized sectors
- Extension of, and experimentation with, market complimenting forms of regulation
- Paternal state/free economy
- Technocratic economic regulation within neoliberal parameters

**Normalization of neoliberal logics and premises in inter-local relations, including:**
- “Fast policy” development through inter-local transfer, learning and emulation
- Institutionalization of competitive globalism (e.g. through multilateral trade policies and public debt ceilings)
- Posture of permanent adaptability and reflexivity in fields like urban governance and social/penal policy

(Peck and Tickell 2003, 169; Peck 2010, 26)
As evident within these tables, roll-back and roll-out neoliberalism embody multiple different stages and expressions while also adhering to central underlying principles. In the Canadian context, roll-back neoliberalism is characterized by destruction and de-investment in the welfare state. During the 1980s and 1990s this roll-back in state spending was evident within social welfare portfolios and particularly within programs addressing women’s equality and well-being (Jenson 2009; Jenson 2008; Dobrowolsky 2009; Brodie 2008; Bakker and Brodie 2007; Coulter 2009; Fudge and Cossman 2002). Currently experiencing strategically designed roll-out neoliberalism, Canadians are witnessing investments in government programs which yield “benefits” for the future and “target” a select group of individuals (i.e. children, immigrants, etc.). Implicit within roll-out neoliberalism is a new form of “neoliberal state-building” (Peck and Tickell 2003, 175) called “statecraft” (Peck and Tickell 2002, 396). Statecraft represents a new form of “active policy-making, where purposeful forms of institutional roll-out are evidenced” (Peck and Tickell 2003, 177). Central to the concept of statecraft is the notion that neoliberalism is not solely synonymous with the retraction of government administered programs and services. Under the theory of statecraft, programs and services are creatively re-purposed and rolled-out to further serve and entrench the principles of neoliberalism. It is also important to note that within statecraft, only certain government programs are rolled out and as articulated previously, these programs are chosen based on their supposed utility and benefit for the future.

The concept of statecraft and its expression through purposeful government investment within programs and/or initiatives is important within this dissertation as microfinance programs are positioned as part of this phenomenon. Peck (2010), Larner
(2005 and 2009) and Mitchell (2001) theorize on the role of non-governmental organizations (NGOs) within roll-out neoliberalism. As a result of roll-back neoliberalism, state services are retracted and as both Peck (2010) and Mitchell (2001) articulate, both new and existing NGOs step in to fill the void. These NGOs then take the form of a “para-state apparatus” (Mitchell 2001, 167) or “shadow state” (Peck 2010, 23) and become neoliberalized themselves, complicit in the production of roll-out neoliberalism. Far from benign, Mitchell believes that these “shadow state” institutions aid in the entrenchment and further hegemony of neoliberal discourse (2001). As theorized within this dissertation, microfinance organizations are part of the “para-state apparatus” entrenched within the production and reproduction of roll-out neoliberalism.

The State and Canadian Social Policy - Gender “Invisibilization” and “Individualization”

As depicted at the beginning of this chapter, a key expression of neoliberal ideology is a retraction of the welfare state and the demise of collectivity. This is replaced by a heightened focus on the individual and individual responsibility. Extensively documented within feminist theory is the rolling back of government programs in a variety of different countries as a result of neoliberal restructuring. Central to this work focused on the state as an institution is a discussion of the cutting, displacement and erasure of gender-related portfolios and budgets. Marian Sawer (2006) examines the Australian case and suggests that equality-related concerns within government have recently been labelled an elite agenda brought forward by a special interest group. Employed also within Canada, women’s advocacy networks are designated special interest groups in an effort to delegitimize and marginalize (Bakker and Brodie 2007; Brodie 2008). Sawer, in her description of the Australian case, speaks to the way in
which gender related concerns are delegitimized and therefore easily displaced or removed entirely. Central to her study is an examination of the way in which gender related government departments (i.e. Status of Women Canada) are moved from central locations within the government structure to areas where their level of importance is diminished and submerged within the concerns and/or interest of the “family” (Sawer 2006). This displacement and subsequent de-prioritization of gender concerned apparatuses of government is justified and normalized under the logic of neoliberalism, which calls for a decrease in government operating costs and structure.

Supporting the suppositions produced in Sawer’s work is Chappell (2002) who, in a comparative analysis of Canada and Australia, indicates that cuts to the funding of explicitly gender focused government departments can be attributed to a neoliberal regime which has taken hold in both countries. Chappell’s work depicts Canada’s situation as far worse than that of Australia. When looking at the governmental structure within both countries, Chappell notes that fundamental shifts in the location of Status of Women Canada have resulted in effectively removing any influence from this area of Canadian bureaucracy. Present within Chappell’s work, like Sawer’s, is a critique of the de-politicization and de-prioritization of gender within the structure of government. For both authors, this systematic attack on gender-focused bureaucracy is intimately connected to neoliberalism or specifically what Peck and Tickell (2003) coin the roll-back phase. Under neoliberalism, systemic inequalities connected to gender are erased and therefore are more readily de-legitimated and removed from the political institutions of countries.
Employing a similar theoretical framework but from an explicitly Canadian focus are Bakker and Brodie (2007) and Brodie (2008). According to these scholars, gender-focused departments of the Canadian government, most notably Status of Women Canada, have systematically and progressively been stripped of their influence, autonomy and financial stability (Bakker and Brodie 2007; Brodie 2008). Targeting Prime Minister Stephen Harper’s successive governments from 2006 onward, Bakker and Brodie state, “shortly after taking power the Harper government initiated a $2 billion “fat trimming” exercise...the cuts were made largely at the expense of Canada’s equality-seeking groups, and especially Canadian women” (2007, 113). Central to their critique of the de-legitimization and therefore erasure of gender and equality-related concerns within the Canadian government is an examination of Status of Women Canada and the changes that have been initiated under Harper’s tenure as Prime Minister. Status of Women Canada has been stripped of financial resources, people resources and legitimacy under the reign of Prime Minster Harper (Bakker and Brodie 2007; Brodie 2008; Brodie and Bakker 2008). Exemplifying the deconstruction of Status of Women Canada they state that the word “equality” has been removed from the Status of Women Canada mandate and website (Bakker and Brodie 2007). Brodie (2008) confronts this proclamation of equality stating, “if we are all equal now, it is because we are all invited to become enfranchised and empowered by the market, and to become self-sufficient Canadians…who neither expect nor tolerate the recognition of systemic barriers” (160). The achievement of equality for women is a false presumption made possible only through the adoption of neoliberal rhetoric and the invisibilization of systemic barriers and the individualization of concerns.
Bakker and Brodie echo the theoretical suppositions produced in Sawer and Chappell and connect the dismantling and de-prioritizing of gender and equality within Canadian government as a direct by-product of the process of roll-back neoliberalism. Depicting this connection they state that there is a rupture with the gendered identities and politics of the post-war welfare state and the imposition of genderless and individualized social imagery as a matter of common sense...This discourse attempts to relieve the neoliberal project from the challenge of mediating structural barriers, and opening spaces for the systemically disadvantaged to exact strategies for redress (Bakker and Brodie 2007, 119).

It is with this statement that Bakker and Brodie indict neoliberalism and firmly implicate it in the invisibilization, dis-mantling and de-prioritizing of gender and equality within the Canadian governmental structure. It is these theoretical suppositions which contextualize and gender Peck and Tickell’s theory of roll-back neoliberalism. As articulated previously, in order for there to be a roll-out of state sponsored programs through statecraft, there is both a pre-emptive and simultaneous roll back.

Complementing the above noted theoretical framework is scholarship by feminist political economists on the progressive erasure of gender within Canadian social policy as a result of both roll-back and roll-out neoliberalism. Jenson, in her (2008) article, introduces readers to the “social investment perspective”. Central to Jenson’s theory is the notion that many industrialized nations, including Canada, have entered into a strategic neoliberal phase where cuts and constraints are continued for certain persons (i.e. women) whilst simultaneously, a new creative direction is developed which involves providing services for individuals labelled “new social risks” (2008, 186). In the context of Jenson’s work individuals described as “new social risks,” are children (2008). This
differently constructed era of neoliberalism discussed in Jenson’s work is directly connected to Peck and Tickell’s (2003) theory on roll-back and roll-out neoliberalism. Although not using the same language, Jenson’s theory on a social investment phase of neoliberalism and Peck and Tickell’s theorizing on roll-out neoliberalism convey the same underlying understanding. Predominant within both sets of scholarship is the belief that neoliberalism is both retraction and strategic investment. The difference within these two sets of literatures lies in their specific foci, rather than underlying principles (Jenson 2008; Peck and Tickell 2003).

For Jenson, the troubling nature of the social investment perspective lies in the way in which “new social risks” are defined. As discussed in her theory, a focus of a social-investment state is oriented toward providing services to individuals that will reap rewards in the future. The roll-out of government programs aimed at achieving future “pay offs” simultaneously makes visible certain persons while also invisibilizing others. According to this perspective, the child becomes the focus of government services and funding (Dobrowolsky 2009). Under the guise of this perspective, benefit for all is believed to come from investing in social programs geared towards children (Jenson 2009). As an example of this theory, Jenson discusses the discourse surrounding poverty in Canada which has shifted from a focus on “women and poverty” and the “feminization of poverty” to a focus on “child poverty” (2008). This shift in focus and choice of language is strategic and provides a means through which women can be written out of social policy. Jenson is highly critical of this shift in discourse and suggests that the social investment perspective ignores the interconnectedness of individuals within society and subsequently erases gender by ignoring the fact that children do not experience
poverty in isolation. In an overwhelmingly majority of cases poor children live in poor households that are comprised of poor adults including women (Brodie 2008). Expanding upon the discrediting of the social investment perspective Jenson states “it is ultimately a supply-side analysis, focused on what individuals do...[it ignores] ‘demand-side’ factors [like structural inequities]...supply-side analyses offer little opportunity for classic gender analyses to reveal inequalities in the here and now” (2009, 42).

Brodie and Bakker (2007 and 2008) also draw attention to the way in which a shift in discourse and focus from the 1980s onward in Canada has prioritized the “child” as the key recipient of government services and subsequently has invisibilized adults, particularly women. Drawing on work by Lister (2004), Brodie and Bakker characterize this shift as “the politics of renaming” (2008). As theorized by Bakker and Brodie, a shift in the naming of children as the “worthy” recipients of government services is neither neutral nor benign. Agreeing with Jenson, Brodie and Bakker suggest that this is a deliberate and systematic effort in the writing out of gender and women from social policy in Canada.

Expanding upon these ideas, Brodie and Bakker (2008 and 2009) and Brodie (2008) suggest that gender is further written out of social policy discourse through the characterization of children as genderless entities with individualized problems. Under this framework poverty is conceptualized as an individualized problem, arising from personal faults rather than structural barriers (Brodie 2008 and 2009). Within this understanding of individualization, it is highly problematic to assume that problems are isolated to the individual. Bakker and Brodie (2008 and 2009) critique this process of individualization and suggest that issues like poverty are intimately connected with
systemic barriers associated with gender, race, class, citizenship and ability. It is through the individualization of problems that gender has progressively been deemed irrelevant for consideration and therefore written out of social policy. Brodie and Bakker (2007) and Lister (2004) pick up on the genderless, homogenous depiction of children and conclude that this process serves as a mechanism to blur and/or conceal consistent experiences of inequality for gendered persons. According to the above noted scholars, the depiction of children as homogenous entities silences and erases the impact of difference like race, class, citizenship, gender, and ability.

In Canadian social policy, women have been and continue to be invisibilized therefore silencing their voices and concerns. In the above mentioned literature, the focus has been on the erasure of gender within social policy in the Canadian context. Brodie (2008) indicates that the trend towards individualization and invisibilization of gender in social policy is not limited to the Canadian experience. For both Brodie (2008) and Coulter (2009) the documentation of this phenomenon in Canada is reminiscent of changes occurring throughout the world. Central to all countries undergoing these processes is neoliberal ideology. This scholarship complements previous literature cited in this chapter relating to neoliberalism’s ascendency throughout the world (Tickell and Peck 2003; Peck, Theodore and Brenner 2012; Peck 2004; Peck 2010; Peck and Tickell 2002). Present within these neoliberal states is what Coulter describes as a “hegemonic neoliberal political culture in which women are simply assumed as present primarily as undifferentiated members of the service-users or tax-payers categories, and in which poor women are largely made invisible” (2009, 40).
As presented in the above noted literature in the Canadian context, roll-back neoliberalism manifests in a gendered form, targeting, dismantling and delegitimizing gendered state structures and social policy frameworks. This de-prioritization of women and gender related policies and programs will be expanded upon and explored further within subsequent chapters. Particular attention will be paid to the application of this theory to the field of microfinance within the Canadian context. Is the roll-back of gendered concerns present within state institutions and Canadian social policy also present within NGOs like microfinance? Is the realm of Canadian civil society also implicated in this trend? These and other questions will be analyzed in subsequent chapters using statistical and interview data collected for this dissertation.

**A Paradoxical Relationship – Race and “Economic Utility” and “Invisibility”**

While programs and funding specifically targeting women are generally influenced by roll-back neoliberalism, the relationship between racialized persons and neoliberalism simultaneously embodies both a roll-back and roll-out phase. Literature on race and neoliberalism is largely characterized by two dominant theoretical discourses. The first relates to the way in which certain racialized individuals are viewed as positive or beneficial within a neoliberal system. In particular, this literature theorizes around the value attached to immigrants. Discussing this phenomenon in the German context is Herald Bauder (2008) who claims that immigration status is directly related to economic utility. In his example, immigrants are depicted as positive additions to the neoliberal-infused German nation state. These racialized individuals hold the potential to add value to the German economy and therefore are portrayed as positive additions. Addressing this phenomenon in the Canadian context and complementing the above noted assertion, Abu-
Laban and Gabriel (2008), suggest that well educated, highly skilled immigrants are highly valued and therefore prioritized by the Canadian nation state. Reinforcing this idea of the “economic utility” of immigrants are Roberts and Mahtani (2010) in *Neoliberalizing Race, Racing Neoliberalism: Placing “Race” in Neoliberal Discourses*. Advocating for a more nuanced and integrated understanding of race in relation to neoliberalism, Roberts and Mahtani employ the term “race neoliberalism” suggesting that “race and racism are inextricably embedded in the neoliberal project...neoliberalism [is] a facet of a racist society that works to…reinforce the racial structure of society” (2010, 250). This integrated understanding of “race neoliberalism” will inform this dissertation.

Supporting and directly citing Bauder’s work, Roberts and Mahtani state that immigrants in a neoliberalized Canadian nation are positioned as positive, economic utility contributing individuals. According to Roberts and Mahtani immigrants to Canada are a means of rectifying many of Canada’s problems including a declining birth rate, an aging population and a demand for skilled labourers (2010). In this discourse surrounding “race neoliberalism”, only certain racialized individuals (i.e. immigrants) are viewed as productive contributors (Duggan 2003; Abu-Laban and Gabriel 2008). This understanding of immigration, under the praxis of roll-out neoliberalism, is critically analyzed within this dissertation. In particular, this understanding of immigration is questioned in relation to its connections with the Canadian microfinance sector and the strategic targeting of immigrants as recipients of loans.

The second theoretical discourse on race and neoliberalism discussed within this dissertation is focused on the way in which race, as a distinguishing characteristic, is strategically erased under a neoliberal framework. This area of scholarship has important
connections to the previously discussed literature on the invisibilization of gender under a neoliberal framework (Dobrowolsky 2009; Jenson 2009 and 2008; Brodie 2008; Bakker and Brodie 2007 and 2008; Coulter 2009) and the underlying theory of roll-back neoliberalism. It is through the invisibilization of markers of difference, like gender and race, that roll-back neoliberalism proceeds with very little contestation. A central premise within neoliberalism is the notion that citizens and non-citizens are disembodied individuals who are free of any form of systemic discrimination or inequality like race or gender. Based on this fundamental assumption, it is stated that if individuals fail within the neoliberal system it is a result of their own flaws or shortcomings. As articulated by Giroux (2005), within the system of neoliberalism, systemic inequalities or barriers do not matter because these are erased and individuals either succeed or fail under neoliberalism due to personal strengths or flaws.

Dana-Ain Davis (2007) echoes this point and describes neoliberalism as playing a “perverted race card, in that by rejecting race, formerly racialized others can be fully incorporated as consumptive [sic] citizens with no racial barriers to their participation in the economy” (2007, 350). Like Giroux, Davis is critical of the idea that under neoliberalism individuals are freed from all identities or systemic inequities. This is evident in the skepticism present within her article when she states, “in a neoliberal society, individuals are supposedly freed from identity and operate under the limiting assumption that hard work will be rewarded if the game is played according to the rules. Consequently, any impediments to success are attributed to personal flaws. This attribution affirms notions of neutrality and silences claims of racializing and racism” (Davis 2007, 350). The way in which neoliberalism invisibilizes race, according to
Giroux and Davis, is both unrealistic and unsustainable. As discussed within the first half of this chapter, systemic inequalities associated with race are still very present and significant in the Canadian context even though under the regime of neoliberalism these are subordinated and positioned within the private realm (Galabuzi 2006 and 2010; Block 2010).

Further expressing this opinion in his later work, Giroux (2008) specifically targets the way in which, under neoliberalism, race is relegated to the private sphere and therefore erased from public consideration. For Giroux (2008) who coins this as the “privatization of race and racism” this is a deeply troubling pattern. He states “the relegation of racism and its effects in the larger society to the realm of private beliefs, values, and behaviours does little to explain a range of overwhelming realities – such as soaring black unemployment, decaying cities and segregated schools” (Giroux 2008, 70). As discussed by Giroux, there are fundamental inequities associated with race which neoliberalism blatantly dismisses and unequivocally ignores. For Giroux, the insidious nature of the invisibilization of race under neoliberalism is that it either ignores continued racism or asserts that these claims bear no merit (2008).

This discussion of race relates directly to the previously discussed literature pertaining to the invisibilization of gender under neoliberalism. Just as systemic inequalities associated with race are disregarded under the regime of neoliberalism, so too are inequities associated with gender. Within this dissertation, the relationship of Canadian microfinance organizations to race will be positioned as paradoxical. On one end of the spectrum, race, as depicted by Giroux (2005, 2008), Davis (2007) and Goldberg (2009), is erased and individuals are depicted as disembodied persons who
succeed or fail based on their own merits. Positioned paradoxically, literature in this area by Roberts and Mahtani (2010), Bauder (2008), Duggan (2003) Abu-Laban and Gabriel (2008) simultaneously suggests that under neoliberalism certain racialized persons, (i.e. immigrants) are viewed as possessing economic utility which can be beneficial for the Canadian nation state. The paradoxical relationship of race and neoliberalism, as expressed within Canadian microfinance organizations, is explored further within subsequent chapters. Are both phases, roll-back and roll-out neoliberalism present within Canadian microfinance organizations? Can the strategic prioritization of immigration status be seen as a central feature within microfinance?

As illustrated within this chapter, neoliberalism is a complex, continually transforming and expanding phenomenon that embodies various expressions. It is this incessantly changing nature that, rather than being seen as a weakness, provides strength and resiliency to the concept. Despite the changing of political regimes, market surges and crashes, neoliberalism, in all its variations, has remained constant. It is this adaptability and variegated nature, showcased in this chapter, which are core to the concept. As evidenced by the material presented within this chapter, the expression of neoliberalism within the lives of citizens and non-citizens is neither neutral nor benign. Given the focus of this dissertation, particular attention has been paid to the detrimental outcomes of neoliberalism on racialized and gendered bodies. These connections are explored in subsequent chapters with particular attention paid to the way in which microfinance conceptualizes and positions women and racialized persons as borrowers within Canadian organizations.
Explored in this chapter are the central theoretical frameworks utilized within this thesis. Underlying these theoretical suppositions are Peck and Tickell’s (2003) and Peck’s (2010) theory of roll-back and roll-out neoliberalism. In latter chapters, this theory is developed and applied to microfinance in the Canadian context. Of particular interest is the way in which microfinance in Canada can be seen as simultaneously embodying both roll-back and roll-out neoliberalism. Also explored within this chapter is the way in which theoretical frameworks relating to gender and race interconnect with the central theory of roll-back and roll-out neoliberalism. Feminist scholarship on the roll-back of government institutions and programs specifically targeting women will be applied to the Canadian microfinance sector and questions will be raised concerning whether or not this same invisibilization of women is present. Can this theory, applied to the realm of institutions and state sponsored programs, be expanded to discuss the roll-back of gendered concerns within the realm of Canadian civil society? Have Canadian NGOs, particularly microfinance organizations, been infiltrated and altered as a result of neoliberalism? In the final portion of this chapter, the paradoxical relationship between race and neoliberalism is introduced. Of particular interest is the way in which certain racialized persons are prioritized and therefore become a focus of Canadian microfinance programs. This theme surrounding microfinance as complicit in the process of roll-out neoliberalism is investigated within subsequent chapters.
Chapter Four

Microfinance and Developmental Lending Throughout Canada

“Community lending institutions in Canada are scattered across the county and, with a few notable exceptions, work in isolation from each other.”19

Social Investment Organization and Riverdale Community Development Corporation 2003

The field of Canadian microfinance is both under theorized and researched. As discussed within Chapter Two, only two previous sector wide studies of Canadian microfinance have been conducted (Social Investment Organization and Riverdale Community Development Corporation 2003; Aliu, Cosentino, and Panasyuk 2009). Groundbreaking at the time of their completion, these two studies need to be understood in the context of 2013, as guidelines and/or frameworks for the field. The sector of Canadian microfinance is in a constant state of flux with new organizations materializing and other organizations closing their doors on an on-going basis. Captured in the quote from the beginning of this chapter is the lack of co-ordination and/or partnerships among microfinance organizations. In general, microfinance organizations in Canada service specific geographic regions, communities or cities and have very little interaction with one another. It is these and other sector wide trends that will be explored within this chapter using the findings from an on-line survey deployed as part of the research for this dissertation (N=35).

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19It is important to note that the language of “community lending institutions,” used within the 2003 Social Investment Organization and Riverdale Community Development Corporation report, encompasses organizations defined within this dissertation as providing microfinance loans.
The data presented within this chapter addresses the first set of research questions outlined within Chapter One. Given the lack of current, sector wide data, an on-line survey was developed to assist in understanding alternative financial lending organizations in Canada. Chapter Four has been divided into three distinct parts. The decision to present survey data in separate sections reflects the distinctive nature of each category and the organizations contained therein. Early in the data analysis stage of research, it was decided that examining the data as a whole would misconstrue the findings and fail to capture the unique and idiosyncratic nature of alternative financial lending within Canada. Areas examined within this chapter include, overall size and scope of organizations, borrower demographics, borrower eligibility, the provision of additional services, organizational partnerships and the impact of the 2008 economic recession.

Part I explores survey data from organizations classified as *Classic Microfinance*. Out of the 35 survey respondents, 20 organizations have been categorized under the heading *Classic Microfinance*, making it the largest subset within this study.

Part II examines data provided by organizations categorized as *Training/Upgrading Loans*. Within this dissertation the organizations discussed within

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20 Within this dissertation the Grameen Bank model of microfinance, pioneered in the 1970s in Bangladesh, is defined as the classic model of microfinance. This choice has been made due to the positioning of the Grameen Bank within both popular and scholarly literature. Within literature on the topic, the origins of microcredit/microfinance lending are most often traced back to Muhammad Yunus and the Grameen Bank (Simanowitz 2011; Molla, Mahmudul and Wahid 2008; Bornstein 2005). Within this dissertation the Grameen model of microfinance featuring small loans to marginalized, underserviced populations is positioned as the classic model of microfinance. For the purposes of this research, organizations classified under the heading *Classic Microfinance* are considered similar to the Grameen Bank model of microfinance. It is important to state that organizations under this heading are not considered identical to the classic model of microfinance but rather similar in relation to structure and mandate. Further details on these similarities are provided later within the chapter.
Part II are considered a subset of the more “traditional” microfinance organizations. These organizations are predominantly a phenomenon of the early to mid 2000s and provide loans to immigrants for the purposes of skill upgrading/training. Previously undocumented within the literature, data collected for this dissertation on organizations within this microfinance subset represents the first time it has been collected on a pan-Canadian scale.

Part III looks at Community Futures Development Corporations (CFDCs)/Community Business Development Corporations (CBDCs) in Canada’s North (Northwest Territories and Nunavut). 21 In this dissertation these organizations have been classified under the heading of Developmental Lending. This typology has been chosen based on conversations with employees within these organizations who claim this name as a descriptor. It is important to state that there is debate among scholars within the field of microfinance as to whether or not CFDCs/ CBDCs are in fact microfinance organizations. CFDCs/CBDCs have been excluded from this research study except in the case of Canada’s North. Financial lending within Canada’s North is distinctive in nature and although not considered a subset of microfinance for the purposes of this dissertation, it has been included to showcase the distinctive style of alternative financial lending occurring within the Northwest Territories and Nunavut.

Organization Identification and Survey Organizations

Recognizing the previous research conducted within the field, attention was first directed towards the SIO/RCD study from 2003. As part of this study, 60 Canadian

21 Currently there are no CFDCs/CBDCs located within the Yukon.
community investment funds were identified, with 34 responding to the survey (a 56.6% response rate) (Social Investment Organization and Riverdale Community Development Corporation 2003). Organizations were chosen for inclusion within the SIO/RCD study based on a broad definition that allowed for the inclusion of organizations providing loans for “micro enterprises, affordable housing projects, non profits, environmental projects and community asset development initiatives” (Social Investment Organization and Riverdale Community Development Corporation 2003, 3). It should be noted that CFDCs/CBDCs were excluded from this study. A full list of the organizations included within the SIO/RCD study can be found within Appendix I. While many of the organizations included within the 2003 study and the research undertaken for this dissertation overlap, it was determined that the definition employed within the above noted study was too broad for the purposes of this research and therefore could not be used in its entirety.

During the initial stage of research, attention was also directed towards the 2009 York study. Much more refined in its scope, this study surveyed 28 programs throughout Canada (Aliu, Cosentino, and Panasyuk 2009). For a full list of the organizations surveyed as part of this research, please see Appendix J. Inclusion within the York study was articulated as “self-identification as microloan/credit program, including participating in the “Community Investment” network initiative, operated as a microloan program within the structures of microcredit models identified in the literature (bank guarantee, peer-lending models) and was a not for profit largely volunteer organization” (Spotton Visano, e-mail message to Erin Clow, September 14, 2012). It should be noted that unlike the SIO/RCD study, CFDCs/CBDCs were included as part of the organization
sample within the York study. Although more focused in its scope, issues surrounding the inclusion of CFDCs/CBDCs and the lack of information around organizations contacted but not included within the results meant that the list of 28 organizations could not be used as the sole basis for this dissertation research.

For the purposes of this dissertation, specific criteria were developed and used to identify organizations for inclusion and exclusion. (see Table 4.1). A few points of clarification are necessary in relation to Table 4.1. The language of “small” loans and “large” loans is vague and has deliberately been chosen because of its non-specific nature. In the Canadian context, the term “micro” finance is a misnomer. Loans in the Canadian context are not micro in comparison to the loans distributed through microfinance programs in the global South. This difference in loan monetary value reflects contextual differences between the two locations. Within the current literature on the topic, what is and is not a microfinance program based on loan size, constitutes a grey area. For the purposes of this project, organizations providing “small” loans of $50 000 and less were included. A notable exception to this rule, CFDCs/CBDCs within Canada’s North (Northwest Territories and Nunavut) were included as part of this research, a theme explored in subsequent paragraphs. It is important to note that within this dissertation, organizations which provide small loans for purposes other than business start-up or expansion have been included and defined as microfinance programs. This decision was made based on previous knowledge of the Canadian microfinance sector which suggests that microfinance programs, in many cases, provide multiple types of loans (Clow 2009).
Also discussed within Table 4.1 is the exclusion of organizations providing “large” loans. Chosen again for its ambiguity, this criterion directly addresses the confusion around whether CFDCs/CBDCS are included within studies on microfinance in Canada. Within this dissertation, CFDCs/CBDCS, located within Canada’s ten provinces have been excluded based on their “large” loan size and their direct involvement with the Canadian Federal Government (Community Futures Network Annual Review 2012). Among these organizations, loan values vary but can range as high as $200,000. This is simply not on par with other microfinance organizations within Canada and therefore would substantially skew the survey results if included.

CFDCs/CBDCs located in Canada’s North (Northwest Territories and Nunavut) were included within the research for this dissertation. Research has revealed that within Canada’s North only one “classic” model of microfinance is currently in operation, Yukon Micro Loan. The Yukon Micro Loan program is part of a host of services offered by Dana Naye Ventures in Whitehorse, Yukon. In recognition of the differences between CFDCs/CBDCs and the other organizations included as part of this research, survey data on CFDCs/CBDCs has been separated from the whole and analyzed separately.
Table 4.1: Criteria Used for Organization Inclusion and Exclusion within Dissertation Research

| Organization Inclusion within Study | • Previously identified within literature in the field (2003 & 2009)  
| | • Self-identification as microfinance program (through organization name and/or organizational description)  
| | • Provision of loans to individuals  
| | • Adherence to the general structure of microfinance programs found within pre-existing literature\(^{22}\)  
| | • Provision of “small” loans |
| Organization Exclusion within Study | • Organizations based within Canada but servicing the global South (FINCA, Plan Canada and Opportunity International Canada)  
| | • Organizations providing loans to groups or other community, not-for-profit programs  
| | • Organizations providing “large” loans (CFDCs/CBDCs)\(^{23}\) |

\(^{22}\)An important factor in organization inclusion within this study was its existence as an autonomous or semi-autonomous organization in relation to connections with Government (Municipal, Provincial and Federal). This rule was applied except in the case of CFDCs/CBDCs within Nunavut and the Northwest Territories. Further detail on these organizations and their inclusion is provided in the paragraphs above.

\(^{23}\)Except in the case of CFDCs/CBDCs within Nunavut and the Northwest Territories. Further details surrounding the inclusion of these organizations are discussed within this chapter.
In an effort to acquire the most accurate depiction of Canadian microfinance during the time frame of 2012-2013, an internet based search was performed. Based on these internet searches, pre-existing literature, the criteria outlined above in Table 4.1 and previous knowledge of the field, a list of suitable microfinance organizations was compiled. Once completed, each organization was contacted via phone and e-mail regarding this dissertation research. The e-mail was sent to organizations within Quebec in both English and French (see Appendix K). In addition to contacting each organization via e-mail, phone calls were made to organizations soliciting their involvement within the research (see Appendix L). During the process of contacting each organization, a snowball sampling method was employed. A full list of the organizations contacted via phone and e-mail is contained within Appendix M.

Listed within Appendix M, 57 organizations throughout Canada were identified as fitting the above criteria for inclusion within the survey sample (see Table 4.1). Of the 57 organizations, three were confirmed, through phone calls and e-mails, as no longer being in existence or providing microfinance loans (Circle of Habondia Lending Society, Maytree-Alterna Savings Immigrant Employment Loan, and Social Enterprise and Economic Development). One further organization (Dogrib Area Community Futures) was unable to be reached via e-mail or phone. Multiple attempts via both phone and e-mail were made to contact this organization. A further organization was identified through research, as the association representing all microfinance in Quebec and

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24 Starting at the macro level, searches using Google were first employed using the language of “Canadian Microfinance and/or Canadian Microcredit.” After completing this search, the name of each province and the language of microfinance/microcredit was typed into Google (i.e. Ontario and microfinance or Ontario and microcredit).
therefore was eliminated (Réseau québécois du crédit communautaire). Given these considerations, the total sample for this dissertation survey was 52 organizations. In total, 35 organizations responded to the survey. The survey designed for this dissertation yielded a 67.3% response rate \((N=35)\). Every province and territory is represented within the responses to the survey (see Appendix N). The 35 organizations included within this study represent a comprehensive sample of microfinance organizations throughout Canada and developmental lending programs in Nunavut and the Northwest Territories.

The three categories of Canadian microfinance organizations identified within this dissertation are, *Classic Microfinance, Training/Upgrading Loans* and *Developmental Lending*. Table 4.2 (Classic Microfinance), Table 4.3 (Training/Upgrading Loans) and Table 4.4 (Developmental Lending) subdivide the 35 organizations listed above into their respective categories for the purposes of this research. Included below each table is the response rate for each categorization.\(^{25}\)

\(^{25}\)Imperative in understanding the response rates for each individual category is knowledge of the total number of contacted organizations within each sub-group. The overall number of organizations contacted regarding the survey for this dissertation was 52. This total number of organizations, as discussed above, was subdivided into three distinct categories. A total of 33 organizations were classified as fitting under the category of *Classic Microfinance*. Within this category 20 organizations responded to the survey yielding a response rate of 61% for the category of *Classic Microfinance*. A total of 10 organizations were classified as fitting under the category of *Training/Upgrading Loans*. Within this category 7 organizations responded to the survey yielding a response rate of 70% for the category of *Training/Upgrading Loans*. A total of 9 organizations were classified as fitting under the category of *Developmental Lending*. Within this category 8 organizations responded to the survey yielding a response rate of 89% for the category of *Developmental Lending*.  

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Table 4.2: Classic Microfinance

<table>
<thead>
<tr>
<th>Organization Name</th>
<th>Province</th>
<th>Organizational Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACCESS Community Capital</td>
<td>ON</td>
<td>Classic Microfinance</td>
</tr>
<tr>
<td>Association Communautaire d’emprunt de la Rive-Sud</td>
<td>QC</td>
<td>Classic Microfinance</td>
</tr>
<tr>
<td>Black Business Initiative</td>
<td>NS</td>
<td>Classic Microfinance</td>
</tr>
<tr>
<td>CEED Centre for Entrepreneurship Education and Development Inc.</td>
<td>NS</td>
<td>Classic Microfinance</td>
</tr>
<tr>
<td>Cercles d’emprunt de Charlevoix</td>
<td>QC</td>
<td>Classic Microfinance</td>
</tr>
<tr>
<td>Dana Naye Ventures</td>
<td>YT</td>
<td>Classic Microfinance</td>
</tr>
<tr>
<td>Fonds Communautaire d'accès au Micro-Crédit (FCAMC)</td>
<td>QC</td>
<td>Classic Microfinance</td>
</tr>
<tr>
<td>Fonds d'emprunt Québec</td>
<td>QC</td>
<td>Classic Microfinance</td>
</tr>
<tr>
<td>Jubliee Fund Inc.</td>
<td>MB</td>
<td>Classic Microfinance</td>
</tr>
<tr>
<td>MicroCrédit KRTB</td>
<td>QC</td>
<td>Classic Microfinance</td>
</tr>
<tr>
<td>Miziwe Biik Development Corporation</td>
<td>ON</td>
<td>Classic Microfinance</td>
</tr>
<tr>
<td>Momentum</td>
<td>AB</td>
<td>Classic Microfinance</td>
</tr>
<tr>
<td>MOSAIC</td>
<td>BC</td>
<td>Classic Microfinance</td>
</tr>
<tr>
<td>Ottawa Community Loan Fund</td>
<td>ON</td>
<td>Classic Microfinance</td>
</tr>
<tr>
<td>PARO Centre for Women’s Enterprise</td>
<td>ON</td>
<td>Classic Microfinance</td>
</tr>
<tr>
<td>Réseau Accès Crédit</td>
<td>QC</td>
<td>Classic Microfinance</td>
</tr>
<tr>
<td>Rise Asset Development</td>
<td>ON</td>
<td>Classic Microfinance</td>
</tr>
<tr>
<td>Saint John Community Loan Fund</td>
<td>NB</td>
<td>Classic Microfinance</td>
</tr>
<tr>
<td>Southwest Alberta Community Loan Fund</td>
<td>AB</td>
<td>Classic Microfinance</td>
</tr>
<tr>
<td>Vancity Savings Credit Union</td>
<td>BC</td>
<td>Classic Microfinance</td>
</tr>
</tbody>
</table>

\( n=20 \) (61\% Response Rate)\(^{26}\)

\(^{26}\)Although the response rate for this grouping of microfinance organization is the lowest of all three categories, it can be explained in part by the large number of organizations from Quebec within this grouping. As previously stated, an inability to fully communicate in French was a limitation of this dissertation. Efforts were made to contact organizations in Quebec in both English and French (see Appendix K). Due to this limitation, communicating with organizations in Quebec (within predominantly French speaking areas) was very difficult and therefore yielded a smaller number of respondent organizations from this province.
Table 4.3: Training/Upgrading Loans

<table>
<thead>
<tr>
<th>Organization Name</th>
<th>Province</th>
<th>Organizational Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>AXIS Career Services</td>
<td>NFLD</td>
<td>Training/Upgrading Loans</td>
</tr>
<tr>
<td>Canada Microcredit Educators Group (CMEG)</td>
<td>PEI</td>
<td>Training/Upgrading Loans</td>
</tr>
<tr>
<td>Immigrant Access Fund Saskatchewan</td>
<td>SK</td>
<td>Training/Upgrading Loans</td>
</tr>
<tr>
<td>Immigrant Access Fund Alberta</td>
<td>AB</td>
<td>Training/Upgrading Loans</td>
</tr>
<tr>
<td>New Brunswick Multicultural Council</td>
<td>NB</td>
<td>Training/Upgrading Loans</td>
</tr>
<tr>
<td>SEED Winnipeg Inc.</td>
<td>MB</td>
<td>Training/Upgrading Loans</td>
</tr>
<tr>
<td>WIL Employment Connections</td>
<td>NFLD</td>
<td>Training/Upgrading Loans</td>
</tr>
</tbody>
</table>

\[ n=7 \text{ (70\% \text{ Response Rate})} \]

Table 4.4: Developmental Lending

<table>
<thead>
<tr>
<th>Organization Name</th>
<th>Territory</th>
<th>Organizational Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Akaitcho Business Development Corp.</td>
<td>NT</td>
<td>Developmental Lending</td>
</tr>
<tr>
<td>Baffin Business Development Corp.</td>
<td>NU</td>
<td>Developmental Lending</td>
</tr>
<tr>
<td>Keewatin Business Development Centre</td>
<td>NU</td>
<td>Developmental Lending</td>
</tr>
<tr>
<td>Kitikmeot Community Futures</td>
<td>NU</td>
<td>Developmental Lending</td>
</tr>
<tr>
<td>Nunavut CED Corporation</td>
<td>NU</td>
<td>Developmental Lending</td>
</tr>
<tr>
<td>Sahtu Business Development Centre</td>
<td>NT</td>
<td>Developmental Lending</td>
</tr>
<tr>
<td>Southwest Territorial Business Development Corp.</td>
<td>NT</td>
<td>Developmental Lending</td>
</tr>
<tr>
<td>Western Arctic Business Development Corp.</td>
<td>NT</td>
<td>Developmental Lending</td>
</tr>
</tbody>
</table>

\[ n=8 \text{ (89\% \text{ Response Rate})} \]

In the remaining sections of this chapter, each category will be examined separately in an effort to portray both the unique, idiosyncratic nature of each category in addition to the overall characteristics/trends of the sector.\(^{27}\) In agreement with the letter of information distributed as part of the survey, responses will be utilized on an aggregate basis and therefore not be associated with a specific organization.

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\(^{27}\)The response rates provided above, for each category, represent the total number of organizational respondents to the survey. Not all of the organizational respondents answered the survey in its entirety and therefore response rates for individual questions may vary slightly. Individual questions garnering low response rates (less than 80\% of respondents in each category) have not been included within this dissertation.
Part I: Survey Results - Classic Microfinance

With 20 organizational respondents, the grouping of organizations classified as *Classic Microfinance* is the largest category within this study. In total, the survey employed as part of this research contained 27 questions with five additional hidden questions that appeared dependent on responses provided by the organization (see Appendix O). Respondents to this survey, classified under the category of *Classic Microfinance*, occupy a variety of positions within their respective organizations (see Table 4.5). Organizations included within this grouping primarily provide small loans for the start-up or expansion of a self-employment venture. This however does not mean that these organizations do not also provide loans for additional purposes (i.e. skill upgrading, training etc.). Organizations in this category are similar in structure to the classic model of microfinance pioneered by the Grameen Bank. These loose similarities include the lending structure, repayment process and the targeting of low income persons as recipients of loans. Organizations placed within this category are from all parts of the country except the Northwest Territories and Nunavut. In this particular category, over half the organizations included are located within Ontario and Quebec (55%).

Survey results indicate that microfinance in Canada is a relatively new phenomenon. When asked about the year in which the organizations distributed their first

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28In Appendix O hidden (dependent on response) survey questions are hi-lighted in yellow.

29Among Canadian microfinance organizations, there is no agreed upon understanding of what it means to target low income Canadians. While many organizations do employ this terminology, others do not. In some cases organizations, instead of discussing the provision of loans to low income individuals, talk about providing loans to those who would not otherwise be able to access traditional financing. Among the organizations surveyed for this dissertation, it was the exception rather than the norm that the Statistics Canada Low Income Cut Off (LICO) was used to classify or qualify borrowers.
loans, results varied widely from 1995-2013. Less than two decades old, tremendous growth and expansion has occurred within the Canadian microfinance sector (see Table 4.6). Organizations within this grouping are predominantly located within urban centres rather than rural areas. While organizations may be predominantly located within urban areas, it is often the case that the organizations service the surrounding area in addition to the urban centre (i.e. PARO Centre for Women’s Enterprise, Saint John Community Loan Fund, etc.).

According to the results from the on-line survey, microfinance in Canada provides services to a relatively small number of borrowers. On average, at the time of the study (2012-2013) microfinance organizations had approximately 96 active borrowers per organization ($n=20$). Contextualizing the above noted average it should be noted that the number of active borrowers varies widely from one organization to the next (see Table 4.6). Within the survey, organizations were asked to indicate the total number of loans distributed since founding. In response to this question, seven organizations answered that they had given out 200 or more loans (37%). Over half of the respondents indicated providing 120 or fewer loans since the founding of the organizations (58%) ($n=19$) (See Table 4.7 and Figure 4.1). Overall, the Canadian field of microfinance is still in its early stages of development and therefore remains small in relation to the number of active borrowers and number of loans distributed.

A further interesting trend, indicative of the size and scope of the microfinance field in Canada, was the number of employees versus volunteers within organizations. 

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30 For the purposes of this study an active borrower was defined as someone currently in the process of accessing a loan or in the repayment of a loan.
Microfinance organizations in Canada are dominated by unpaid volunteers as opposed to paid employees. This finding echoes the results produced by Aliu, Cosentino and Panasyuk (2009) who, in their study, indicated that of the total 28 organizations surveyed, all of them relied on the services of volunteers for the operation of programs. Interviews for this dissertation demonstrated that volunteers act in a variety of different capacities dependent on the organization but most commonly serve as either advisors/mentors to borrowers or as members of the Loan Review Committee. According to the survey, organizations on average employ 6 paid staff in comparison to approximately 23 unpaid volunteers. The number of paid employees in comparison to unpaid volunteers varies widely but overall the statement can be made that volunteers play an indispensable role within Canadian microfinance organizations.

Table 4.5: Employment Positions of Survey Respondent (Classic Microfinance)

<table>
<thead>
<tr>
<th>Survey Respondent Position</th>
<th>Total Number of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager</td>
<td>7</td>
</tr>
<tr>
<td>Other(^{32})</td>
<td>5</td>
</tr>
<tr>
<td>Lending/Loan Officer</td>
<td>4</td>
</tr>
<tr>
<td>President</td>
<td>2</td>
</tr>
<tr>
<td>Executive Director</td>
<td>2</td>
</tr>
<tr>
<td>(n=20)</td>
<td></td>
</tr>
</tbody>
</table>

\(^{31}\)A Loan Review Committee within the majority of microfinance organizations is tasked with reviewing applications for loans. In addition to reviewing loans, Loan Review Committee members are often tasked with deciding whether or not a loan is disbursed. In many cases members of the Loan Review Committee are volunteers. Dependent on the organization, members of the Loan Review Committee may meet with potential borrowers and/or review their prospective business plans.

\(^{32}\)Responses to the “other” category varied from one organization to the next but included the following positions: Micro-Loans Counselor, Fund Development Manager, Director (Client Development), Senior Consultant and Interim Director.
Table 4.6: Year of First Loan Distribution and Number of Active Borrowers (At the Time of Survey Completion) (Classic Microfinance)

<table>
<thead>
<tr>
<th>Year First Loan Distributed</th>
<th>Number of Active Borrowers (At the Time of Survey Completion)</th>
<th>Year First Loan Distributed</th>
<th>Number of Active Borrowers (At the Time of Survey Completion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>30</td>
<td>2001</td>
<td>17</td>
</tr>
<tr>
<td>1997</td>
<td>400</td>
<td>2001</td>
<td>13</td>
</tr>
<tr>
<td>1997</td>
<td>80</td>
<td>2001</td>
<td>19</td>
</tr>
<tr>
<td>1997</td>
<td>14</td>
<td>2002</td>
<td>77</td>
</tr>
<tr>
<td>1998</td>
<td>539</td>
<td>2003</td>
<td>25</td>
</tr>
<tr>
<td>1999</td>
<td>227</td>
<td>2005</td>
<td>75</td>
</tr>
<tr>
<td>1999</td>
<td>31</td>
<td>2005</td>
<td>12</td>
</tr>
<tr>
<td>1999</td>
<td>9</td>
<td>2007</td>
<td>9</td>
</tr>
<tr>
<td>1999</td>
<td>112</td>
<td>2009</td>
<td>24 +16 (youth)</td>
</tr>
<tr>
<td>2000</td>
<td>200</td>
<td>2013</td>
<td>0</td>
</tr>
</tbody>
</table>

n=20
Table 4.7: Year of First Loan Distribution and Total Number of Loans Distributed Since Founding (Classic Microfinance)

<table>
<thead>
<tr>
<th>Year First Loan Distributed</th>
<th>Total Number of Loans Distributed Since Founding</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>200 plus loans</td>
</tr>
<tr>
<td>1997</td>
<td>200 plus loans</td>
</tr>
<tr>
<td>1997</td>
<td>200 plus loans</td>
</tr>
<tr>
<td>1998</td>
<td>200 plus loans</td>
</tr>
<tr>
<td>1999</td>
<td>200 plus loans</td>
</tr>
<tr>
<td>1999</td>
<td>121-140 loans</td>
</tr>
<tr>
<td>1999</td>
<td>41-60 loans</td>
</tr>
<tr>
<td>1999</td>
<td>101-120 loans</td>
</tr>
<tr>
<td>2000</td>
<td>200 plus loans</td>
</tr>
<tr>
<td>2001</td>
<td>101-120 loans</td>
</tr>
<tr>
<td>2001</td>
<td>41-60 loans</td>
</tr>
<tr>
<td>2001</td>
<td>21-40 loans</td>
</tr>
<tr>
<td>2002</td>
<td>200 plus loans</td>
</tr>
<tr>
<td>2003</td>
<td>61-80 loans</td>
</tr>
<tr>
<td>2005</td>
<td>1-20 loans</td>
</tr>
<tr>
<td>2005</td>
<td>101-120 loans</td>
</tr>
<tr>
<td>2007</td>
<td>1-20 loans</td>
</tr>
<tr>
<td>2009</td>
<td>21-40 loans</td>
</tr>
<tr>
<td>2013</td>
<td>None</td>
</tr>
</tbody>
</table>

\( n=19 \)
Figure 4.1: Number of Organizations – Total Loans Distributed Since Founding (Classic Microfinance)$^{33}$

![Bar chart showing the number of organizations by the number of loans distributed since founding.](chart)

$n=19$

$^{33}$Respondents were provided with the full range of numerical answers (0-200 plus loans) as a response option for this question. The information provided within Figure 4.1 represents only the responses provided by organizations.
Previously undocumented within the literature is information pertaining to borrower demographics (Aliu, Cosentino and Panasyuk 2009; Spotton Visano 2008; Social Investment Organization and Riverdale Community Development Corporation 2003). Who are the borrowers accessing loans through microfinance organizations? Are there identifiable trends? In response to the survey, 63 percent of respondents, from the category of *Classic Microfinance*, said they target a specific subset of the Canadian population.\(^{34}\) Organizations were asked to identify which subset(s) of the population were targeted. In response to this question the most often targeted subset of the Canadian population were persons self-defined or formally defined as low income (see Figure 4.2). Although not previously documented within the literature, this finding is not surprising given the fundamental mandate of microfinance which is to provide financial services, in the form of loans, to people who normally would not be able to acquire credit from a traditional banking institution. One of the major barriers to financial inclusion is poor or no credit history which can be directly connected with income status. The second most often targeted subset of the Canadian population was Aboriginal/Indigenous persons.

Important to also explore are the groups that few organizations explicitly target as recipients of loans. Notable among these groups are women, racialized persons and persons with mental/physical disabilities and persons with addictions. Within the survey, only 3 organizations out of 19 (16%) indicated that they specifically targeted women as recipients of loans. This is a significant finding because, as previously articulated, microfinance in the global South continues to be overwhelmingly dominated by and

\(^{34}\)In the survey, respondents were prompted with examples of subsets within the Canadian population (i.e. women, low income persons, racialized persons, etc.).
focused on female borrowers (Reed 2011) and also given the feminization of poverty in the Canadian context (Vosko 2006; Braedley and Luxton 2010). In the Canadian microfinance sector very few organizations explicitly target women as microfinance borrowers. Notably absent, in terms of responses, were organizations that target racialized persons as borrowers. Out of the 19 organizations that responded to this question, zero indicated that they explicitly targeted racialized persons as borrowers. This is an interesting gap in the mandate of microfinance organizations given the high rates of income inequality among racialized persons in Canada as indicated in Chapter Three (Galabuzi 2008 and 2006).

A final area of underdevelopment in terms of microfinance borrowers is in relation to organizations targeting persons with physical/mental disabilities, persons with mental illnesses and persons with addictions. In each of these respective areas only two organizations indicated that they targeted these populations. Notable within this category is Rise Asset Development founded in 2009 within Toronto, ON. Rise Asset Development is the only microfinance organization in Canada explicitly focused on providing services to persons with mental health or addiction challenges. The provision of loans to individuals within these groupings remains an area for growth within the sector.
Responses to the “other” category included three organizations indicating they target individuals with poor or no credit history as well as individuals for whom mainstream financing is not a possibility. One additional organization indicated they targeted youth as loan recipients. Organization could indicate that they target multiple population groups.
As articulated previously, very few Canadian organizations explicitly target women as microfinance borrowers. Does this lack of targeting directly correlate to the gender ratio of actual microfinance borrowers? Within this study, 61 percent of organizations surveyed indicated that their current borrowers were 50 percent men and 50 percent women (see Figure 4.3). According to the survey, only 2 out of 18 organizations (11%) indicated that they had a higher proportion of male borrowers to female borrowers. In comparison, 5 out of 18 organizations (28%) indicated that they had a greater proportion of female borrowers. These findings, when looked at in juxtaposition with Figure 4.2, demonstrate an interesting trend. Although Canadian microfinance organizations may not specifically target women as loan recipients, women still make up a significant portion of the microfinance borrowers. Is this higher number a function of more women being self-employed entrepreneurs? Statistics Canada data from 2012 indicates that this is unlikely to be the case. In 2012 there were 950.1 thousand self-employed women as compared to 1,716.5 thousand men (Statistics Canada 2013). According to data, self-employed men out number self-employed women by approximately 2:1 (Statistics Canada 2013). This finding also raises questions around the potential of microfinance organizations “informally” targeting women as loan recipients. Are there built in barriers to women’s ability to access traditional financing from a formal Canadian banking institution? Based on these results, this line of inquiry was explored during interviews with microfinance employees and will be discussed in Chapter Five.
Figure 4.3: Male to Female Borrowers (%) (per organization) (Classic Microfinance)

$\text{n}=18$
As discussed within Chapter Two, the concept and actual expression of microfinance has evolved and grown tremendously since its time of inception. What was once a sector almost exclusively committed to the provision of small loans for the start-up of self-employment ventures has transformed into a multi-purposed program providing loans for business expansion, skill development and a whole host of other programs and services. (Spotton Visano 2008; Aliu, Cosentino, and Panasyuk 2009; Grameen Bank Website, “GB At a Glance” 2013). Undocumented in the previous literature are the various types of loans which Canadian microfinance organizations provide to their borrowers (see Figure 4.4).

According to the results of this survey, all of the surveyed microfinance organizations in the category Classic Microfinance, provide loans for business start-up (equipment purchasing, hiring staff, etc.) (100%). This finding is a reflection of the original and continued foundational mandate of microfinance. Survey results also indicated that 7 out of 20 (35%) of the organizations provide loans for training/education/skills development. In this survey question, 10 out of the 20 organizations checked the “other” category and filled in a response relating to an unlisted type of loan that the organization provides. Notable within the “other” category responses is that 7 organizations out of 10 indicated that they provide loans for business expansion or growth. A further interesting trend ascertained through the survey is the fact that microfinance in Canada remains largely an alternative lending program for the start-up or expansion of a self-employment venture and therefore has not grown into an all-encompassing financial program providing alternative lending opportunities for all aspects of life.
Compared to previous studies (SIO/RCD and York), this study finds a significant increase in the provision of additional services to borrowers. According to this survey, 100 percent of the organizations indicated that they provided additional services to borrowers (see Figure 4.5) \(n=18\). Soliciting the highest response rate, 22 percent of organizations indicated they provided group business training sessions (group based workshops) followed by 20 percent of organizations indicating they provided one-on-one business training sessions and networking events for clients/members/borrowers. Also evident from the survey results was the high number of organizations providing multiple types of additional services. Of the total 18 responses to this question, only two organizations indicated providing just one additional service to borrowers. In the overwhelming majority of cases, organizations provided multiple additional services to borrowers spanning a wide spectrum of needs (see Table 4.8). During interviews with microfinance employees, the provision of additional services was explicitly linked with successful repayment and therefore deemed by the majority of interviewees as an essential component of Canadian microfinance organizations.\(^\text{36}\)

Table 4.8: Number of Organizations Providing Different Amounts of Additional Services (Classic Microfinance)

<table>
<thead>
<tr>
<th>Additional Services to Borrowers</th>
<th>Total Number of Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 Additional Services</td>
<td>6</td>
</tr>
<tr>
<td>3 Additional Services</td>
<td>4</td>
</tr>
<tr>
<td>5 Additional Services</td>
<td>3</td>
</tr>
<tr>
<td>2 Additional Services</td>
<td>3</td>
</tr>
<tr>
<td>1 Additional Service</td>
<td>2</td>
</tr>
</tbody>
</table>

\(n=18\)

\(^{36}\)Within this dissertation the concept of full or successful “repayment” is characterized by loans being paid back in full.
Figure 4.4: Number of Organizations – Types of Loans Distributed (Classic Microfinance)

- Business Start-up: 20
- Training/Education/Skills Development: 7
- Personal Living Expenses: 1
- Other: 10

*n*=20

Figure 4.5: Number of Organizations – Provision of Additional Services (%) (Classic Microfinance)

- Group business training sessions (group based workshops): 17%
- One-on-one business training sessions: 22%
- Networking events for clients/members/borrowers: 3%
- Presentations from specialized professionals (lawyers, marketing specialists, successful business owners): 18%
- Access to/reduced costs of professional services (lawyers, marketing specialists, web designers): 20%
- Other: 20%

*n*=18
Findings from this survey confirm that Canadian microfinance continues to be dominated by a model of individualized lending (loans are provided to individuals) rather than a peer-lending model (circle based lending). According to the survey results, 80 percent of the organizations provide loans to individuals while only 5 percent employ a peer-lending model. A combination of individualized lending and peer-lending is used among 15 percent of organizations. In the Canadian context the provision of microfinance loans through a peer-lending model is the exception rather than the norm. This is a significant difference between the Canadian microfinance sector and microfinance in the global South, where peer-lending models of microfinance remain in the majority.

Central to both the structure and function of microfinance organizations is the manner in which borrower eligibility is determined. Canadian microfinance organizations utilize a wide range of criteria in an effort to determine borrower eligibility (Aliu, Cosentino, and Panasyuk). Much like the provision of additional services, data from this survey has indicated that Canadian microfinance organizations use multiple criteria to determine borrower eligibility (see Figure 4.6). In response to this survey question only one organization indicated using a single source in regards to determining eligibility. Survey results indicate that an overwhelming majority of organizations (89%) use a borrower’s “character” as a measure in determining eligibility (n=19) (see Table 4.9).

The terms “peer-lending model and circle based lending” embody a variety of different meanings within the literature and from one organization to the next. In this dissertation the “peer-lending model/circle lending model” is utilized as an oppositional term to “individualized lending model.” In a peer-lending/circle model borrowers are assembled into small groups (typically 4-7 borrowers). Within these groups only one borrower may have access to a loan at any given time. Loan repayment must occur before another circle/group member may access a loan from the organization. The peer-lending model of microfinance is most often associated with the Grameen Bank.
It is acknowledged that using a borrower’s “character” to determine eligibility may vary from one organization to the next. The term “character” is vague and ambiguous and as such, during interviews, organizations were asked to clarify what they meant when using the term. Producing varied responses, the most often cited understanding of the term “character” and its usage in determining eligibility was a perspective of evaluating the borrower as a whole. Using a borrower’s character as a method of determining eligibility meant that the organization did not negatively evaluate a borrower based solely on a bad credit report or a financial mistake in the past. The next most cited eligibility requirement was a borrower’s potential business plan, (78%) followed by a borrower’s skill set or previous training, (68%).

Notable among the responses to this question, 11 out of 19 organizations (57%) indicated that they use a borrower’s financial situation in determining eligibility. Among these 11 organizations, a borrower’s financial information is always used in conjunction with other indicators of eligibility. Previously undocumented, research for this dissertation has shown that over half of the microfinance organizations surveyed use a borrower’s financial situation as a part of determining borrower eligibility. Are organizations excluding borrowers based on this information? Is this gathering of financial information a mere formality with little impact on the outcome of eligibility? In what ways does this finding challenge the foundational principles of microfinance?
Figure 4.6: Criteria Used to Determine Borrower Eligibility (per organization) (Classic Microfinance)

Table 4.9: Number of Organizations Using Various Types of Eligibility Criteria (Classic Microfinance)

<table>
<thead>
<tr>
<th>Eligibility Criteria</th>
<th>Total Number of Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Character</td>
<td>17</td>
</tr>
<tr>
<td>Business Plan</td>
<td>15</td>
</tr>
<tr>
<td>Skill Set/Previous Training</td>
<td>13</td>
</tr>
<tr>
<td>Finances</td>
<td>11</td>
</tr>
<tr>
<td>Other</td>
<td>7</td>
</tr>
<tr>
<td>Identity</td>
<td>6</td>
</tr>
</tbody>
</table>

n=19
Further pursuing information related to the amount of financial information Canadian microfinance borrowers are required to provide, survey respondents were asked if their organization performed any kind of pre-financial check regarding the borrower’s ability to successfully meet the requirements of loan repayment. Respondents overwhelmingly answered in the affirmative to this question (see Figure 4.7). In response to this question, 89 percent of organizations responded that a borrower financial check is required prior to giving out a loan \((n=19)\). Of the total 17 organizations indicating the performance of a financial check, 15 stated that this is a formally issued credit check.

Survey respondents were also asked if a borrower’s personal/household financial information was required prior to receiving a loan through the organization. In the majority of cases (79%) of organizations indicated that borrowers are asked for personal/household financial information prior to receiving a loan \((n=19)\) (see Figure 4.8). Rationale for this information request covered a wide spectrum, from organizations collecting the information to aid in the prediction of borrower repayment to organizations genuinely concerned with overburdening borrowers with more debt. Many organizations, in response to this question, discussed how it was important to ensure that the provision of a loan would not further compromise an individual or their overall family economic situation. Another common response to this question was that organizations required this information in order to remain true to their overarching mandate of providing services to low income Canadians. It is clear from the above noted responses that borrower finances play a pivotal role within Canadian microfinance organizations.
Figure 4.7: Organizations Requiring a Financial Check Prior to Loan Disbursement (%) (Classic Microfinance)

$n=19$

Figure 4.8: Organizations Requiring Personal/Household Information Prior to Loan Disbursement (%) (Classic Microfinance)

$n=19$
As previously discussed, the numerical value of microfinance loans varies greatly from one organization to the next. Within the survey, organizations were asked to indicate their minimum loan amount and their maximum. Among responses the lowest indicated minimum was “no minimum” and the highest maximum loan amount was $45 000 (n=20). As indicated by the result of this survey, a larger proportion of Canadian microfinance organizations provide loans with a maximum value greater than $10 000 (see Table 4.10). These higher loan values, when compared to microfinance in the global South, can be explained in part by Canada’s economic context. Congruent with the higher prices of goods and services, the amount of money required to start or expand a Canadian business is also higher.

Cognizant of these responses as representative of a loan value range, organizations were also asked to indicate the average loan amount provided to borrowers. Responses to this question varied widely, from an average of $1 250 at one organization to $25 000 at another. The average loan amount provided to borrowers among 19 organizations was just over $9 000 ($9 386.53). This finding indicates that although many organizations may provide loans with a maximum amount greater than $10 000, few organizations are in fact providing these larger loans. Producing a finding that is congruent with the York study, survey results for this dissertation indicate that the majority of organizations have repayment rates of over 90 percent (n=19) (see Figure 4.9). Although in the minority, two organizations indicated they had repayment rates of 50-59.9%. Repayment rates in the 50-59.9% range raise serious questions around the viability and sustainability of these particular microfinance organizations.
Within the existing literature very little attention is paid to the outcomes produced as a result of membership within a microfinance organization. It should be noted that information is available on the experiences of individual borrowers but that this information is organizationally specific and therefore fails to address trends across the sector. In an effort to ascertain statistical information on sector wide outcomes, organizations were asked to rank, on a scale of never to always, the types of business ventures started as a result of a microfinance loan at their particular organization. Survey results indicate that microfinance borrowers use their loans for the start-up or expansion of a variety of different businesses (see Figure 4.10). Survey results indicate that microfinance borrowers most often use their loan for the start-up or expansion of “service sector” businesses. These service sector businesses include the categories of food provider (i.e. restaurant outlet, catering service), household service/product (i.e. painter, cleaner), and service provider for people (i.e. hairstylist, masseuse). The least often cited business started or expanded as a result of a microfinance loan was technology ventures.

Service sector occupations are inherently tied to patrons whose numbers fluctuate greatly dependent on the economic climate. In times of economic prosperity, these service sector businesses prosper while in times of economic instability or downturns, businesses suffer through the loss of patrons. Given the fickle nature of service sector

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38 Aware of the wide range of business possibilities, potential businesses were divided into seven categories; technology venture, handmade products (i.e. handmade candles, hand sewn clothing), food provider (i.e. restaurant outlet, catering service), household service/product (i.e. painter, cleaner), service provider for people (i.e. hairstylist, masseuse), service provider for animals/pets (i.e. pet groomer), other. It should be noted that these categories were created based on previous knowledge on the types of businesses started as a result of a microfinance loan (Clow 2009).
businesses, questions need to be raised around the appropriateness of Canadian microfinance lending. Are borrowers aware of the dangers associated with business within the service industry? Why is it that the highest proportion of businesses started or expanded using a microfinance loan fall within this broad category? Are there steps taken, at the level of the microfinance organization, to assist in mitigating the risk associated with service sector businesses? Unable to ascertain the answers to these questions through the survey, this line of inquiry was pursued during employee and borrower interviews.

Table 4.10: Number of Organizations – Loan Amount Maximum (Classic Microfinance)

<table>
<thead>
<tr>
<th>Total Number of Organizations</th>
<th>Loan Amount Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>Greater than $10 000</td>
</tr>
<tr>
<td>6</td>
<td>$5 000</td>
</tr>
<tr>
<td>2</td>
<td>$10 00</td>
</tr>
</tbody>
</table>

\( n=20 \)
Figure 4.9: Number of Organizations – Rates of Loan Repayment (Classic Microfinance)

<table>
<thead>
<tr>
<th>Repayment Rates</th>
<th>100%</th>
<th>90-99.9%</th>
<th>80-89.9%</th>
<th>70-79.9%</th>
<th>50-59.9%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repayment Rates</td>
<td>1</td>
<td>10</td>
<td>3</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

\( n=19 \)
Figure 4.10: Types of Self-Employment Ventures Started or Expanded as a Result of Microfinance Loan (number of organizations) (Classic Microfinance)

\[ n = 17 \]
As previously cited within the literature acquiring the funding required to sustain microfinance operations is challenging and directly associated with concerns relating to long-term sustainability (Spotton Visano 2008; Clow 2009). In the case of many microfinance organizations, finances used for the operation of the organization and the provision of loans to borrowers are acquired through multiple sources, rather than one primary contributor (Clow 2009). Through the procurement of funding from multiple sources, organizations safeguard their sustainability in the event of funding from one source being retracted or reduced.

Within the survey, two questions were asked relating to the finances of each respective microfinance organization. Organizations were first asked where they acquired money to sustain the overall program. In the context of 2012-2013, Canadian microfinance organizations continue to receive operational funding from a wide variety of sources (see Figure 4.11). The most often cited source of funding for organizational sustainability was Government grants/funds (Federal, Provincial and/or Municipal) (94 percent of organizations). The second most cited source of funding was donations from the general public. It should also be noted that the least common responses for operational sources of funding were partnerships with commercial banks (i.e. Bank of Nova Scotia, Royal Bank) and partnerships with smaller financial institutions (i.e. Credit Unions, Alterna Savings, and members’ investments (i.e. Loan Fund).

Organizations were also asked where they acquired money to fund loans to borrowers. Survey results indicate that organizations acquire the funds for loans to

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39Based on the available scholarship and previous knowledge of the field, sources of funding were broken into seven categories ranging from government grants to members’ investments (for a full list of categories please see Appendix O).
borrowers from multiple sources (see Figure 4.12). Notable among the answers, is the number of organizations indicating that they receive the funds for loans to borrowers through partnerships with smaller financial institutions (i.e. Credit Unions, Alterna Savings) (53%). During interviews, organizations were asked further questions about this source of funding and it became clear that many organizations rely almost exclusively on smaller financial institutions for loan funds. Least often cited as a source of funds for loans to borrowers were organizational fundraising events.

Previously undocumented within the literature is the extent to which Canadian microfinance organizations are connected with other community/non-profit organizations. Do microfinance organizations form partnerships with other community/non-profit organizations? If yes, what is the purpose of these relationships? An overwhelming majority of survey respondents, 89 percent, indicated that they did partner with other community or non-profit organizations. It is clear, based on survey responses, that Canadian microfinance organizations partner with community/non-profit organizations for multiple purposes therefore casting themselves as part of a network of interconnected community/non-profit organizations (n=17) (see Figure 4.13). Canadian microfinance organizations partner with community/non-profit organizations for the provision of additional services, the recruitment of new borrowers, the acquisition of specific types of funding and added organizational legitimacy.
Figure 4.11: Number of Organizations – Funds to Sustain Organization (per source) (Classic Microfinance)

Figure 4.12: Number of Organizations – Funds for Borrower Loans (per source) (Classic Microfinance)

\( n=17 \)
Figure 4.13: Number of Organizations – Partnerships with Other Community/Non-Profit Organizations (Classic Microfinance)

- Provision of additional member/client services (e.g. workshops, presentations)
- Recruitment of new members/clients for the organization (referral network)
- Strategic partnerships geared towards receiving specific types of funding
- Added legitimacy provided to the microcredit organization
- Other

$n=17$
Given the publication dates of the two previous studies on microfinance in Canada (2003 and 2009) little is known about the impact of the 2008 economic recession on the sector. Yalnizyan (2010) predicts that as a result of the 2008 economic recession “750, 000 and 1.8 million more Canadians will be counted as poor before recovery is complete” (1). Given this prediction and the correlation of experiences of poverty with restrictions on mainstream banking access, it is important in the current context to ask questions around increased demand for microfinance loans post 2008. Fortifying this prediction, Statistics Canada reported that in “October 2009 employment in Canada was down 400,000 from the peak in October 2008….during the same period, the unemployment rate rose from 6.3% to 8.6%” (LaRochelle-Cote and Gilmore 2009, 5).

Can higher rates of unemployment, post 2008 be connected with greater rates of microfinance loans usage? In response to a survey question on this topic, 82 percent of organizations indicated that there had been growth in demand for services and/or loans post 2008.

Out of the total 17 organizations indicating growth, only one explicitly connected this growth with the economic downturn of the 2008. Citing the adverse impact of events like the economic recession on people experiencing poverty, this respondent connected their organizational growth directly to the 2008 recession. In other responses to this question, organizations were very hesitant to directly connect their growth to the economic recession of 2008. In multiple responses, organizations connected their growth to better publicity and improved services and overall program organization.
Part II: Survey Results – Training/Upgrading Loans

Increasingly, the lines of what is and is not a Canadian microfinance organization are becoming blurred. As illustrated within Table 4.1, the criteria used for organization inclusion within this study focused less on the types of loans being provided and more on the individuals being targeted, relative size of the loans, adherence to the general structure of microfinance and self-identification as belonging within the sector (i.e. Canadian Microcredit Educators Group). Based on these criteria, organizations providing small loans to immigrants for skill upgrading/training were included as a subset within the Canadian microfinance sector. Previously undocumented in the literature, information on this subset of microfinance organizations represents the first time it has been collected on a macro, Canada wide scale.

Significantly smaller than the previously discussed group of microfinance programs Classic Microfinance, 10 organizations across Canada were identified as belonging to this subset of microfinance. In total 7 out of 10 organizations responded to this survey yielding a 70% response rate (see Table 4.3 for a full list of organizations). The small number of organizations within this subset of Canadian microfinance can in part be explained by the relatively new nature of these organizations. Organizational inception dates range from 2005-2013. Providing a further notable difference between the two categories of microfinance organizations is the substantially smaller number of active borrowers within the subset of Training/Upgrading Loans. Yielding responses from persons occupying multiple positions within the organizations, respondents covered a broad spectrum of organizational positions. (see Table 4.11). Within this subset of
microfinance organizations, volunteers only slightly outnumber employees according to the data provided.

Further indicative of their smaller scale and scope is the number of loans distributed since the founding of each respective organization. Out of the organizational respondents, none indicated providing more than 80 loans since the founding of the organization. The majority of respondents indicated that 60 or fewer loans, per organization, had been provided to borrowers since their respective openings. This small number of loans per organization is again explained in part by the relatively new nature of organizations classified as Training/Upgrading Loans. In the current context of 2013 the subset of microfinance organizations providing loans to immigrants for skills upgrading/training remains small in scale, scope and outreach.

Organizations within this microfinance subset exclusively target immigrants to Canada. The exclusive targeting of immigrants as recipients of loans for skills upgrading/training corresponds with the theory, outlined within Chapter Three, that under neoliberalism certain racialized bodies (i.e. immigrants) are deemed valuable and as

Table 4.11: Employment Positions of Survey Respondent (Training/Upgrading Loans)

<table>
<thead>
<tr>
<th>Survey Respondent Position</th>
<th>Total Number of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other †</td>
<td>3</td>
</tr>
<tr>
<td>Manager</td>
<td>2</td>
</tr>
<tr>
<td>President</td>
<td>1</td>
</tr>
<tr>
<td>Executive Director</td>
<td>1</td>
</tr>
</tbody>
</table>

\[ n=7 \]

†Responses to the “other” category varied from one organization to the next but included the following positions: Loan Program Assistant, Project Coordinator, Employment Development Manager.
providing “economic utility” to the Canadian nation state (Roberts and Mahtani 2010; Bauder 2008; Duggan 2003). Organizations included within this microfinance subtype, articulate and demonstrate the shift in funding priorities occurring under the reign of neoliberalism. The depiction of these organizations as intimately entwined with neoliberalism is not an effort to dismiss or delegitimize the work being done but rather to contextualize and better understand the scope of neoliberalism within the Canadian not-for-profit sector.

Microfinance organizations providing skill upgrading/training to immigrants are complicit in and a direct result of the roll-out process of neoliberalism discussed in Chapter Three (Peck and Tickell 2003; Peck, Theodore and Brenner 2012; Peck and Tickell 2002). Under roll-out neoliberalism, programs and funding are shifted towards individuals and groups deemed “worthy” of support. Due to their perceived “economic utility”, immigrants and programs providing services to immigrants like the ones included in this microfinance subset are provided resources and funding for their overall operations. Also depicting the connections between this microfinance subset and the theory of roll-out neoliberalism is the time period in which these organizations began to appear within Canada, the late 2000s. It is during this time period when the process of roll-out neoliberalism reaches its height (Peck and Tickell 2003; Peck 2010) (see Table 3.1).

Unlike the first category of microfinance organizations, programs within this subset do not provide the same number of additional services to borrowers. Of the organizations surveyed, only three indicated providing additional services to borrowers
This finding suggests that microfinance organizations within this category largely exist for the sole purpose of loan disbursement. It should also be noted that the majority of organizations within this category (5 out of 7) indicated using an individualized lending model (loans are provided to individuals) for disbursement. Organizations included under the heading of *Training/Upgrading Loans* use a variety of different mechanisms when determining borrower eligibility (see Figure 4.14). In response to the question of borrower eligibility, all seven organizations indicated that they used a borrower’s “character” as a method of determining eligibility.

When asked whether prior to giving out a loan organizations performed any kind of borrower financial check, six out of seven organizations responded in the positive. In addition to this financial check, six out of seven organizations also indicated that borrowers were asked for personal/household financial information prior to receiving a loan. As indicated in both subsets of microfinance organizations, a borrower’s financial history and current finances are used as a mechanism in relation to program inclusion or exclusion. Data collected for this research has indicated that organizations under the category *Training/Upgrading Loans* provide more consistent loan amount values than the category of *Classic Microfinance*. Among organization responses, the maximum loan value provided for skill upgrading or training was $15,000 (n=6). The maximum of $15,000 was the most often cited loan maximum. This consistency in terms of loan maximum value can in part be explained through connections to prescribed and well-defined government programs/initiatives.

These additional services varied among organizations but included group based workshops, one on one training sessions, networking events and access to low cost professionals within various fields.
Figure 4.14: Criteria Used to Determine Borrower Eligibility (per organization) (Training/Upgrading Loans)

- Financially based (formally issued financial statements)
- Character based
- Business plan based
- Skill set/previous training based
- Identity based (self-identification)
- Other (please specify)

$n=7$
Further evidence of the entrenchment of this microfinance subset in the process of roll-out neoliberalism is provided by the answers to questions surrounding funds used to sustain the organization and loans to borrowers. In response to the first question surrounding funds to sustain the organization, all seven organizations indicated they received funds from government grants/funds (Federal, Provincial and/or Municipal). In response to the second question regarding funds for loans to borrowers, six out of the seven organizations indicated they received funds for loans from government grants/funds (Federal, Provincial and/or Municipal). It is clear from these responses that organizations providing microfinance loans to immigrants for the purposes of skills upgrading/training are integrally linked with government in relation to funding.

This finding connects to the theory of roll-out neoliberalism introduced within Chapter Three (Peck and Tickell 2003; Peck, Theodore and Brenner 2012; Peck and Tickell 2002). Under the theory of roll-out neoliberalism, government funds, instead of being retracted, are rolled-out to support programs which further reproduce and entrench neoliberal ideology. Investment in microfinance programs providing loans to immigrants for skills upgrading/training is neither neutral nor benign. It is a strategic and deliberate investment geared towards maximizing the economic utility of immigrants to Canada. According to the theories presented within Chapter Three, immigrants to Canada are racialized bodies currently prioritized and therefore supported by the Canadian government expecting that in the future these individuals will contribute to the nation state (Roberts and Mahtani 2010; Bauder 2008; Duggan 2003).

Similar to the category Classic Microfinance, organizations providing loans to immigrants rely heavily on partnerships with other not-for-profit/community groups in
relation to both sustainability and the provision of services (see Figure 4.15). Yielding the highest number of responses, six organizations indicated they partnered with other community/non-profit organizations for the recruitment of new members/borrowers and five organizations indicated they engaged in partnerships for the purposes of the provision of additional member/borrower services. As was the case among organizations classified under the category Classic Microfinance, organizations within this subset often partnered with other community/non-profit programs for multiple purposes.
Figure 4.15: Number of Organizations – Partnerships with Other Community/Non-Profit Organizations (Training/Upgrading Loans)

- Provision of additional member/client services (e.g. workshops, presentations)
- Recruitment of new members/clients for the organization (referral network)
- Strategic partnerships geared towards receiving specific types of funding
- Added legitimacy provided to the microcredit organization
- Other (please specify)

$n=7$
Part III: Survey Results - Developmental Lending

Organizations included under the category of Developmental Lending are CFDC/CBDC programs from Canada’s North, the Northwest Territories and Nunavut (see Table 4.4). The rationale for inclusion of these organizations within this study relates to both the scale and scope of this research. Yukon Micro Loan Program affiliated with Dana Naye Ventures in Whitehorse, Yukon remains the only microfinance program within the Northwest Territories, Nunavut and Yukon. Although very few organizations within Canada’s North fit the understanding of microfinance presented earlier within this chapter, it would be misguided to assume that alternative financial lending does not occur in this geographic area. In the context of Canada’s North, financial lending takes on a different form, including the types of organizations administering loans, size of loans and types of loans being distributed.

It should be noted that for the purposes of this work, organizations placed into the category of Developmental Lending are not considered a subset of microfinance like the previously discussed categories of Training/Upgrading Loans and Classic Microfinance. In addition, during interviews with organizations within this category, it was stated multiple times by many organizations that they do not claim the name of microfinance but rather the term developmental lending programs. Microfinance organizations, as defined within this dissertation, are absent from both the Northwest Territories and Nunavut. Fulfilling the need for alternative financial loans within the Northwest Territories and Nunavut are CFDCs/CBDCs.

Nine CFDCs/CBDCs within the Northwest Territories and Nunavut were identified as part of this research. In total, eight organizations responded to the on-line
survey yielding an 89% response rate. The small number of CFDC/CBDC organizations within this area can, in part, be explained by low population density within the vast geographic area of the Northwest Territories and Nunavut. Relative to the other organizations discussed previously, CFDC/CBDC organizations within the Northwest Territories and Nunavut distributed their first loans significantly earlier (1986-2007). Also notable among these organizations is the small number of paid employees within each organization. On average, organizations had approximately two paid staff as compared to five unpaid volunteers. The relatively small number of staff within each organization is showcased in the high number of executive directors and managers who responded to the survey (see Table 4.12). Correlated with the earlier dates of first loan distribution, six out of eight organizations indicated providing 200 plus loans since the beginning of the organization.

Within this category, in the majority of cases, no explicit effort is made to target a specific subset of the Canadian population. Seven out of eight organizations answered that they did not target a specific population group as clients/members/borrowers. Only one organization indicated that they explicitly targeted Aboriginal persons as borrowers within their organization. Although not necessarily targeting Aboriginal persons as borrowers, interviewees indicated that Aboriginal persons do in fact comprise a significant number of borrowers among organizations within this category. Unlike the previously discussed microfinance organizations, borrowers from CFDCs/CBDCs within the Northwest Territories and Nunavut are in the majority of cases male rather than female (see Table 4.13). In response to this question, no organization indicated that female borrowers outnumbered male borrowers. This finding is strikingly different than
the information provided by the two other categories, *Classic Microfinance* and *Training/Upgrading Loans*, who most often indicated that male and female borrowers were a 50/50 split.

Table 4.12: Employment Positions of Survey Respondent (Developmental Lending)

<table>
<thead>
<tr>
<th>Survey Respondent Position</th>
<th>Total Number of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Director</td>
<td>4</td>
</tr>
<tr>
<td>Manager</td>
<td>3</td>
</tr>
<tr>
<td>Other 42</td>
<td>1</td>
</tr>
</tbody>
</table>

*n*=8

Table 4.13: Number of Organizations: Male to Female Borrowers (%) (Developmental Lending)

<table>
<thead>
<tr>
<th>Male to Female Borrower (%)</th>
<th>Number of Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>90(male)/10(female)</td>
<td>2</td>
</tr>
<tr>
<td>70(male)/30(female)</td>
<td>2</td>
</tr>
<tr>
<td>60(male)/40(female)</td>
<td>2</td>
</tr>
<tr>
<td>80(male)/20(female)</td>
<td>1</td>
</tr>
<tr>
<td>50(male)/50(female)</td>
<td>1</td>
</tr>
</tbody>
</table>

*n*=8

42Only one respondent indicated their position within the organization as “other.” This respondent indicated their position was “Business Development Officer”
As is the case among the two previously discussed microfinance categories, borrower eligibility for organizations classified as Developmental Lending is determined using multiple factors (See Figure 4.16). All eight organizations indicated that they used a borrower’s “character” as a means of determining eligibility. The next most often cited eligibility requirements were a borrower’s business plan and formally issued financial statements. In total, seven out of eight organizations indicated using formally issued financial statements as part of a borrower’s assessment. This high rate of reliance on financial statements can in part be explained by the larger size of loans distributed through organizations within this category. With larger loans come higher repayment amounts and a desire on the part of the lending organizations to make sure payments are possible.

All eight organizations indicated that prior to giving out a loan, they performed a financial check and asked for borrower personal/household financial information. In five out of eight cases, the financial check performed was a credit check. In addition, five out of eight organizations indicated that personal/household financial information is used as a means of excluding/denying loans to prospective borrowers. High rates of reliance on a borrower’s finances as a means of determining borrower eligibility further distinguishes organizations within the Developmental Lending category from the microfinance programs discussed earlier within this chapter.

While diverging in relation to borrower assessment, developmental lending organizations, like the microfinance programs discussed previously, offer a wide range of additional services to borrowers (see Figure 4.17). All eight organizations indicated they provided additional services to borrowers. Although the provision of additional services
requires greater resources in the form of time, money and people, the organizations overwhelmingly viewed it is as a value added mechanism for both the borrower and organization.

One of the main distinguishers between organizations within this category and the previously discussed microfinance organizations is the size of loans offered. Seven organizations indicated that their loan maximum exceeded $100 000 (see Table 4.14). The maximum loan amounts outlined within Table 4.14 are substantially higher than the maximum loan amounts discussed within the two previous microfinance categories. The average loan amount provided to borrowers among seven organizations within this category was $73 000, an amount substantially smaller than the maximums provided within Table 4.14. Corresponding to the fairly rigid financial eligibility assessment, organizations within this category indicated high repayment rates. All seven respondents to this question indicated repayment rates of 70% or higher, with the largest number of responses indicating repayment rates of 90-99.9%.

According to survey results, all eight organizations tracked the types of businesses entrepreneurs started or expanded with the assistance of a loan. Like the findings presented in relation to the first group of microfinance organizations Classic Microfinance, organizations within this category indicated that loans were most often used for the start-up or expansion of service sector businesses. The most common types of businesses started or expanded were household service/product (i.e. painter, cleaner), service provider for people (i.e. hairstylist, masseuse) and food provider (i.e. restaurant outlet, catering service). These high rates of business start-up and expansion within
service sector areas raise concerns around sustainability as discussed within Part I of this chapter.

In response to the question regarding businesses started, four organizations stated that loans were used for the start-up or expansion of a construction business while three organizations indicated that loans were used for tourism related businesses. These responses are unique to this category and can in part be explained by loan values and the geographic location of these organizations. With higher loan values, borrowers can consider starting or expanding businesses requiring a higher investment amount (i.e. construction and tourism). Discussed during interviews with employees, both the Northwest Territories and Nunavut are in the process of taking steps to market themselves as tourism locations with ‘vast, pristine landscapes for tourists to explore’. Given this focus on Northern tourism it is therefore not surprising to see that loans from organizations within this category have been used for the start-up or expansion of these types of businesses.

Table 4.14: Number of Organizations – Loan Amount Maximum (Developmental Lending)

<table>
<thead>
<tr>
<th>Total Number of Organizations</th>
<th>Loan Amount Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>$200 000</td>
</tr>
<tr>
<td>2</td>
<td>$150 000</td>
</tr>
<tr>
<td>1</td>
<td>$250 000</td>
</tr>
<tr>
<td>1</td>
<td>$125 000</td>
</tr>
</tbody>
</table>

\( n=7 \)
Figure 4.16: Number of Organizations – Criteria used to Determine Borrower Eligibility (Developmental Lending)

$\text{n}=8$

Figure 4.17: Number of Organizations – Provision of Additional Services (Developmental Lending)

$\text{n}=8$
When asked where funds were acquired to sustain the organizations and where the money was acquired to provide loans to borrowers, seven out of eight indicated that this money came from multiple levels of government. It is this embeddedness and nearly exclusive reliance on government funding which raises critical questions regarding the autonomy of these organizations and their compliance in and reproduction neoliberalism. Further demonstrating the degree to which community/non-profit organizations rely on one another, six out of eight organizational respondents indicated that they partner with other community/non-profit groups for multiples purposes. Partnerships range in purpose from receiving specific types of funding to the provision of additional services to the recruitment of new members/clients (see Figure 4.18).

Showcasing the Canada wide impact of the economic recession, six out of eight Developmental Lending category respondents said there had been a growth in demand for services and/or loans post 2008. Although the majority of organizations within this category indicated growth, only one organization directly associated this growth with the 2008 economic recession. Notable amid the responses to this question were organizational respondents which indicated that the 2008 economic recession did not impact Canada’s North in the same way it did within Canada’s Southern economic/banking/manufacturing driven provinces. During interviews this theme was presented multiple times by organizations within this category who discussed their geographic isolation acting as a bubble or barrier to the full impact of the 2008 economic recession. During one interview in particular, it was stated that because of the North’s continued primary dependency on a natural resource economy, the 2008 recession (located primarily within the banking and manufacturing sector) did not impact them.
Figure 4.18: Number of Organizations – Partnerships with Other Community/Non-Profit Organizations (Developmental Lending)

$n=6$

- Provision of additional member/client services (e.g. workshops, presentations)
- Recruitment of new members/clients for the organization (referral network)
- Strategic partnerships geared towards receiving specific types of funding
- Added legitimacy provided to the organization
- Other (please specify)
As a sector, microfinance in Canada is continually changing through the development of new organizations, programs and initiatives. In addition to change through the growth of new programs, research for this dissertation has shown the somewhat precarious nature of the Canadian microfinance sector. As discussed at the beginning of this chapter, at least three organizations in existence at the time of the two previous studies (2003 and 2009) no longer exist in 2012-2013. Canadian microfinance also remains small in its scale and scope, targeting mostly urban communities and heavily saturated within the provinces of Ontario and Quebec. A lack of microfinance density is found in Canada’s North. Future trends regarding the expansion of the sector appear in the development of organizations providing loans for skills upgrading/training to immigrants. Research has indicated that these organizations are a relatively new subset of Canadian microfinance with financial support from various levels of government.

Almost exclusively targeted toward women within the global South, microfinance in Canada is largely gender neutral, therefore not explicitly targeting female borrowers in the majority of organizational cases. Notable within Canada is the shift towards targeting individuals with other markers of difference including immigration status and physical and/or mental ability. Steadfast in its original purpose, Canadian microfinance continues to provide services to marginalized, low income Canadians. A central difference between microfinance in the global South and in Canada is the focus on loans to individuals rather than circle/peer-lending groups. This is a significant shift that jeopardizes the community building function on which microfinance, in the context of the global South, prides itself. A further difference in Canadian microfinance organizations is the requirement of financial information from potential borrowers prior to receiving a loan. Although
justified by organizations as a means of protecting borrowers from undue hardships, the requirement of financial information prior to loan disbursement raises questions concerning the increasingly ill-defined lines between traditional financial lending (banks, credit unions) and Canadian microfinance organizations.

Although not characterized as microfinance organizations, it is important to acknowledge and discuss financial lending within the Northwest Territories and Nunavut. Similar in nature to Canadian microfinance, developmental lending in Canada’s North is relatively small in scale and scope. The most pronounced difference between organizations within this category and the previously discussed microfinance programs is the maximum size of loan available to borrowers. Among the organizations within this category, maximum loan sizes are considerably higher and this differential in loan size is reflected in the types of business started (i.e. construction, tourism).

Canadian microfinance and developmental lending within Canada’s North are in a continual state of development. Despite this growth, very little scholarly information is available on these organizations. The on-line survey, deployed as part of this dissertation has substantially contributed to knowledge on microfinance and developmental lending within Canada. The survey results, discussed within this chapter, illustrate previously unknown trends, characteristics and features within the Canadian sector. Positioned as significant in relation to domestic literature on microfinance, the findings discussed within this chapter substantively contribute to an improved global understanding of microfinance and its variegated forms throughout the world.
Chapter Five

The Production and Reproduction of Neoliberalism: Microfinance in Canada

“Neoliberalism has settled in.”

Raewyn Connell

Underlying the interview themes and conclusions drawn within this chapter is Mitchell’s (2001) theory relating to the formation of NGOs as “para-state apparatuses” as a result of neoliberal restructuring (167). In taking on this role, Mitchell believes that NGOs become neoliberalized and complicit in the production and reproduction of neoliberalism. Asserted throughout this thesis is the belief that Canadian microfinance organizations are one such example of NGOs transforming, as a result of roll-back and roll-out neoliberalism, into “para-state apparatuses”. Within this chapter Canadian microfinance organizations are positioned as active agents in the replication and reinforcement of neoliberalism.

Employed within this dissertation is a two-prong or “triangulation” approach to research (Hesse-Biber and Leavy 2006). In an effort to answer the research questions outlined within Chapter One, two methods of data collection were pursued. Previously reviewed were the findings from an on-line survey distributed to microfinance and developmental lending organizations throughout Canada. Within this chapter, data provided through interviews with employees and volunteers of Canadian microfinance organizations is explored. Interviews conducted with borrowers will be reviewed within Chapter Six. Providing both context and supplementation to the previously discussed on-line survey results, interviews with key informants are an essential component to the research design of this dissertation.
Four distinct, yet interconnected employee and volunteer interview themes are explored within this chapter (see Figure 5.1). Examined first is the disassociation between employee and volunteer perceptions of their respective organizations and the neoliberal agenda rooted in and actively reproduced within Canadian microfinance. After identifying this disjuncture, the interview theme of microfinance, neoliberalism and language is explored. Following this analysis, microfinance organizations are positioned as complicit in roll-back and roll-out neoliberalism in relation to both gender and race. Producing a compelling indictment, this chapter showcases the embedded nature of neoliberalism within Canadian microfinance organizations through language, the de-prioritization of gendered borrowers and the subsequent prioritization of certain racialized borrowers (i.e. immigrants).

**Interview Process and Participants (Employees and Volunteers)**

After completing the on-line survey component of this research project, microfinance organizations were contacted via both phone and e-mail regarding their participation in semi-structured interviews (see Appendix P). The on-line survey portion of this research was not only invaluable in relation to the data it produced but also aided substantially in the production of a comprehensive contact list for future employee, 

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43The list of organizations produced through the survey served a dual purpose, also acting as the list of potential employee and volunteer interviewees. A phone and e-mail script for organizations outside of Quebec was not designed. Communication with organizations outside of Quebec was personalized based on rapport previously established through the administration of the on-line survey. A standardized e-mail was designed and sent to predominantly French speaking organizations within Quebec. The e-mail was sent to organizations within Quebec in both French and English (see Appendix P). This standard e-mail was sent to French speaking organizations in Quebec in an effort to elicit interview participation. This standardized e-mail was implemented to combat an inability to speak French fluently which is one of the limitations of this study.
volunteer and borrower interviews. Interviews were pursued with employees and volunteers from all three categories of organizations examined within Chapter Four. (i.e. Classic Microfinance, Training/Upgrading Loans and Developmental Lending).

Although interviews were sought with organizations from all three categories, only the interview data obtained from employees and volunteers whose organizations fall into categories of Classic Microfinance and Training/Upgrading Loans\(^{44}\) will be examined within Chapter Five. This decision is in keeping with the framework laid out within Chapter Four and in recognition of the variance between organizations within the Developmental Lending category and more “traditional” forms of Canadian microfinance. This chapter is focused on evaluating overarching themes in relation to Canadian microfinance organizations and therefore only interview data from previously identified microfinance organizations is utilized.

In an effort to diminish selection bias, interviews with multiple employees and/or volunteers within the same organization were sought. Due to a variety of reasons, few organizations granted access to interviews with more than one employee and/or volunteer. Rationale for exclusion from multiple organizational interviews varied from one organization to the next but included: size of organization (only one employee), most

\(^{44}\)In Appendix Q, all of the employee and volunteer interviews completed for this dissertation research are listed. As indicated previously within this chapter, only interview data from employees and volunteers whose organizations fall into the categories of Classic Microfinance and Training/Upgrading Loans are examined. Employee interviews with the Baffin Business Development Corporation and Kitikmeot Community Futures Inc. are not examined within this chapter due to the high degree of difference between these organizations and the ones within the aforementioned categories. Once removed, the total number of employee interviews discussed within this chapter is 19 while the total number of volunteer interviews remains unchanged at three.
relevant/knowledgeable person already interviewed and gatekeeping/reluctance to allow other employees to be interviewed. In total, 3 volunteers and 21 employees from organizations throughout Canada were interviewed (see Appendix Q). Microfinance employees and volunteers were given the option, as per the consent form, to have their names directly associated with quotes or to have their identities concealed through the use of a pseudonym. The names or pseudonyms of employees/volunteers along with their respective organizational affiliation are listed within Appendix Q.

Due to their different relationships and roles in relation to their respective organizations, two sets of interview questions were designed, one for employees/volunteers and one for borrowers (See Appendix R for employee/volunteer interview questions). Borrower interview questions are introduced within Chapter Six. During interviews, the questions listed in Appendix R were used as a guideline, with questions being added or removed as needed. Due to the scope of this research project and the costs associated with cross Canada travel, all interviews (employee/volunteer and borrower) were conducted via phone. Interviews were recorded and later transcribed. In total, 33 interviews were conducted as part of this research project (24 employee/volunteer and 9 borrower). Discussed in greater detail within Chapter One, grounded theory (Charmaz 2005) was used to code transcribed interviews. In total, four overarching employee/volunteer themes will be discussed within this chapter (See Figure 5.1)
Figure 5.1: Themes from Employee and Volunteer Interviews

**STEP ONE**

Wide variety of interview themes identified

**STEP TWO**

Interview themes arranged into overarching categories with subcategory themes

<table>
<thead>
<tr>
<th>Organization Structure and Operation</th>
<th>Gender and Microfinance</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Diversity of programs offered through organization</td>
<td>• Not targeting women as borrowers</td>
</tr>
<tr>
<td>• Small organizations – very few employees</td>
<td>• Gender ratio of borrowers is equal</td>
</tr>
<tr>
<td>• Employees have large portfolios</td>
<td>• Very few programs targeting women</td>
</tr>
<tr>
<td>• Large number of volunteers – occupying multiple roles</td>
<td>• Women entrepreneurs are different</td>
</tr>
<tr>
<td>• Work closely with applicant through process of loan application</td>
<td>• Women having gender specific barriers to self-employment</td>
</tr>
<tr>
<td>• Character lending</td>
<td>• Idea that if you help women you help the whole family</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The “Individual” and “Self-Reliance”</th>
<th>Immigrants and Microfinance</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Working with individuals to get them off EI and into self-employment ventures</td>
<td>• Loans to immigrants directly connected with Government</td>
</tr>
<tr>
<td>• Overwhelmingly individual based lending rather than circle based lending</td>
<td>• Programs in general do not provide additional services</td>
</tr>
<tr>
<td>• Individual responsible for “business plan” or “learning plan”</td>
<td>• Economic growth of society through helping immigrants</td>
</tr>
<tr>
<td>• Self-reliance through entrepreneurship</td>
<td>• Working with borrowers “banks wouldn’t touch”</td>
</tr>
<tr>
<td></td>
<td>• Filling in a gap in terms of need/access to financing</td>
</tr>
</tbody>
</table>

**STEP THREE**

Final employee and volunteer interview themes

<table>
<thead>
<tr>
<th>Filling the Void – Microfinance in Context</th>
</tr>
</thead>
<tbody>
<tr>
<td>Microfinance, Neoliberalism and Language</td>
</tr>
<tr>
<td>Roll-back Neoliberalism – Gender and Microfinance</td>
</tr>
<tr>
<td>The Paradox: Microfinance, Race and Roll-back and Roll-out Neoliberalism</td>
</tr>
</tbody>
</table>
Filling the Void – Microfinance in Context

Before presenting an analysis of microfinance and its connection to neoliberal theory, a discussion of Canadian microfinance from the perspective of lived employee and volunteer experience is needed. Articulated in this section is a disconnect between the ideals and theory guiding Canadian microfinance organizations. It became evident while progressing through this research that volunteers and employees within this sector are driven by a passion for and commitment to serving marginalized, underserviced individuals. Exemplifying the altruistic nature associated with the concept of microfinance, employees and volunteers often spoke about microfinance as “filling a void” in relation to access to financing.

*I see the purpose is really to provide…fill gaps where financing is the issue in terms of a business moving forward and also because we do training loans, so where there’s a gap where that training is not possible because of a financing need.* Margaret Lavictorie (Board Member and Member of Loan Review Committee – Ottawa Community Loan Fund)

Connected with the idea of “filling a void”, volunteers and employees discussed the ability of organizations to take risks, in terms of loan dispersal, on individuals with no and/or bad credit history. In addition, microfinance organizations were described as providing financing to businesses and individuals that traditional financing institutions would not consider eligible.

*And I think what it boils down to is…if you look at the traditional lending from financial institutions... sometimes they would look at businesses and say... Oh that’s too iffy. We’re not going to touch that… versus… CEED looks at the aspect of … Does this person have a good solid plan? Does it make sense? Yeah it’s a risky industry but can the person deliver on the plan?* Corey Mosher (Chair of Loan Review Committee – Centre for Entrepreneurship Education and Development)
The centrality of this belief among microfinance practitioners is evident in the number of times references to meeting a financing gap were made in conjunction with the overarching mandate of individual organizations.

*So, somebody has an idea or has a business that they’re currently running and if they were to walk into a bank with their idea, maybe they have some credit issues in the past, maybe their plan doesn’t meet the criteria that the bank requires. They would be told no. These are generally people who maybe don’t have access... They’re not able to go to a family member and borrow a few thousand dollars to make a purchase of whatever it might be. So that’s kind of where we fit in because we feel that there is a market for that. There is a need. Particularly I think for a lot of newcomers who don’t have... haven’t made a relationship with financial institutions and that sort of thing. And maybe often feel more comfortable coming through an organization like ours because we don’t kind of treat our clients like a bank does. Not just numbers on paper... no sorry you don’t qualify... it’s a lot more subjective.* Michael Scotland (Program Coordinator – ACCESS Community Capital Fund)

It is evident through conversations with microfinance employees and volunteers that a commitment to providing opportunity where there previously were barriers is a driving force within these organizations. Membership within a microfinance organization is, as one employee characterized, an “opportunity” for growth and maturation into mainstream financing.

*I think even though we have great economies, great development... poor people still face... in the absence to resources and if you don’t have your own assets, if you don’t have business experience, if you have been struggling your whole life, all the time trying to come up with the minimum requirements then it’s hard for those people to access the main stream banking system. So somehow, I think we give to them an opportunity here because our main intention is for them to access these resources and after that, once they build up an experience and knowledge of running a business, of being responsible financially speaking, then after that they can easily graduate to the main stream banking system.* Ben Sinclair (Employee – Momentum)

Underlying interviews with microfinance practitioners was both a desire and a belief in microfinance and its ability to provide opportunities to the financially marginalized of Canadian society. Also emphasized was the ability of microfinance organizations to meet an existing and growing need in relation to accessible financing.
Further illustrative of employee and volunteer commitment to working with the financially marginalized, multiple interviewees made reference to microfinance lending as “character based” lending. In the majority of conversations, this evaluation of borrowers was described as being based on a borrower’s character in combination with financial history and/or credit rating. Ambiguous in meaning, interviewees were asked to explain further their understanding and application of character based lending within their respective organizations. The notion of evaluating microfinance borrowers from a holistic perspective was present within numerous discussions of character lending. Rather than placing emphasis on one aspect of a borrower’s life (i.e. financial history) attention was diffused over multiple factors.

*We have to feel good that the person who is starting the business has the ability to deliver this business, to be successful so we want to learn about their background and their skills, their employment history so that we are confident that the person has the ability to be successful with the business. It is not just a credit score that we look at but we look at the whole application.* Shawn Cunningham (Manager, Financing Programs – Centre for Entrepreneurship Education and Development)

Connected to the commitment of reaching the “unbankable” of society, microfinance practitioners actively acknowledged during interviews that borrowers may have poor or no credit history and that a borrower’s character is used as an alternative means of determining eligibility.

*I think the obvious deduction is that we don’t have credit or collateral on which to guarantee a loan so we’ve got to do a really deep look into who they are and their story. And if you know, you ran into … like one woman ran into problems with an ex-boyfriend and had to leave the country and left with phone bills unpaid and it’s a dangerous…whatever, she ran into some bad luck and that’s something that we can understand but for whatever reason, the bank is likely to not look at that.* Ann Lockhart (Development Manager – ACCESS Community Capital Fund)
Checking the credentials as best we can. Using our good old gut feeling, common sense you know. Is this guy for real or not? But even the guy who didn’t pay his credit card, I would have taken a chance on him. J.W. (Bill) Campbell (Founder and President – Canadian Microcredit Educators Group)

It is through this pledge of looking beyond the credit report that microfinance employees and volunteers envision their organizations as meeting the needs of an underserviced segment of society. In the opinion of interviewees, microfinance is a necessary alternative to the exclusionary nature of traditional financing which remains rigid and restrictive.

Underlying interviews with employees and volunteers was an unwavering belief in the need for microfinance in the Canadian context. Beyond an influence on the individual loan recipient, multiple organizations (i.e. Saint John Community Loan Fund, Vancity and ACCESS Community Capital Fund) saw their impact connected to the larger principle of community economic development (CED).

The sum total is a better livelihood and a better community experience and more local economic development success than would otherwise be achieved without it. Ann Lockhart (Development Manager – ACCESS Community Capital Fund)

As characterized in the words of interviewees, microfinance organizations contribute to the growth of the community through the development of new businesses and the generation of employment and/or revenue through these ventures. Also discussed in relation to the principle of CED were deliberate attempts by specific microfinance

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45For the purposes of this dissertation, the Canadian CED Network’s understanding of Community Economic Development will be employed. They describe it as “an approach that recognizes that economic environmental and social challenges are interdependent, complex and ever-changing. To be effective, solutions must be rooted in local knowledge and led by community members. CED promotes holistic approaches, to address individual, community and regional levels, recognizing that these levels are interconnected” (Canadian CED Network website “What is CED?”).
organizations to make positive contributions to the community as a whole. For example, in the case of the Saint John Community Loan Fund, when new office space was constructed, a deliberate decision was made to include two rental units within the structure. One housing unit is priced at market value while the other is classified as an affordable housing unit (Saint John Community Loan Fund Website “About Us”). In the case of the Saint John Community Loan Fund, the organization was positioned within interviews as providing an opportunity for the individual borrower and the community at large.

As characterized in the words of employees and volunteers, microfinance organizations make vital contributions in the lives of marginalized individuals as well as Canadian communities, cities and regions. Demonstrated through interviews, employment and volunteerism within microfinance organizations is perceived as an altruistic passion driven by a belief in the ability of these organizations to make positive contributions. For employees and volunteers there is a disassociation between the ideals of microfinance and in practice, its reproduction and reinforcement of the destructive principles of neoliberalism. During interviews, no employee or volunteer used the language of neoliberalism to describe either microfinance generally or the practices of individual organizations. It is believed, based on the interviews completed as part of this dissertation, that employees and volunteers are heavily invested in the survival of their respective organizations and Canadian microfinance more generally and therefore are unable and/or unwilling to conceptualize the negative connections of microfinance with neoliberalism. It is also possible that this inability to explicitly name neoliberalism in connection with Canadian microfinance is a result of what Ready (2013) coins as the
unspoken hegemonic power of the ideology (2). As articulated by Ready, neoliberalism in the current Canadian context is a dominating project that “without being publicly named or defined [it] is intentional” (2013, 2). It is this un-spoken and un-named variety of neoliberalism, in-grained within the fabric of microfinance, which, in the context of this dissertation is particularly insidious and dangerous. Although the remainder of this chapter will examine the connections between neoliberalism and Canadian microfinance, it should be noted that this discussion is not meant to discredit the work being done by employees and volunteers within this sector. Rather the intention is to raise critical questions regarding the reproduction and entrenchment of neoliberal principles under the guise of a supposedly benign, humanitarian venture.

**Microfinance, Neoliberalism and Language**

Illustrative of the commonplace nature of neoliberal discourse were the number of interviewees who referred to microfinance borrowers as abstract “individuals” and/or “clients”.

*And it’s also at both ends… the individual who is our client but also the individual who is the mentor.* Narinder Dhami (Executive Director – Rise Asset Development)

As discussed within Chapter Three, language has strategically been employed within neoliberalism as a tool capable of re-definition and re-characterization (Jenson 2008 and 2009; Lister 2004). Through carefully chosen phrases and words, the neoliberal agenda is reproduced and in turn becomes unchallenged within the everyday vernacular. References to microfinance borrowers as either an “individual” or “client” connect to the foundational ideals of neoliberalism discussed in Chapter Three (Abu-Laban and Gabriel 2008).
Central to neoliberalism is the individualization of concerns and issues (Bakker and Brodie 2008 and 2009). Under this premise, responses to concerns/problems are geared towards the individual rather than acknowledging or challenging structural problems that produce inequalities. Responsibility is placed on the individual rather than an unjust system. Paramount in the usage of the word “client” is an ingrained notion of “choice”. Described as “clients”, microfinance borrowers are positioned as disembodied consumers free to choose from multiple “products” or options (Abu-Laban and Gabriel 2008). Concealed in the language of “client” is the reality that the choices of microfinance borrowers are severely constrained. Deceptive in nature, the usage of the word “client” by microfinance employees and volunteers perpetuates the notion that “choice” and therefore responsibility lies solely with the individual rather than a larger overarching ideology or phenomenon. Under the doctrine of neoliberalism the concept of individual “choice” dominates, therefore placing blame on the individual rather than identifying and addressing systemic problems (Luxton 2010; Jenson 2009). By referring to microfinance borrowers as both “individuals” and/or “clients”, microfinance employees and volunteers strengthen the prominence of the neoliberal vernacular. The common usage of this language during interviews illustrates how employees and volunteers are unaware of the negative connections between this language and neoliberalism, therefore illustrating the largely invisible entrenchment of neoliberalism within microfinance.

Insidious in nature, the language of “individual” and/or “client” is reproduced not only among employees and volunteers but also among borrowers themselves. The pervasive nature of neoliberalism through language is internalized by borrowers who
come to see themselves as “individuals” and/or “clients” bearing full responsibility for not only their actions but also the resulting structural reactions or consequences that reproduce poverty and inequality (further discussion of this borrower theme is included within Chapter Six). The predominance of this language among employees and volunteers leaves unchallenged and in essence reinforces the preeminence of neoliberalism within Canadian society.

Further illustrating the prominence of the “individual” within Canadian microfinance is the overwhelming number of organizations which employ an individualized lending model. As discussed within Chapter Four, research for this dissertation has indicated that providing microfinance loans to individuals is the norm rather than the exception in the Canadian context. According to the survey, 80 percent (16 out of 20) of surveyed organizations within the category Classic Microfinance and 100 percent (7 out of 7) of surveyed organizations within the category Training/Upgrading Loans employ an individualized lending model, a trend in stark contrast to peer or circle lending which arguably remains the standard among microfinance organizations in the global South. While acknowledging that there may be many reasons for this difference, including important contextual differences, this dissertation asserts that in part, the preeminence of individualized lending is due to the predominance of neoliberal rhetoric within Canadian society. The concept of an abstract individual is a prominent principle within neoliberalism and therefore a connection is drawn between the almost exclusive usage of an individualized lending strategy among Canadian microfinance organizations and the entrenchment of these organizations in a society infused with neoliberal ideology.
During multiple interviews, questions regarding rationale for lending structure choices were met with seemingly surprised and even incredulous responses, showcasing the unquestioned superiority of providing loans to an individual.

*The whole peer-lending is based on stuff that was going on in... like Pakistan and all of the third world countries. And those are like women based programs... We found that it just wasn’t flying because people weren’t as open as maybe other places would be. I think that’s just the way the Yukon is. They don’t want to share their thoughts and stuff. They’re more independent up here than leaning on other people for advice and motivation, I guess. So it was becoming problematic.*

Elaine Chambers and Holly Underschultz (General Manager and Manager Financial Services – Dana Naye Ventures)

*I think it will be based on two characteristics. One would be that in the western world, people tend to be more individualistic than assuming responsibility as a group and then the business ideas might differ from each other so usually these group lending tend to be to lend money to people in the same type of industry. So I think those are the main reasons why we don’t use that.*

Ben Sinclair (Employee – Momentum)

As evidenced by these interview responses, the notion of peer or circle lending is perceived as something that may work in other contexts but within Canada, an “individualistic” society, the idea appears bothersome and incompatible. The perceived superiority of individualized lending aligns directly with the heightened position of the individual in neoliberal rhetoric, which has firmly taken root within Canada (Mulvale 2001; Braedley and Luxton 2010). Reproduced within an individualized lending model is the notion that individuals are responsible for their own actions and subsequent reactions therefore mitigating the ability to perceive systemic concerns and constraining collective responses.

While providing microfinance loans to individuals is the norm within Canada, a minority of organizations, including PARO Centre for Women’s Enterprise, continue to provide circle or peer based loans. Identified as a strength of this type of lending structure is its ability to build community and responsibility among borrowers.
You ask women what’s important about our micro loan fund, they’ll tell you it’s the peer-lending... the peer support and the networking and the mentoring that goes on. Initially, when they start, it’s all about getting the loan. But once that circle is started up, if you went back a year later and asked them, every one of them will say.... well the most important part is the peer support and the mentoring, etc. Rosalind Lockyer (Executive Director – PARO Centre for Women’s Enterprise)

Within an individualized lending strategy, the above noted sense of community and support is dissolved. A central tenet of neoliberalism is the erasure of community and a sense of commonality in relation to experience (Brodie and Bakker 2008 and 2009; Brodie 2008; Rose 1999; Mulvale 2001). Once constructed as autonomous individuals, the concerns of the collective are marginalized and therefore deemed unworthy. Through the implementation of predominantly individualized lending strategies and the characterization of these models as the norm, the hegemony of neoliberalism is fortified (Tickell and Peck 2003; Harvey 2007).

Indicative of the ascendency of neoliberal language among Canadian microfinance practitioners are the number of references to concepts of achieving “self-reliance” through the receipt of loan.

Well the mission is basically to help people become more self-reliant using entrepreneurship. Entrepreneurship is very broad in scope. Seth Asimakos (Manager – Saint John Community Loan Fund)

It’s overall broken down into five core areas where they can grow and develop to be able to make better choices long term that lead to self-reliance so but in a nut shell, everything we do revolves around helping people to earn income, become self-reliant, get off maybe different forms of government support Melanie Vatour (Enterprise Development Officer – Saint John Community Loan Fund)

I think a big part of what we want to do is help... as an agency help people become more independent so reducing their reliance on government, paying taxes, etc. Narinder Dhami (Executive Director – Rise Asset Development)

Although on a theoretical level and in principle the achievement of greater self-reliance through increased income seems benign and even positive, it is the way in which the
concept of self-reliance is framed within these quotations which needs to be explored. In each of these quotations, self-reliance through a microfinance loan is connected to the notion of individuals taking responsibility for their own situations and this aligns directly with the ideologies of neoliberalism (Peck and Tickell 2002; Bashevkin, 2002; Rose 1999). Implied and even explicitly stated within these quotations is the idea that individuals should be responsible for their own actions and subsequent consequences therefore reducing and even eliminating the need for a welfare state. The concept of “self-reliance” expressed within these quotes reinforces one of the prime objectives of neoliberalism, the systemic erosion and subsequent demise of the welfare state (Mulvale 2001). Based on the usage of this language, firmly rooted in the agenda of neoliberalism, it is clear that Canadian microfinance organizations are implicated in the reproduction and entrenchment of neoliberalism within society.

Interconnected to expressions of “self-reliance” through microfinance, employees and volunteers also discussed programs within their respective organizations which work to transition individuals from employment insurance recipients to self-sufficient entrepreneurs. Again, although in principle the notion of transitioning from subsistence levels of government assistance to employment appears beneficial, the underlying ideology and principles of this program need to be questioned. As part of this program individuals are made responsible for their own situations through entrepreneurism rather than acknowledging or addressing a larger systemic problem contributing to inequality in Canada. Under neoliberalism, both actions and re-actions are the responsibility of the individual and therefore the perceived need and legitimacy of government supported welfare programs is eroded. Entwined within this philosophy is the idea that the provision
of microfinance loans positively reduces the usage and therefore cost of government spending.

*So there’s a direct impact in terms of social programs, tax dollars and giving money back into the economy. Because if you’re making more money you’re spending more money.*

Melanie Vatour (Enterprise Development Officer – Saint John Community Loan Fund)

Rather than relying on “tax payer dollars” to support a welfare system, microfinance loans are positioned as positively contributing to the overall financial productivity of society and further eliminating the need for a welfare state. In the Canadian context, the demise of the welfare state remains central to the tenets of neoliberal restructuring (Mulvale 2001; Brodie and Bakker 2008). The sentiment expressed within the above noted quotation aligns directly with the previously discussed literature suggesting the predominance of the individual and decline of a collectivist system as a result of neoliberal rhetoric and restructuring (Bashevkin, 2002; Rose 1999; Mulvale 2001).

**Roll-back Neoliberalism – Gender and Microfinance**

Throughout this dissertation attention has been directed towards analyzing the relationship between gender and microfinance. Discussed within Chapter Two, microfinance in the global South remains largely dominated by female borrowers (Maes and Reed 2012). Not only do women comprise the majority of borrowers, programs are explicitly designed for and targeted towards women in the hope of achieving multiple development objectives (Yunus 2011; Rahman 1999). According to the survey data collected for this dissertation, no organization within the category of *Training/Upgrading Loans* and only 3 out of 19 (16%) organizations classified as *Classic Microfinance* explicitly target women as recipients of loans and/or have programs designed specifically for women. Touted as a gendered tool for development in parts of the global South, why
is microfinance in the Canadian context positioned and reproduced as a gender neutral initiative? Before answering this foundational question, an argument must be presented outlining the ability for comparisons to be drawn between microfinance in the global South and in Canada.

It is acknowledged that women in the global South and women within Canada experience vastly different situations and therefore realities. Further, women within the global South and women within Canada are not a homogenous category and therefore statements universalizing their experiences within either context are avoided in this dissertation (Mohanty 2003, 2013; McEwan 2001; Arif 2007, 1997; Alexander and Mohanty 2001; Amos and Parmar 2001; Natrajan and Parameswaran 1997). These differences however, should not be grounds for dismissing questions regarding why a focus on women as microfinance borrowers is largely absent among Canadian microfinance organizations. During interviews with employees and volunteers, a distrust in comparing microfinance in Canada and the global South was expressed through the believed incompatibility of comparing vastly different contexts and therefore programs and organizations. Acknowledging these fundamental differences, a comparison of microfinance in the global South and microfinance in Canada is based in part upon the overlapping mandates of the sector within both contexts.

Although different in certain respects, similarities between the basic structure and mandate of microfinance in Canada and the global South abound. Discussed in detail within Chapters One and Two, microfinance programs provide loans of small monetary value to low income individuals who would otherwise be unable to receive traditional financing (Grameen Bank Website “Definition”; Spotton Visano 2008). During
interviews, this overarching mandate of microfinance as a sector was re-iterated in relation to programs situated in Canada.

To help individuals without credit or collateral achieve self-employment to help improve their quality of life and that’s focusing on lower income individuals or those that are below the credit divide. Ann Lockhart (Development Manager – ACCESS Community Capital Fund)

Microfinance is a theory of change. It is a poverty alleviation strategy so our goal is to provide for our members and the greater community as a whole support under the five pillars of micro finance which are savings, credit, literacy, insurance, and remittance... And specifically what we do here in our goal is provide lending and literacy to individuals to help them do better for themselves through education and business. Kevin Klein (Employee – Vancity)

Well as you know microfinancing is for people who had in the past some financial difficulties or some problems to keep their jobs or family problems or any kind of problems. So our mission is to get those people to come back into social and economic development of their area. So while this is about this, naturally we go into a human process as well as a financial process. Mario Nadeau (General Manager - MicroCrédit KRTB)

As discussed within these quotations, microfinance in the Canadian context remains focused on the provision of loans to the financially marginalized within society. As depicted within Chapter Three, women in the Canadian context continue to bear a disproportionate burden of poverty and therefore can be considered an economically marginalized population (Brodie 2008b; Vosko 2006; Luxton 2010; Braedley and Luxton 2010). Although diverging in relation to the monetary value of loans and the experiences of poverty within each context, microfinance in Canada and within the global South remains connected through the adherence to a foundational mandate of providing loans and support services to low income, marginalized persons. It is based on this overarching commonality that a comparison between the explicitly gendered nature of microfinance in the global South and the gender neutral focus of Canadian microfinance is drawn.
A further similarity providing impetus for a comparison is the commonality between the rationale given for targeting women as loan recipients in both contexts. It should be noted that survey results indicated only three organizations in Canada explicitly target women as loan recipients but among these organizations, the rationale for targeting women bears striking similarities to the motivation articulated within literature on microfinance in the global South. Discussed critically within Chapter Two is the rationale for gender targeted microfinance programs which believes that loans to women will not only aid the individual but the entire family (Yunus 2007; Khandker 1998). Expressed during interviews was a similar sentiment in relation to the pursuing of women as borrowers in Canada.

I mean I can’t speak to the rest of Canada but I know it’s true for us here. St John has a high rate of generational poverty so when we help a woman to become self-reliant, we’re also exposing her children to other opportunities and awareness of what else is out there for them. So in having programs like this that help women reach their full potential, we’re also helping the next generation better understand and reach theirs. Melanie Vatour (Enterprise Development Officer – Saint John Community Loan Fund)

We believe that women tend to borrow more for productive purposes. A lot of times new immigrants that do come to Canada, they’re looking for ways to support their family and particularly from countries where the structure tends to be more patriarchal. They’re looking for ways to… and funding to tend to their familial duties Kevin Klein (Employee – Vancity)

Articulated within the literature on microfinance in the global South and within the above noted quotations, the targeting of women as loan recipients aids in the achievement of multiple social and policy objectives (Yunus 2007; Khandker 1998; Rahman 1999).

Illustrative of further commonality, the theme of female loan recipients producing higher repayment rates and as overall more responsible can be found in both literature on microfinance in the global South (Ciprus, Hughes and Vukojevic 2011; Harper 2011) and interview data collected for this dissertation. It should be noted that while work by
Ciprus, Hughes and Vukojevic 2011 and Harper 2011 is critical of targeting women based on this assumption, interviewees uncritically discussed this as rationale for providing loans to female borrowers.

*Women are more successful in managing their loans than men.*
*Yeah. They default less than men.* Ben Sinclair (Employee – Momentum)

*So I think when they’re [women] coming to us for a loan, there’s also a better sense of obligation to repay those loans.* Kevin Klein (Employee – Vancity)

While it is acknowledged that the literature discussed within Chapter Two (Ciprus, Hughes and Vukojevic 2011; Harper 2011) is critical of targeting women based on assumptions of greater responsibility and reliability, a similarity between this scholarship and the above noted quotations can nonetheless be drawn. Based on the commonalities between microfinance in the global South and in Canada in relation to the underlying mandate of programs and rationale for funding female borrowers, it is suggested that a comparison of microfinance within these two contexts in relation to gender is not only plausible but necessary.

Canadian microfinance organizations that explicitly target women as loan recipients are Momentum, PARO Centre for Women’s Enterprise and the Saint John Community Loan Fund. Both Momentum and the Saint John Community Loan Fund offer programs specifically directed towards women borrowers. PARO Centre for Women’s Enterprise, prior to interviews in 2013, was believed to be the only organization in Canada providing loans and services exclusively to women. However, interviews conducted for this dissertation have revealed that PARO has begun to work with small numbers of young Aboriginal men and Aboriginal men with disabilities.
We have another program now, that’s “Building Bridges” that also has men and women involved with disabilities. Men we work with in very small numbers but the only target has been with men with disabilities.... or youth... because there’s a youth component to our work as well. So we don’t send young men away in that case as well. And the reason being... but that we do not have men in our peer-lending circles and our numbers of men that we work with are very minimal and they are especially targeted to the men who are most marginalized. Rosalind Lockyer (Executive Director – PARO Centre for Women’s Enterprise)

Beyond this notable exception regarding the inclusion of Aboriginal men within PARO’s services, it remains atypical among Canadian microfinance organizations in relation to its peer-lending structure and nearly exclusive targeting of women as members and borrowers. Interviews with employees and volunteers from 12 other organizations indicated that they did not explicitly target or offer programs specifically designed for women entrepreneurs therefore showcasing the largely gender neutral nature of Canadian microfinance.

Further indicative of the de-prioritization of gender within Canadian microfinance is the number of organizations indicating that their borrower base is split approximately 50/50 between men and women, a trend, in stark contrast to the number of female to male borrowers in the global South, which remains dominated by female borrowers (Maes and Reed 2012). Perhaps even more telling were conversations with employees and volunteers where, in response to questions regarding the gender ratio of borrowers, their tone indicated both surprise and confusion. During multiple interviews, employees and volunteers were surprised and caught off guard as to why these questions would be asked, therefore showcasing the embedded belief in a sense of “equality” between male and female microfinance borrowers.

Yeah, yeah it is. I never actually thought about that but just thinking about it right now, it is pretty randomly, just split. Michael Scotland (Program Coordinator – ACCESS Community Capital Fund)
We don’t see any trends... well I don’t see a big difference. Maybe... I have... if I were to give you a number... this is just a rough amount, a made up number here... going through my stats of monthly reports that I have, over the last two years, I’d say maybe ten women and nine men. That’s just a rough number that I was saying right now. So there’s only a very slightly insignificant difference and I’d say it’s equal. It’s totally equal when it comes to gender. Ayten Kun (Micro-Loans Counsellor – MOSAIC)

Well, I think over time it’s been fairly equal. I don’t see... if you look at any one time period, it might be a little skewed one way or the other, but I don’t see a real strong bias, not bias but one way or the other but being that we haven’t really looked at the stats I don’t think... Margaret Lavictorie (Board Member and Member of Loan Review Committee – Ottawa Community Loan Fund)

Why has a focus on women as microfinance borrowers been replaced by an overarching focus on equality of treatment? Given the underlying similarity between the mandate of microfinance in the global South and in Canada, questions need to be asked as to how and why a nearly exclusively women centred program is transformed into an overwhelmingly gender neutral phenomenon in the Canadian context.

In Chapter Three it is asserted that a variation of roll-back neoliberalism rose to prominence in Canada during the 1980s and early 1990s (Peck and Tickell 2003; Peck, Theodore and Brenner 2012; Peck and Tickell 2002). During this phase, the Canadian state reduced spending and dissolved programs addressing women’s well-being and equality. (Jenson 2009; Jenson 2008; Dobrowolsky 2009; Brodie 2008; Bakker and Brodie 2007; Coulter 2009). These spending cuts were made under the premise of invisibilization and individualization (Bakker and Brodie 2007; Brodie 2008; Brodie and Bakker 2008). Through the application of roll-back neoliberalism, individuals are deemed equal and systemic barriers or inequalities are made invisible and therefore deemed irrelevant. This assertion of “equality” is false as women continue to remain clustered within low paying, part-time, precarious employment therefore experiencing poverty to a
disproportionate rate (Brodie 2008b; Vosko 2006; Luxton 2010). The concept of equality presented within roll-back neoliberalism maps directly onto the discussion of perceptions of equity among microfinance borrowers within the previous quotations.

Presented during interviews, a sense of surprise and lack of awareness regarding the gender ratio of borrowers aligns directly with the principles of homogeneity and equality present within neoliberal rhetoric (Brodie 2008). Complicit in and reproducing these ideals, Canadian microfinance organizations, in the majority of cases, were unable to conceptualize the need for a gendered focus in microfinance. Illustrated through interviews, microfinance borrowers are perceived as equal and therefore the supposition of needing a focus on female borrowers due to systemic barriers seems absurd to employees and volunteers alike. Vocalized within multiple interviews was a subscription to the neoliberal ideals of equality of opportunity and equality among individuals. Through these assumptions embedded within roll-back neoliberalism, the gendered focus of microfinance is rendered unimportant and therefore transformed into a gender neutral program of alternative financial lending.

Explaining further the absence of a gendered focus within Canadian microfinance is Jenson’s theory, the “social investment perspective” (2008). Although originally focused on the realm of Canadian social policy, Jenson’s theory is applicable and relevant to the changes occurring within Canadian civil society and microfinance organizations more specifically. Central to this theory is the notion that a new phase of neoliberalism has arrived where instead of total de-investment, creative state investments are made into programs and individuals deemed “new social risks” (Jenson 2008). Critical of this new terminology, feminist scholars believe a focus on “new social risks” defines individuals
as either “worthy” or “unworthy” of support and programs (Brodie and Bakker 2008 and 2009; Brodie 2008; Dobrowolsky 2009; Jenson, 2009). Under this new phase of neoliberalism, recipients “worthy” of support are individuals who in the future will make positive contributions to society (i.e. children, immigrants to Canada). Notably absent from the definition of “new social risks” are women who are written out of Canadian social policy in name and in relation to program funding (Lister 2004; Brodie and Bakker 2007).

In this dissertation it is asserted that theories relating to the de-prioritization and de-legitimization of social policies directed towards women are directly connected with the erasure of a gendered focus among Canadian microfinance organizations. As depicted in the words of employees and volunteers, the lack of women-focused Canadian microfinance programs cannot be wholly attributed to and therefore dismissed based on a perceived lack of desire or need for such programs.

Well, for one thing… sometimes women just feel more comfortable in that learning environment. That’s one piece. There’s always several participants who feel much more comfortable in that group for whatever reason that might be… past history or you know cultural differences whatever so it provides a safe environment for them. And then the other thing is…. I guess what I’m trying to say is that women tend to do business in a little bit of a different way…. in a really holistic way so considerations of the family and the community take priority in a lot of their decisions. Nicole Finch (Employee – Momentum)

I was hired five years ago and in coming here and looking, the Loan Fund’s been in existence since 1999. From that time until 2008, when I started, we had given one business loan to a woman. The rest of our micro lending was to men starting businesses so that doesn’t include our housing or employment loans… specific to business. So in looking, a lot of it was around hesitation in completing a business plan, feeling that the support was there to be able to start a business. If you’re a single woman with children, there’s risk involved with self-employment…. women typically hesitate to go forward and start a small business because of issues like child care, transportation, government policies with social development, EI, different things. So they were coming in. They were getting the business plan template, leaving and never coming back. Melanie Vatour (Enterprise Development Officer – Saint John Community Loan Fund)
Showcased within these quotes are some of the many barriers women face in becoming self-employed entrepreneurs, which, according to employees is mitigated through microfinance programs targeted towards women. The larger phenomenon of roll-back neoliberalism underlies the de-prioritization of women borrowers in Canadian microfinance organizations.

This evidence from surveys and interviews demonstrates that Canadian microfinance exhibits characteristics of roll-back neoliberalism (Peck and Tickell 2003; Peck, Theodore and Brenner 2012; Peck and Tickell 2002) and the social investment perspective (Jenson 2008). Canadian microfinance organizations are both a by-product of and complicit in the entrenchment of neoliberalism within society. Reflective of the central elements of roll-back neoliberalism, Canadian microfinance programs, in the majority of cases, envision borrowers as undifferentiated individuals free from systemic barriers. Subsequently, the impetus for gender targeted microfinance is largely removed and therefore absent.

**The Paradox: Microfinance, Race and Roll-back and Roll-out Neoliberalism**

Race, like gender, under roll-back neoliberalism, is de-prioritized and invisibilized therefore suggesting that individuals are homogenous entities free from systemic barriers (Giroux 2005; Dana-Ain Davis 2007). This assertion is false as evidenced by the systemic issues of poverty, under employment and unemployment experienced by both women and racialized Canadians (Galabuzi 2008; Teelucksingh and Galabuzi 2005; Block 2010; Bezanson 2006; Vosko 2006; Luxton 2006 and 2010; Braedley and Luxton 2010). Insidious in nature, neoliberalism de-legitimizes systemic
concerns and barriers associated with race, therefore positioning the individual as fully responsible and homogenous (Giroux 2008; Giroux and Goldberg 2009).

During the coding of interviews, attention was not only directed towards what was said but also what was omitted from discussion. Notable among interviews with microfinance employees and volunteers was the absence of a discussion of programs or services targeted towards racialized persons not described as immigrants. In contrast, a significant portion of discussion within interviews centred around the provision of services to immigrants. The absence of a discussion on racialized microfinance borrowers is corroborated by the results of the on-line survey. As stated within Chapter Four, no organization within either the category of Classic Microfinance or Training/Upgrading Loans indicated that they explicitly targeted racialized persons as borrowers. In comparison, multiple organizations within the category of Classic Microfinance and all of the organizations within the category of Training/Upgrading Loans indicated providing loans to immigrants.

Absent within both the survey and interviews was a discussion of targeting racialized persons as microfinance borrowers therefore indicating the low priority of this objective. Within this dissertation it is asserted that this invisibilization of race is directly connected to the overarching theory of roll-back neoliberalism. Under the guise of roll-back neoliberalism, individuals are deemed equal and therefore a focus on certain individuals based on gender or race appears unnecessary. Under the false perception of equality, the race of microfinance borrowers is de-prioritized and relegated to a concern of the individual in the private sphere (Giroux and Goldberg 2009). Under the guise of roll-back neoliberalism, which champions notions of equality and the de-prioritization of
race, the mandate of microfinance as a poverty reduction strategy is threatened. How is it that microfinance programs can claim to act as strategies for poverty reduction when they are embedded in the rhetoric of roll-back neoliberalism which renders invisible the occurrence and prevalence of experiences of poverty among racialized persons (Galabuzi 2006 and 2010; Block 2010)? Numerous studies demonstrate the profound and increasing “racialization of poverty” where experiences of poverty are more concentrated and reproduced more frequently among racialized persons and communities (Galabuzi 2005). Rendered “equal” under the premise of roll-back neoliberalism, experiences of poverty related to race are dismissed and the foundational outcome associated with microfinance, poverty reduction, is shaken.

Further reinforcing the notion that microfinance borrowers are equal, employees and volunteers did not discuss the need or desire for programs explicitly targeting racialized persons. Depicted through the silence of employees and volunteers, microfinance borrowers are perceived as free from identity (Davis 2007) and therefore a targeted focus on racialized persons is deemed unnecessary. The lack of attention directed towards addressing the needs of racialized persons among microfinance programs showcases the way in which these organizations are embedded within and complicit in the reproduction of roll-back neoliberalism.

Positioned in contrast to roll-back neoliberalism is the theory of roll-out neoliberalism (Peck and Tickell 2003; Peck, Theodore and Brenner 2012; Peck and Tickell 2002). Under the phase of roll-out neoliberalism, strategically targeted state sponsored programs and funding is disbursed. Rather than the retraction, dismantling and invisibilization present within roll-back neoliberalism, roll-out neoliberalism deems
certain individuals and programs “worthy” and consequently distributes resources both monetary and otherwise. The strategically designed roll-out of government support and funding explicitly targets individuals and programs classified as yielding “benefits” for the future (Peck and Tickell 2003). The agenda of roll-out neoliberalism is realized through both state and NGO complicity in its forward progress (Peck 2010; Larner 2005 and 2009; Mitchell 2001). Embedded within roll-out neoliberalism are the tenants of individualism, responsibility and worthiness and therefore only certain programs and individuals are provided funding based on decisions of “utility” and “benefit” for the future.

Particularly relevant for this dissertation are the individuals and programs deemed worthy of support under the guise of roll-out neoliberalism. As part of roll-out neoliberalism, certain racialized bodies are perceived as more “valuable” than others (Roberts and Mahtani 2010; Duggan 2003; Abu-Laban and Gabriel 2008). In this phase of neoliberalism, immigrants are positioned as providing economic utility to the Canadian state (Bauder 2008; Roberts and Mahtani 2010; Aub-Laban and Gabriel 2008). Central to the theory of roll-out neoliberalism is the notion that state programs are enhanced and state monies spent under the condition that there is a return on investment. Immigrants, under the theory of roll-out neoliberalism, are envisioned as “beneficial” for the future of Canada and therefore deemed “worthy” of support. This is a dangerous and divisive system that prioritizes certain racialized persons (i.e. immigrants) while simultaneously invisibilizing and placing personal blame on other racialized persons’ experiences of economic and social inequality.
It is important to re-iterate that both roll-back and roll-out neoliberalism are a process and as such neither phase is complete. The incompleteness of both roll-back and roll-out neoliberalism allows both to occur simultaneously as seen in relation to the experiences of racialized persons. Racialized persons under the guise of neoliberalism experience both strategic targeting and invisibilization. Thus, a significant number of organizations within the category of Classic Microfinance target immigrants as microfinance borrowers. Further, the microfinance subset classified within this dissertation as Training/Upgrading Loans explicitly pursues immigrants as borrowers. Expressed within interviews was a growing need for microfinance loans targeted toward immigrants.

I think... I guess you can kind of assume, that people who probably will have the most trouble accessing credit might fall into those two categories [low income persons and immigrants]. So it might just be because this is what we are providing for people who can’t get bank loans and so they tend to be from one of those two groups but we are in communities that do tend to have a large population that would fall into those two categories or a mixture of the two. Yeah, and I think that’s just kind of the... where we’ve identified the need. We’re trying to help people who... that basically don’t have the advantages that others might have Michael Scotland (Program Coordinator – ACCESS Community Capital Fund)

Well, there’s certainly been an increase for us. Last year so in ... from April 1, 2011 to March 31, 2012... so our last fiscal year, we approved 150 new loans. In this fiscal year so from April 1, 2012 to March 31, 2013... we expect that we’ll be around 225. Dianne Fehr (Executive Director – Immigrant Access Fund)

Immigrants to Canada face a variety of challenges and barriers to inclusion and as such microfinance programs designed explicitly for immigrants are, in theory and in reality, necessary. But it is also critical to note how these programs are embedded within and reproduce neoliberalism.

Microfinance organizations within the category Training/Upgrading Loans are not only a by-product of, but actively replicate and instill the principles of neoliberalism
within their borrowers and Canadian society more generally. Evidence of this connection between roll-out neoliberalism and microfinance organizations in this category is derived from both interviews and the on-line survey. Central to roll-out neoliberalism is the spending of government money on strategically targeted individuals and programs.

According to the survey results discussed in Chapter Four, an overwhelming majority of organizations within the category of Training/Upgrading Loans receive funds to sustain the organization and for loans to borrowers from government grants/funds (Federal, Provincial and/or Municipal). This finding was confirmed during interviews with employees from organizations providing loans to immigrants.

*So for instance we receive funding from Citizenship and Immigration Canada. Their funds cannot be used to support those people who are already citizens. Anybody who’s a Canadian citizen cannot be supported through CIC money. We are also supported by Human Resources and Skills Development Canada, HRCC. Their money cannot be used to support provincial nominees.* Dianne Fehr (Executive Director – Immigrant Access Fund)

The degree of funding coming from government sources in support of these programs aligns directly with the notion of strategic government spending, a central principle in roll-out neoliberalism. Under the guise of this theory, government money is spent on programs targeting individuals garnering “utility” and yielding “benefits” for the future.

Under the guise of roll-out neoliberalism, immigrants are positioned as “worthy” of support due to their perceived economic utility (Bauder 2008; Roberts and Mahtani 2010; Abu-Laban and Gabriel 2008). During interviews, the perception of providing loans to immigrants as yielding benefits for the future was articulated.
Well, what I would… organizations such as this even though we’re… on a smaller scale and it’s… a lot of the time we do have to go out there to make people realize, how helping newcomers, empowering them, and really reaching out and giving a hand to these people can really benefit economical growth of society as well as the overall happiness of the society. I mean, I’m sure we wouldn’t want… We’re inviting people… Immigration Canada is inviting people, either skilled worker or anybody who’s wanting to move over to the country to come live here. Basically to provide them a better future, right? Isn’t that the whole idea behind opening the doors? It is. Once these people come here then we have to give them the necessary tools to … I don’t know… a loan or financial stability… the professional need that they have here. Ayten Kun (Micro-Loans Counsellor – MOSAIC)

Key within this interview passage is the notion that providing a loan to an immigrant will produce overall economic growth and happiness within society. It is the principle that the investment in one will yield outcomes for the whole, which underlies roll-out neoliberalism. Critical questions need to be raised regarding whether or not all persons are “invited” to take part in the “better future” discussed above. Critical race theorist Dhamoon (2009) suggests that “modes of normativity related to whiteness, ableism, and heterosexuality” substantially impact and mediate those who are “invited” and those who are not (70). According to Dhamoon’s theory while racialized bodies may be putting in the work to create overall economic growth and happiness in society, these same individuals may not be accepted or be treated equally by the state. While the provision of services specifically targeted toward immigrants appears benign, questions need be asked regarding the underlying doctrine guiding these programs. The provision of loans to immigrants for skills upgrading/training needs to be challenged based not only on their complicity in roll-out neoliberalism but also their perpetuation of systems of inclusion and/or exclusion based on notions of “identity as difference” (Dhamoon 2009, 11). As evidenced in this section, the ideals of roll-out neoliberalism are not only entrenched but
actively reproduced within microfinance organizations providing loans to immigrants for
skills upgrading/training.

Demonstrated through the use of language within interviews, microfinance
programs are implicated in and depicted as active agents in the reproduction of neoliberal
ideals. An examination of interview data at the level of language depicts the foundational
connections between microfinance and neoliberalism. Presenting a sense of unawareness,
employees and volunteers did not connect the language of “client” and “self-reliance” to
an overarching project of neoliberalism. Offered as part of an everyday vernacular, the
ideals of neoliberalism are reproduced through volunteers and employees and internalized
by microfinance borrowers. As evidenced through the use of language during interviews,
Canadian microfinance organizations, at a basic structural level, are rooted within a
framework of neoliberalism.

The final two interview themes discussed within this chapter explicitly link
Canadian microfinance organizations to the processes of roll-back and roll-out
neoliberalism. Complex in nature, this chapter asserts that roll-back and roll-out
neoliberalism are occurring simultaneously within Canadian microfinance programs.
Evidenced through the relatively small number of organizations explicitly targeting
women as recipients of loans, it is suggested that roll-back neoliberalism is visible in
Canadian microfinance. De-prioritized and de-legitimized, through roll-back
neoliberalism, women are no longer classified as individuals “worthy” of support.
Transformed in the Canadian context, through neoliberal ideology, microfinance is
largely a gender neutral initiative.
Producing a similar effect, a discussion of racialized persons as microfinance borrowers was largely absent from interviews therefore suggesting de-prioritization and the acceptance of notions of equality among borrowers. Coupled together, the de-legitimization of identity and systemic barriers attached to this identity, Canadian microfinance organizations demonstrate their entrenchment within and replication of roll-back neoliberalism. In the Canadian context microfinance programs largely ignore and therefore delegitimize experiences of poverty connected to gender and race. Under the guise of roll-back neoliberalism all individuals are deemed equal and therefore presumed unaffected by systemic barriers despite evidence that gender and racialized poverty is escalating (Galabuzi 2006 and 2010; Block 2010; Luxton 2010; Brodie 2008b).

By removing a focus on gendered and racialized poverty, questions arise regarding the basic structure and outcomes of microfinance organizations as strategies for poverty reduction. Can Canadian microfinance organizations be considered tools of poverty reduction without an acknowledgment and therefore recognition of higher rates of poverty and inequality among women and racialized persons? Have Canadian microfinance organizations transformed into programs consumed with the perpetuation of a neoliberal agenda rather than poverty alleviation? Throughout this dissertation it is asserted that the answers to these questions are complex and incomplete as Canadian microfinance continues to develop and evolve. It is however clear that neoliberalism is firmly rooted within the structure and function of Canadian microfinance therefore altering the fundamental tenants and principles ingrained within these organizations.

In this chapter, microfinance organizations providing loans to immigrants for skills upgrading/training are positioned as a by-product of and complicit in roll-out
neoliberalism. Showcased through their reliance on government funding and adherence to the rhetoric of immigrants embodying “utility” and “benefit”, microfinance organizations within the category of *Training/Upgrading Loans* are aligned directly with roll-out neoliberalism. These connections between neoliberalism and Canadian microfinance have been drawn to suggest that critical questions regarding the appropriateness and desirability of these programs need to be explored. Positioned as supportive to the findings discussed in this chapter, borrower interviews are discussed in Chapter Six.
Chapter Six

Canadian Microfinance – A “Client” Perspective

“In-depth interviews are also very useful for accessing subjugated voices and getting at subjugated knowledge. Those who have been marginalized in a society….may have hidden experiences and knowledge that have been excluded from our understanding of social reality”

Hesse Biber and Leavy 2006

Previously discussed within this dissertation is the relative lack of information on microfinance in the Canadian context. This scarcity of knowledge extends beyond questions regarding the structure and function of these organizations to also consider questions of borrower experience. As articulated within Chapter Four, very little is known about the borrowers and/or their experiences with Canadian microfinance organizations (Aliu, Cosentino and Panasyuk 2009; Maksoud 2008; Spotton Visano 2008). Information currently available on microfinance borrowers is organizationally specific and therefore fails to capture overarching themes within the sector. Further, experiences are most often characterized or framed as “success stories” therefore presenting a one-sided or biased perspective of the microfinance borrower. To date, very little independent or non-organizational specific research has been done on the choices, rationale and experiences of Canadian microfinance borrowers (Clow 2009).

In addition to the employee/volunteer interviews discussed within Chapter Five, interviews with borrowers from various microfinance organizations were conducted as part of this dissertation. In total nine borrower interviews were completed, seven with persons self-identified as women and two with self-identified men. The decision to conduct interviews with three different microfinance stakeholder groups (employees, volunteers and borrowers) is reflective of a desire to present a balanced perspective of
these organizations. Throughout this research, a feminist methodological lens has been employed that promotes inclusion of subjugated voices and identities (Hesse-Biber and Leckenby 2004). In the context of research on microfinance in Canada, it is the voices of borrowers that remain largely silenced. Creese and Frisby (2011) state that Feminist Community Research (FCR) attempts “however partially, to transcend colonizing research relations, bring to the surface voices that are often excluded from knowledge production and policy making” (3). It is the methodology of FCR underlying this dissertation which renders essential the inclusion of borrowers’ voices within a discussion of microfinance. Although their inclusion is essential, it has been and remains an on-going challenge in relation to work on this topic.

**Interview Process and Participants (“Clients”)**

From the beginning of this project there has been a general hesitation on behalf of organizations to provide access to borrowers for the purpose of conducting interviews. Throughout the research process, microfinance employees have acted as gatekeepers in terms of access to microfinance borrowers. It is a reality of research within this area that individuals accessing microfinance loans are largely invisible within the greater Canadian populace. Microfinance borrowers bear no visible outward markers of membership, therefore making them invisible and non-identifiable outside of their respective organizations. As such, accessing microfinance borrowers through gatekeeping organizations and employees was the main strategy of participant recruitment utilized within this dissertation.

As a method of participant recruitment there are inherent limitations to this approach. Illustrative of these limitations, organizations retained control over the
selection of borrowers for interviews. As such, no former borrowers, unsuccessful applicants or borrowers in default of their loans are included within this research project. Organizations, for various reasons including issues surrounding organizational preservation, were hesitant to supply borrowers for interviews with negative perceptions and/or experiences. In an effort to combat this borrower selection bias, a letter was drafted which organizations were to send out to their respective borrower listserves (see Appendix S). In the letter, borrowers interested in participating in an interview were instructed to contact the researcher directly, therefore removing the microfinance organization as a filter. Further addressing this selection bias, borrower interview participants were asked, at the conclusion of each interview, if they were aware of other microfinance borrowers who would be interested in taking part in this research (a snowball sampling technique). Unfortunately, given the structure of these organizations and their adherence to an individualized lending model, interviewees were unaware or unable to provide referrals to additional borrowers.

The nine interviewed borrowers are from three different microfinance organizations, two within Ontario and one from Nova Scotia: ACCESS Community Capital Fund, the Ottawa Community Loan Fund and the Centre for Entrepreneurship Education and Development (see Appendix T). All interviewed borrowers are from the previously defined category, Classic Microfinance. During the course of employee interviews, questions were asked regarding the organization’s willingness to provide

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46Interviews with microfinance borrowers were sought from organizations within both the Classic Microfinance and Training/Upgrading Loans categories. Organizations classified under the heading of Developmental Lending were excluded from borrower interviews. This decision aligns with the previously discussed rationale for the exclusion of employee and volunteer interviews with organizations classified under the category of Developmental Lending (See Chapter Five).
access to borrowers for the purpose of interviews. Responses to this line of inquiry were most often met with hesitation followed by a denial of access. In one instance, the organization Dana Naye Venture located in Whitehorse, Yukon electronically sent out the participant recruitment letter to microfinance borrowers but unfortunately, this effort failed to yield any interested interviewees.

As per the borrower consent form, interviewees are simply identified as a microfinance borrower within a specific organization. All borrowers have been given a pseudonym and identifiable details have been altered to conceal their identity. All the borrower interviews conducted as part of this research were done with current borrowers. As a result of this, it is acknowledged that borrowers may have felt obligated and/or pressured to positively endorse their respective programs and/or microfinance more generally. In an effort to combat this limitation, borrowers were re-assured numerous times that their identity would be concealed throughout the research process.

As part of the borrower interview process, participants were asked to fill out a demographic form (see Appendix U). Seven out of the nine interviewees filled out the demographic form. Borrower ages ranged from late 20s to early 60s. Three out of seven borrowers interviewed had immigrated to Canada from various parts of the world. Excluding the interviewees who identified as immigrants from a specific country, none of the interviewees self-identified as being a racialized citizen or non-citizen. The largest maximum loan received by a borrower from a microfinance organization was $15 000. As a general trend however, loan sizes were small (less than $10 000). With the exception of one business, the entrepreneurs interviewed as part of this research have
very few employees (3 or less). In general, businesses are run almost completely by the microfinance loan recipients. Length of business operation varied among interview participants (1 month to 5.5 years). A full description of borrower demographics is provided in Appendix V and has been included to aid in contextualizing the later discussion of borrower interviews.

Similar in structure to the interviews conducted with microfinance employees/volunteers, a semi-structured interview format was employed during borrower interviews (See Appendix W for borrower interview questions). It is acknowledged that nine borrower interviews is a small sample and therefore the findings and themes may not be representative of all Canadian microfinance borrowers. Although small in sample size, the lack of previous scholarly work on Canadian microfinance from a borrower perspective warrants this discussion of borrower experiences and renders this scholarship necessary and innovative. Borrower interviews within this dissertation are positioned as exploratory in nature, rather than definitive.

Although small in sample size and exploratory in nature, the borrower interviews conducted as part of this dissertation yielded a vast array of information about experiences and perceptions of the sector from a borrower perspective. All interviews were conducted via telephone due to the costs associated with cross Canada travel. Interviews with borrowers, like those with employees/volunteers, were recorded and later transcribed. As discussed within Chapters One and Five, grounded theory was used to code interviews (Charmaz 2005). In total, three overarching borrower themes were identified as part of this research (See Figure 6.1). Borrower themes explored within this chapter relate to the exclusionary practices of traditional banking institutions, internalized
conceptions of individuality and expressions of vulnerability and precarity. Summative in nature, this chapter aims to convey the voices of microfinance borrowers while also drawing connections between their experiences and the previously identified themes from employee/volunteer interviews.
Figure 6.1: Themes from Borrower Interviews

**STEP ONE**

Wide variety of interview themes identified

**STEP TWO**

Interview themes arranged into overarching categories with subcategory themes

<table>
<thead>
<tr>
<th>Positive Statements/Need</th>
<th>Individual Responsibility</th>
<th>Daily Experiences</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Couldn’t get loan from traditional banking institution</td>
<td>• Loans provided to the individual</td>
<td>• Income questionable</td>
</tr>
<tr>
<td>• Need for organizations based on this financing gap</td>
<td>• Do not know other borrowers</td>
<td>• Precarious nature of being self-employed</td>
</tr>
<tr>
<td>• Grateful to organizations</td>
<td>• Solely responsible for the business</td>
<td>• Makes personal sacrifices</td>
</tr>
<tr>
<td>• Enjoys self-employment</td>
<td>• Success or failure of the business is responsibility of the individual</td>
<td>• Difficulty finding a work/life balance</td>
</tr>
<tr>
<td>• Business is drive by “passion”</td>
<td>• Get out of business what one puts into the business</td>
<td>• Long work hours/long days</td>
</tr>
<tr>
<td>• Work flexibility is an asset</td>
<td></td>
<td>• Has to make difficult decisions</td>
</tr>
</tbody>
</table>

**STEP THREE**

Final borrower interview themes

<table>
<thead>
<tr>
<th>Filling the Gap – Positive Perceptions of Microfinance from Borrowers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reiteration and Replication – “Clients,” Microfinance and Notions of the Individual</td>
</tr>
<tr>
<td>Lived Realities – Stability and Vulnerability?</td>
</tr>
</tbody>
</table>
Filling the Gap – Positive Perceptions of Microfinance from Borrowers

From the outset it should also be noted that not all borrowers positively endorsed their respective organizations but that in the overwhelming majority of cases borrowers spoke positively about their experiences and the overall work being done by microfinance organizations. During interviews, the need for microfinance organizations in Canada was discussed from two different, yet interconnected perspectives. The need for microfinance in the Canadian context was articulated from the perspective of negative personal experiences with traditional banks and from a more overarching critical commentary of the traditional banking sector within Canada.

_I was a start-up. They wanted financials [financial statements]. I didn’t have a year, you know. Banks want three years of financials. I just didn’t have that. You know, I was a stay at home mom before and then I was working from home so I didn’t really have credit. They say they help small businesses but I don’t know, not in a way that’s realistic I think._

Mary (ACCESS Community Capital Fund)

_Yes. I made one mistake a while ago and that mistake was enough to keep me out of banking. Yeah, and it wasn’t …and it’s like since that mistake I realized and understood what I was doing wrong to create that mistake and so I’ve been like perfect. It doesn’t matter. They don’t care [traditional banks]. Kim (ACCESS Community Capital Fund)_

Central to these quotations is a depiction of Canada’s traditional banks as unsympathetic and driven by a prescribed standard of loan approval or denial. Unspoken but implied within these statements is the notion that microfinance organizations are, in a positive way, different from the traditional banking sector. Throughout borrower interviews, microfinance organizations were depicted as understanding and fair, using a borrower’s character in conjunction with financial history in order to determine borrower eligibility.

______________________

47In the context of this dissertation, the language of “traditional bank” refers to large financial institutions like the Bank of Nova Scotia, Bank of Montreal, CIBC, TD Canada Trust etc.
Capturing this sentiment, multiple borrowers discussed their experiences with microfinance organizations in comparison to financing within the traditional banking sector.

*My opinion on this...that's where CEED and CYBF have such a spot in my heart because they're giving loans based on your business plan and your character as opposed to... for example whether it's Scotia Bank or the Royal Bank or TD... they ask you to generate a massive business plan with market research and you do that for your region... you do a market analysis for Nova Scotia and then that gets handed off to some guy in Toronto who has no idea about the demographics. I and a lot of my peers have a problem with the fact that the big banks... small business does not generate enough interest points or enough revenue really for them... for us to matter. Small business doesn't mean anything anymore to them. We're just... we're not enough of a revenue generator for them to care anymore.* Chris (Centre for Entrepreneurship Education and Development)

*I thought that when you started a business you could just go to a bank and everyone would give you money. I didn’t realize that like it doesn’t happen. And it is really difficult if you have already kind of said that you’re self-employed you know no one’s really going to help you financially and OCLF and CYBF are really some of the only people that are there with start-up funds and to help support small businesses.* Megan (Ottawa Community Loan Fund)

Explicitly articulated within these quotes is the belief that the traditional banking sector is discriminatory and therefore restrictive and exclusive in nature. In comparison, microfinance organizations were described as considering multiple factors before making a decision regarding loan disbursement. The restrictive nature of lending within traditional banks versus the holistic and/or open perspective of microfinance organizations aligns directly with the perceptions of employees/volunteers regarding the purpose and need for microfinance in Canada. Discussed within Chapter Five, employees/volunteers stated that a central purpose and therefore goal of Canadian microfinance was to work with the financially marginalized of society. As depicted in the words of borrowers, the traditional banking sector continues to promote exclusionary policies therefore restricting the entrance of “non-traditional” borrowers. It is due in part
to these restrictive policies that a case for the continued development of Canadian microfinance is advanced.

During the course of interviews, eight out of nine borrowers indicated having previously tried to access a loan from a traditional bank. In each case, interviewees described their inability to obtain a loan from a traditional bank and subsequently their membership within a microfinance organization. As perceived by borrowers, the inability and unwillingness of traditional banks to provide services to all Canadians creates a need for alternative lending sources like microfinance.

*It’s like everything we’ve just talked about. I mean I’ve tried to get bank loans you know and they won’t give them to you. They just won’t. You’re a bad risk. And just because you’re under a certain income level or you’re self-employed or whatever they don’t want to hear about it. So I think it’s vitally important that there be a source of financing for people who for the most part are hardworking and honest but just can’t get a break, right.* Natalie (ACCESS Community Capital Fund)

*Yeah. ACCESS is a community based organization helping people like me... because... the bank denied me and then I had a bad experience with the credit history and then this kind of organization will help us... all people... to rebuild their credit by doing a business.* Jack (ACCESS Community Capital Fund)

Entwined within the above noted borrower quotes is the belief that, without financial support from a microfinance organization, their respective businesses would not currently be functioning at their current capacity. Asserted within these quotes is the idea that Canada’s mainstream banking system produces financing gaps for borrowers deemed “non-traditional” for a variety of reasons including credit history, income level and/or type of employment. As depicted in the words of borrowers and employees/volunteers, microfinance organizations are addressing this financing gap.

*__48__It should be noted that the one outstanding borrower from this statistic did not indicate whether or not they had previously tried to access a loan from a traditional bank.*
Presenting a further critique of the overall structure and function of traditional banks, borrowers discussed the negative impact previous mistakes can have on the ability to access financing.

You know, I believe that lots of people like me having the bad credit are not bad people and they really need the help. It is always good to give another chance to the people like me to try some stuff, to get the chance to grow and you know sometimes... sometimes it’s not your fault. Sometimes getting bad credit is not your fault. Sometimes something happens that you couldn’t control then. Amanda (ACCESS Community Capital Fund)

You make a mistake in your finances because you lacked knowledge and how punishing banks are in that whole financial/credit system... it’s like you’re in jail for seven years. You know you make a mistake and you can’t do anything for seven years... you know people murder and they get less time... you know what I mean...it’s like in jail. It’s a really sense of being in jail because you’re so limited in what you can do and when people like ACCESS come along and they’re willing to help you out financially, I think that anybody anywhere is going to benefit from that and so I think it’s an invaluable service you know because we all aren’t financially knowledgeable you know and we all are human and life happens to us you know and as the world is becoming more a place where you can’t plan from day one... you know from the beginning to the end. I think that organizations that recognize this like ACCESS and offer alternative solutions for you... I think are wonderful you know because they really fill a need. Kim (ACCESS Community Capital Fund)

As depicted in the words of these borrowers, traditional banks make no accommodations or allowances for individuals who have made previous financial mistakes. In the eyes of the traditional banking sector, potential borrowers are either safe or risky, responsible or negligent, descriptors which according to interviewed borrowers are overly simplistic, reductionist and exclusionary. In comparison to these critical perceptions of the traditional banking sector, borrowers overwhelmingly articulated positive statements in relation to their membership within microfinance organizations.

Positively describing microfinance in Canada, borrowers discussed how financing aimed at self-employment had provided them with the ability to pursue professions connected to their personal passions.
And it’s just... I’m very passionate. I see what I want to get and I’m working hard to get there. There’s a sense of accomplishment. There’s a sense of pride. There’s a sense of working hard to get to where you want to get. Mary (ACCESS Community Capital Fund)

Oh it’s my life. That’s what I do. Of course I know different things but that’s what I do. That’s what I always will be doing and yeah, it’s my passion... one hundred percent. Beth (Ottawa Community Loan Fund)

During conversations with microfinance borrowers, the sense of pride and passion felt in relation to their self-employment ventures was palpable. During interviews borrowers expressed gratitude towards microfinance organizations for providing them with the financial means necessary in order to foster and/or grow their employment passion and/or dream.  

Interconnected to the above noted positive sentiment, a number of borrowers suggested that self-employment had provided them with a sense of time/work flexibility not possible within more standard types of employment (i.e. employment Monday to Friday with 9am-5pm hours).

One of the reasons is my health issues. Sometimes I don’t feel so good and working for somebody else is difficult to keep my job, right. And working by myself, I can accommodate the service that I can have according to how I feel. Andrea (ACCESS Community Capital Fund)

I’ve kind of done my own thing off and on for years and years because of family. You know you don’t have the flexibility because I have two special needs children that you know... you have to have the flexibility to deal with them when things need to be dealt with and you know I was unwilling to sacrifice going to do a nine to five job where you don’t have the flexibility to deal with emergencies or situations of whatever it is when they come up where as... for me, I’ve had more flexibility to do that and I have made it a priority to do that even at the sacrifice sometimes of a client or two. Kim (ACCESS Community Capital Fund)

Yes. There were lots of reasons. One of them was my kids. They always... all of the salons give you crazy hours which I couldn’t... I couldn’t do that. Everywhere I go they want the staff to stay in evening times and working all weekend you know what I mean? I have a daughter... like I have to pick her up from the daycare, sometimes if she gets sick I have to pick her up from school. With your own business, it’s more flexible. The hours... everything is in your hands, you know. Amanda (ACCESS Community Capital Fund)
Citing the accommodation necessary for both health concerns and family responsibilities, borrowers positively associated self-employment with time flexibility. During interviews it was clear that for many borrowers financing through a microfinance organization had provided them with the means to pursue a passion while also contributing to what they described as better, more effective management of compounding responsibilities within their lives.

**Reiteration and Replication – “Clients,” Microfinance and Notions of the Individual**

Introduced within Chapter Three, notions of the “individual” are prominent within neoliberal rhetoric (Jenson 2008 and 2009; Bakker and Brodie 2008 and 2009; Mulvale 2001; Braedley and Luxton 2010). Under the guise of neoliberalism, everyone is perceived as an individual whose subsequent success or failure is the result of personal decisions and actions. Based on this premise, responses to problems are geared towards the individual therefore concealing the systemic issues and substantially hindering the ability to challenge and change macro and/or societal concerns (Luxton 2010; Jenson 2009). A focus on the “individual” predominated discussions with borrowers. All of the borrowers interviewed for this dissertation stated that they received a loan as an individual borrower as opposed to being a member of a circle lending or peer-lending group.

*I don’t really know anybody else except for the testimonies I see on line. I have recommended them to my friends who I know are starting a business.* Mary (ACCESS Community Capital Fund)

*No, I don’t [in reference to whether they knew other borrowers]. I went to a training session. I met people but I didn’t personally talk to them about the loan through ACCESS. But I know they have many clients including myself.* Jack (ACCESS Community Capital Fund)
Also articulated within these quotes is the idea that because the loans are provided to the “individual”, borrowers are unfamiliar with one another. During interviews borrowers were asked whether they felt supported and connected to their respective organization and/or to other borrowers. In answer to this question, borrowers provided mixed responses with many saying that they felt connected to the organization itself but that they did not have any form of interaction with other borrowers. During the course of interviews, borrowers exhibited a general sense of apathy around whether or not they knew or interacted with other borrowers. In some instances, interviewees seemed surprised or taken off guard by a question surrounding this interaction, therefore showcasing the entrenchment and predominance of conceptions of individuality.

Chapter Five critically discussed the way in which individualized lending strategies hinder the ability to build community among borrowers, a foundational motivation and outcome associated with programs like the Grameen Bank in the global South (Grameen Bank Website, “Credit Lending Models” 2013). Once constructed as an individual borrower, the ability to envision problems as the concerns of the collective is diminished. Concerns and/or problems are those of the individual alone and a sense of commonality in relation to experience is rendered invisible and therefore unworthy of discussion. Insidious in nature, the principles of worthiness, individualism and responsibility are central to the theory and practical expressions of neoliberalism in the Canadian context. Constructed through individualized lending strategies, microfinance borrowers reproduce, in both actions and words, a fundamental principle within neoliberalism - individualism.
Further emphasizing the internalization of conceptions of the “individual”, borrowers spoke about the success or failure of their businesses as being their sole responsibility. When asked to describe a typical day within their self-employment venture, responses varied based on the type of business but what remained common among responses was an expression of individual responsibility felt by borrowers. Entwined within this sentiment of responsibility, borrowers indicated having very little or no help within their businesses, therefore positioning the sustainability of the business as their sole responsibility.

Well, I open, I turn the heat wax and I wait for my customers. I do all the spa services when the customer comes.

Interviewer - [And is it just you at the salon or do you have other staff?]
No, only me. Amanda (ACCESS Community Capital Fund)

Yes. I am, I am ... everything, even the space, I designed it. I make the decisions on everything. But that’s ok. It’s a choice that I made at some point and if I wouldn’t do it then I wouldn’t be a good business owner Beth (Ottawa Community Loan Fund)

Particularly interesting in the second quotation is the way in which this borrower suggests that she has made a “choice” to invest 100% of her time and energy into her self-employment venture therefore making her a good business owner. Perpetuated in the above noted quotations is the notion of individual “choice” ingrained within neoliberal rhetoric and discourse.

The concept of “choice” is in many cases a false presumption suggesting that alternative options exist when in reality these “choices” may be substantially limited or not exist at all (Luxton 2010). Coercive in nature, this theory suggests that “individual agency is reduced to a notion of choice...[where individuals] are inclined to assume that their circumstances are a result of poor choices they have made, rather than that the choices available were problematic or wrong” (Luxton 2010, 180). Strategically utilized,
the concept of “choice” suggests that decisions are made by individuals, and subsequently, the outcomes of such decisions are the responsibility of the individual (Abu-Laban and Gabriel 2008). It is the individualization of responsibility which reigns supreme under neoliberal doctrine therefore promoting the destruction of collectivist strategies aimed at addressing systemic societal problems. Under the guise of neoliberalism, in both ideology and praxis, responsibility is offloaded from the state on to the individual. Masquerading under the false auspice of “choice”, neoliberalism suggests that individuals either succeed or fail based on their own personal decisions, rather than systemic inequalities. Reiterating the findings presented within Chapter Five, microfinance borrowers, much like employees/volunteers, have internalized the neoliberal language of “individualism” and subsequently reinforce this rhetoric within their lived realities. Reiterated in the experiences of borrowers, microfinance has become a vehicle for the entrenchment of neoliberalism within Canadian civil society.

Lived Realities – Stability and Vulnerability?

Juxtaposed to the interview discussion of positive perceptions of microfinance, a number of interviewed borrowers expressed feelings of vulnerability and insecurity in relation to their self-employment venture. From the outset it should be noted that in none of the interviews did borrowers express regret in relation to their involvement within a microfinance organization. Rather, borrowers suggested that their feelings of vulnerability and insecurity were simply an “un-avoidable by-product” of being self-employed. Revealing the complexity of their experiences, microfinance borrowers expressed a full range of emotions during the course of an interview. The wide spectrum of emotions included feelings of positive self-worth and a sense of accomplishment in
addition to feelings of doubt and anxiety. Interconnected to these emotions, multiple interviewees indicated that they work very long hours and in turn are forced to make difficult decisions between home and business responsibilities. Echoed throughout interviews was a continual striving towards finding a better work/life balance.

Expressed both explicitly and implicitly during the course of multiple borrower interviews was the overarching sentiment of precarity. Connected to various factors, multiple borrowers expressed feelings of vulnerability and precariousness in relation to the revenue generation of their self-employment venture.

Well you know it gets better each month. I mean this year is better than last year. Financially it is tough because you know if you don’t have that start-up money to manage your cash flow you’re going month by month with a prayer. It’s hard but I think as you get established and you get customers it gets better. My biggest challenge is just maintaining that steady advertising. That’s hard. Mary (ACCESS Community Capital Fund)

You know... you get stressed out you know at least once a month about the amount of liability that you’re carrying whether it’s in short term payables or long term but you know that’s still the reality and I think that other... even other people... people that I’ve worked for that have been in the industry twenty years you know... I had a conversation with them and they’re still like... you know payroll still stresses me out but you know I remember thinking that you know when we turned two, I was still unsure if we were going to make it to three but you know when we turned three years old at that point I was like I’m pretty sure we’re going to be able to make it to five. Chris (Centre for Entrepreneurship Education and Development)

Central within both of the above noted quotations is a sense of insecurity in relation to cash flow from one month to the next. Certainly not isolated to these quotations, multiple borrowers expressed a similar sentiment of living from one month to the next. Also important to draw attention to within these quotations is the unwavering hope and optimism which interviewees expressed. It was clear during the course of interviews that self-employment brings both rewards and challenges but essential in navigating the
terrain of self-employment was learning to accept a certain level of uncertainty therefore relinquishing a sense of ultimate control.

Eloquently capturing the vulnerability experienced and sacrifices made as a self-employed business owner, one borrower describes her life from one month to the next.

Well I’m finding that my income at this point is vulnerable... like I can see that there is a definite level of vulnerability in the sense that I really have to save my pennies because some months are good and some months are terrible... My son lives with me so sometimes I rely on him for groceries and some months I’m able to contribute you know that sort of thing. So because I’m so precarious still, it’s you know... that’s why I’m looking at how do I conserve and preserve financially. So I think it’s sort of getting better as I do different things... and I find out different ways to make money and different ideas of where to go to just promote myself or what I’m doing. Kim (ACCESS Community Capital Fund)

Tangible within this quotation are the struggles and sacrifices made in an effort to ensure the success of the self-employment venture. Equally as important to identify within this quotation is the borrower’s determination to “preserve and conserve” in an effort to ensure her business and personal survival. Demonstrative of the themes present within other interviews, a significant concern for interviewees was the generation of a sustainable level of income from one month to the next. As expressed in the borrower quotations below, when income generation is simply not enough to make ends meet, personal sacrifices are made.

Well income as an owner you hardly pay yourself. You have to pay certain bills of course. Beth (ACCESS Community Capital Fund)

I sold my house to start it so...[sold home to start current business] I mean there is more stress because it’s new. You don’t always have the budget to do everything. Sometimes I have to sacrifice my personal credit to pay stuff for the business but the upside is ... despite the challenges, I’m very happy that I’m doing this because it’s my passion. Mary (ACCESS Community Capital Fund)
Invested heavily in their respective businesses, both borrowers indicated a willingness to compromise their personal financial security in an effort to ensure the sustainability of their self-employment ventures.

Given the harsh realities of self-employment expressed by multiple interviewees, questions arise regarding whether the positives outweigh the negatives. Is the promotion of self-employment through the acquisition of a microfinance loan a sustainable venture? Should already economically marginalized individuals be encouraged to take a loan for the purposes of self-employment given the popular and scholarly documentation of risks associated with precarious types of employment (Pittis 2014; Vosko 2006; Luxton 2010)? Normative and directed at the foundational underpinnings of microfinance, these critical questions need to be posed in light of the common experiences among microfinance entrepreneurs in relation to vulnerability and precariousness. Foundational to the concept of microfinance is its role as a poverty reduction strategy (Dowla and Barua 2006; Counts 2007; Mayoux 2005; Yunus 2003 and 2007). Given the experiences of Canadian microfinance borrowers, introspective critical questions need to be asked regarding the utility and overall appropriateness of microfinance in the alleviation of poverty. Do the experiences of Canadian borrowers challenge the overarching ethos of microfinance? As evidenced by the borrower quotations included within this chapter, borrower experiences with microfinance are complex and therefore characterizations of programs as either wholly positive or negative are incomplete and reductionist in nature. Further work is necessary in the Canadian context to truly understand the nature and outcomes associated with the “poverty reduction” tool, microfinance.
Questions need to be asked regarding whether the precarity and vulnerability expressed by microfinance borrowers is a result of the inherent risk associated with self-employment at large or whether the expression of these sentiments is connected to the types of self-employment ventures started (i.e. “service sector” businesses). While it is impossible to definitively state, it is likely that the inherent risks associated with self-employment and the particular types of businesses started or expanded by microfinance borrowers are compounding factors upon one another producing what is potentially a very dangerous financial situation for the already economically marginalized. Although expressing concerns regarding income and sustainability from month to month, it should be stated again that none of the interviewed borrowers expressed regret in opening a self-employment venture and in fact had overwhelmingly positive feelings towards the current direction of their lives despite the challenges.

Further showcasing the personal sacrifices made by microfinance borrowers in relation to their self-employment ventures, multiple interviewees discussed working very long hours within their businesses therefore sacrificing time otherwise designated for personal activities. Notable within borrower interviews was a sense of resignation in relation to long hours within their respective businesses. Although not necessarily explicitly articulated within the interviews, a perception of long work days as a “necessity” within self-employment was expressed during multiple interviews.

Basically there are no limits. There is no time limit but I have to discipline myself from now on to leave time for my family as well. So I can say maybe nine or ten hours a day.

Jack (ACCESS Community Capital Fund)
Every day is a long day. It’s something as a business owner there is no way around that... sometimes I put in fifteen hour days... sometimes I come in at seven thirty and I leave at six....that’s actually a good day or sometimes I come in an hour later or leave an hour early depending how my employee’s schedule ... but long days that’s for sure. Beth (Ottawa Community Loan Fund)

It’s your livelihood you know you might have already worked eighteen hours but you still have a deadline for a marketing piece at nine in the morning and it’s like I need to have that done so you don’t make time for other people because if you don’t get that marketing piece out there’s not going to be the awareness you know... this month is not going to have as much revenue as last month and it was already hard enough to pay the bills and then I’ve got to put more stuff on my credit card ... etc., etc., etc... it can be a pretty vicious cycle to be in. Chris (Centre for Entrepreneurship Education and Development)

Captured within the above noted quotations is the commitment of interviewees to doing whatever is necessary in an effort to make their businesses successful, including working days as long as 15 or 18 hours in length. Given these long hours of work, additional questions concerning sustainability need to be asked. Questions need to be asked regarding whether or not it is sustainable for microfinance borrowers to devote so many hours within their businesses. Are these hours of work sustainable in the short and/or long term? What are the impacts of working such long hours on interviewees’ mental, physical and overall health? Although exceeding what is considered a relatively “typical” or “normal” work day, interviewees were reluctant to complain about these hours, simply stating that these hours are an “unavoidable by-product” of running a business.

Entwined within statements regarding long hours of work were interviewees’ concerns around finding a balance between work and their personal life. While some borrowers had begun to find this balance, many others still found it elusive.

And it’s better now. In the beginning... because now we’ve been in business... this is our sixth year so at the beginning I worked seven days a week and you know it was really pretty intense but now I have staff and I’ve learned that you have to take a day off because otherwise it’s not good for one’s mental health. Megan (Ottawa Community Loan Fund)
In terms of personal relationships, it’s been hard to manage as well. I’ve had really close people you know come to me and basically tell me… you are a workaholic. You have to balance your time better. You know and after three or four people really close to you tell you that, you start to realize… I’m the centre of that problem and that’s difficult because it’s not a typical vice like gambling or alcohol but you know when people think that it’s a problem you have to pay attention to that. Chris (Centre for Entrepreneurship Education and Development)

Illustrative of interviewees who, with years of experience, have begun to find balance between their work and personal lives, the above noted quotations indicate the immense influence which long work hours can have on one’s health and personal relationships. While in the words of these borrowers a better sense of balance is being struck, other interviewees indicated that balancing work and family life is a continual struggle.

Particularly interesting in the analysis of borrower interviews were the subtle and/or unexpected common themes identified among interviews. While reviewing interviews it became apparent that in particular, female interviewees found finding a balance between their work and home life elusive. Doubly burdened, multiple female interviewees expressed stress and uneasiness in relation to the balance of business and familial responsibilities.

Yeah, that’s hard. You know when they go to bed [the rest of her family] I am doing my second job. It’s a lot of late nights. It’s a lot of being organized. It’s trying to carve out family time/ work life balance. Yeah, you definitely have to sacrifice. It’s a challenge but I do it. It is a lot of struggling and you’re tired and you know but you just do it. Mary (ACCESS Community Capital Fund)

Well, unfortunately it’s negative because I started my business by myself. My daughter is helping me out. Maybe because I don’t have enough experience to manage all that. I find myself working over the hours… like working after the job because I perform everything. I have to take care of the appointment calendar, answer the emails to the clients and that takes some time. And sometimes I go to bed at 12:30/ 1:00 o’clock in the morning. And the next day, my house is really a shame because I don’t have time to do my stuff at home, right? Andrea (ACCESS Community Capital Fund)
I have to clean my house, take care of my house and cooking at home. I don’t have time for that. I can’t extend my hours even when I would like to because I have to go back home and prepare dinner and do something at home before I am starting to work. I don’t have too much time because really I finish over there around six thirty… I am in my place around seven fifteen … while we eat it’s seven thirty, eight and sometimes I am starting to work at nine until one o’clock. Andrea (ACCESS Community Capital Fund)

In the words of these women, their workload is doubled, bearing responsibility for both the business and maintenance of the household. It should also be noted that statements regarding a dual role were only expressed during the course of interviews with female microfinance borrowers. Corresponding to feminist theories regarding “women’s double day”, interviews suggest that this cycle is perpetuated in the lives of female microfinance borrowers who are burdened with a duality of concerns transcending the boundaries of both the private and public spheres of life (Luxton and Corman 2011). Questioned throughout the final portion of the chapter is the overarching principle of sustainability in relation to microfinance loans directed towards self-employment. Adding a further dimension for consideration is the way in which gender impacts questions of sustainability. Is the duality of work experienced by female microfinance borrowers sustainable in the long or even short term? Although beyond the scope of this dissertation, a long term study of Canadian microfinance borrowers and their self-employment ventures is necessary in an effort to understand questions of sustainability and the intersection of gender into these experiences.

Exploratory in nature, this chapter has reviewed interviews with microfinance borrowers from three organizations within Canada. Although small in sample size, the borrower interviews discussed within this dissertation provide a vital contribution to an understanding of Canadian microfinance from a diversity of perspectives. As previously discussed, interviews with Canadian microfinance borrowers in the scholarly context are
scarce. To date, the majority of information which exists pertaining to microfinance borrowers is organizationally specific and framed in relation to “success stories”. The themes discussed within this chapter provide both context and depth to the already existing literature within the field.

Covering a broad range of emotions and experiences, borrowers expressed feelings of hope and positivity as well as uneasiness and trepidation during the course of the interviews. Present within the vast majority of interviews was a fundamental critique of the traditional banking sector within Canada. Evident through borrower interviews was the perceived need for alternative lending institutions, like microfinance within Canada. Expressed multiple times in a diversity of ways, borrowers described traditional banks as restrictive and as such exclusionary in nature. Interviewed borrowers described a loan through a microfinance organization as their chance at pursuing an otherwise unattainable goal, self-employment. As stated previously, these positive statements regarding microfinance must be understood in the context of the research for this dissertation which did not include interviews with former borrowers, borrowers in default of their loans or unsuccessful microfinance applicants. Irrespective of this fact, the borrower interviews presented within Chapter Six suggest that Canadian microfinance organizations are filling a financing gap created by traditional banks who utilize strict eligibility criteria therefore constructing an artificial binary of “worthy”/“un-worthy” banking borrowers.

Directly connected with the employee/volunteer theme introduced in Chapter Five, microfinance borrowers within this chapter are positioned as active agents in the reiteration of neoliberal principles, particularly ideas surrounding the prominence of the individual. Embedded within the structure of the majority of Canadian microfinance
organizations is an individualized lending system as outlined within Chapter Four. Interrogating the outcome of this structure, interviews with microfinance borrowers suggest that conceptions of individualism and personal responsibility are internalized and subsequently outwardly manifested by a number of borrowers. Positioned as individually responsible, success or failure is derived from each individual’s own effort, therefore negating ideas surrounding uncontrollable capitalist market volatility and/or systemic inequalities requiring collective responses. Reproduced in the actions and perceptions of microfinance borrowers, the concept of individualism, prominent within neoliberalism, raises critical questions regarding the further entrenchment of neoliberalism within the lives of Canadians under the guise of microfinance, a supposedly altruistic and benevolent concept. Findings from interviews with microfinance borrowers provide further supplementation to the academic theory that neoliberalism, in both theory and praxis is firmly situated as the “common sense” ideology of the twenty first century (Braedley and Luxton 2010; Connell 2010; Ready 2013).

The final theme presented within this chapter should be read in juxtaposition to the aforementioned theme regarding borrowers’ positive perceptions of microfinance. Particularly troubling within this final theme are expressions of vulnerability and precariousness in relation to self-employment ventures. Describing feelings of anxiety and insecurity, borrowers spoke candidly about their fears regarding income generation and in turn business sustainability in the short term and long term. Rather than contextualizing these feelings of insecurity as a by-product of a volatile and unpredictable capitalist market system, borrowers internalized and bore responsibility for any and all outcomes associated with their self-employment venture. Raising further questions
regarding sustainability, borrowers discussed extremely long work hours and difficulty in finding a balance between work and life. Describing a gamut of emotions and experiences, interviews with microfinance borrowers confirmed findings presented within employee/volunteer interviews while also raising new questions regarding the outcomes associated with membership in a Canadian microfinance organization. While this dissertation provides important and innovative scholarly insight into the current state of Canadian microfinance, it is clear that more work is necessary to increase the knowledge and awareness surrounding this continually expanding sector.
Chapter Seven

Conclusion: Envisioned Through a New Lens – Microfinance in Canada

“Neo-liberalism is not an unchanging, immutable force... it plays out in different ways in different places for different people. We have seen not only variations of neo-liberal discourses, technologies, and interventions around the world but also, increasingly, the changing repertoire of neo-liberalism over time”

(Clarke 2008, 140 as cited in Dobrowolsky 2009, 2)

Canadian Microfinance and Neoliberalism

The constantly morphing and increasingly penetrative nature of neoliberalism, articulated by Clarke, is a central theme explored throughout this dissertation. In particular, it is the fluidity and “un-named” ubiquitous nature of neoliberalism that positions it as hegemonic and consumptive in both theory and in practice (Ready 2013). Previously undocumented within academic scholarship, this dissertation has stated that Canadian microfinance organizations embody and in turn reproduce the principles of neoliberalism. Although positioned as creating a new dialogue in the context of microfinance in Canada, the embedded nature of neoliberalism within microfinance organizations has long been problematized by scholars investigating these organizations in the context of the global South (Rankin 2001; Bateman 2010; Karnani 2009 and 2011; Lingam 2008; Karim 2011; Selinger 2008; Harper 2011). It is in this vein that this dissertation makes not only a unique scholarly contribution but further contributes to the global discussion of microfinance and its entrenchment in and reproduction of neoliberal ideology.

Underscoring the collusion between neoliberalism and microfinance are the theories presented in Chapter Three by Larner (2009 and 2005), Peck (2010) and Mitchell (2001). Congruent with Larner, it is argued within this thesis, that neoliberalism flows in
a multi-directional trajectory, neither solely residing within nor emanating from a specific geographical context. In the case of microfinance, a neoliberal infused development tool, idea and ideology have been transported from the global South to the global North. According to Larner (2009), neoliberalism is also characterized by “mutation” dependent on geographical location and cultural context. It is Larner’s theory of neoliberalism and its nonlinear movement and contextual mutation which supports the supposition that microfinance in the Canadian context is imbued with and subsequently reproduces the principles of neoliberalism. While it is useful to compare critical literature on neoliberalism and microfinance in the global South, the “mutation” as a result of “travel”, which Larner discusses, warrants and makes necessary a discussion of the particular relationship between Canadian microfinance and the principles of neoliberalism. Largely absent within existing literature, this thesis has focused on presenting an understanding of the complex and evolving relationship between neoliberalism and Canadian microfinance.

Further underpinning this dissertation are the theories by Peck (2010) and Mitchell (2001) presented within Chapter Three. Both Peck and Mitchell present theories relating to non-governmental organizations (NGOs) and their subsequent transformations as a result of neoliberalism. As articulated by Peck, under the process of “roll-back” neoliberalism state services and programs are retracted and in the wake of this withdrawal, NGOs emerge filling in the void (2010). As part of this process, Mitchell believes that NGOs become a “shadow-state” or “para-state apparatus” therefore embodying and complicit in the reproduction of neoliberal ideology and practice (2001). Presented as an abstract theory applicable to multiple types of NGOs, this dissertation has
utilized Mitchell’s (2001) theory to suggest that microfinance organizations within Canada are an example of NGOs becoming neoliberalized “para-state apparatuses”. Peck states that this process of NGOs internalizing neoliberalism is part of a process called “roll-out” neoliberalism (2010). Not only complicit in the reproduction of neoliberal ideology, microfinance organizations are active agents in the processes of “roll-back” and “roll-out” neoliberalism in the Canadian context. It is the utilization and re-prioritization of these foundational theories that allows for an argument to be constructed stating that Canadian microfinance organizations are embedded within and complicit in the reproduction of neoliberalism.

Substantively contributing to the limited literature on microfinance in Canada, the first research objective was to identify, map and discuss the structures and central features of microfinance organizations throughout the country (Social Investment Organization and Riverdale Community Development Corporation 2003; Aliu, Cosentino, and Panasyuk 2009; Spotton Visano 2008; Reynolds and Novak 2011; Maksoud 2008). Moving beyond an analysis of simply structure and function, the second research objective posed introspective questions designed to elicit discussion surrounding the presence of neoliberal ideology within Canadian microfinance organizations. Questioning the foundational underpinnings of this so-called “benign poverty reduction strategy,” stage two of this dissertation provides an original analysis of microfinance in Canada while also being situated within a larger chorus of critical microfinance scholars (Rankin 2001; Bateman 2010; Karnani 2009 and 2011; Lingam 2008; Karim 2011; Selinger 2008; Harper 2011). Designed to produce different yet connected knowledge
outcomes, research objectives one and two align, producing a comprehensive examination of microfinance within Canada.

Central Findings – Research Objective One

Due to the fluidity and ambiguity surrounding the concept of microfinance, the first task within this research was identification of organizations within Canada. Complicated by the lack of an agreed upon understanding of what is or is not considered a microfinance organization, continual flux of the sector and scarcity of sector wide studies, the mapping of microfinance organizations was a challenge within this research and remains an area worthy of future scholarly discussion. Articulated within Chapter Four, monolithic or singular descriptions and/or classifications of Canadian microfinance are misleading and therefore untrue to the current dynamics present within the sector. Canadian microfinance organizations embody a diversity of structures and functions and therefore yield a variety of outcomes. This conclusion is drawn not only from the findings of this dissertation but from previous knowledge and work within the field from 2007 onwards (Clow 2009).

Within this thesis, surveyed organizations were broken into three distinct, yet connected groupings - Classic Microfinance, Training/Upgrading Loans and Developmental Lending. This choice was made in an effort to reflect the overall

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49It is important to re-iterate that organizations classified under the category of Developmental Lending are not considered microfinance organizations and therefore statements regarding overall trends within the microfinance sector in Canada do not include these organizations. Organizations classified under the heading Developmental Lending are all located within the Northwest Territories and Nunavut and provide large loans ($100 000 or greater) to individuals within these geographic areas. Organizations within the category of Developmental Lending have been included within this dissertation in an effort to showcase the variegation among alternative financial lending programs throughout Canada.
diversity among organizations while also grouping similar programs together for the purposes of analysis and comparison. This finding of variegation and diversification among organizations represents a significant scholarly contribution. Previously undocumented were descriptions of microfinance organizations personifying multiple forms and being positioned along a continuum of typology (i.e. Classic Microfinance and Training/Upgrading Loans). This new conceptualization of Canadian organizations as embodying a plurality of structures and functions adds both nuance and complexity to existing literature. The field of Canadian microfinance is in a state of continual fluctuation, experiencing growth (i.e. the development of organizations classified as Training/Upgrading Loans from the 2000s onward) as well as decline (i.e. the closure of three microfinance organizations since the time of previous sector studies in 2003 and 2009). It is amid this reality of ambiguity that this dissertation has been conceptualized and written.

Following the identification of organizations within Canada, the focus of research objective one shifted to an analysis of the central features, structures and outcomes associated with these organizations. A full account of the survey results is included within Chapter Four. As a general trend, organizations classified as Classic Microfinance are small in size and scope. Organizations within this grouping had a small number of active borrowers (average 96) and the number of unpaid volunteers outnumbered paid staff by an average ratio of approximately 4:1. Research for this dissertation has revealed that the field of quasi “classic” Canadian microfinance remains in the early stages of development and therefore continues to be limited in relation to its scope and reach.
A further important finding emerging from this research is in relation to the borrowers of organizations classified under the heading of *Classic Microfinance*. Prior to this dissertation, information pertaining to Canadian borrower demographics was scarce within academic scholarship (Aliu, Cosentino and Panasyuk 2009; Spotton Visano 2008; Social Investment Organization and Riverdale Community Development Corporation 2003). According to the survey findings, more than half of the organizations classified as *Classic Microfinance* target their microfinance loans to specific population groups (63%). Garnering the most affirmative responses, more than half of the organizations indicated that they target low-income persons as loan recipients. This finding is not surprising and aligns directly with the documented mandate of microfinance as a poverty reduction tool for low-income persons as outlined in Chapters One and Two.

Also discussed in relation to this grouping of Canadian microfinance organizations are the population groups largely ignored in terms of strategic loan targeting. Survey results have revealed that only a small minority of organizations classified as *Classic Microfinance* explicitly target women as microfinance loan recipients (16%). Based on this finding, a stark divergence between the overwhelmingly female focused mandate of microfinance organizations in the global South and the predominantly gender-neutral mandate of microfinance in Canada is illustrated. Based on this finding, a new dialogue has been opened raising questions surrounding the rationale behind this stark divergence and the implications resulting from this shift in focus. Within the latter half of this dissertation, critical questions and explanatory theories are discussed concerning the relative absence of Canadian microfinance programs explicitly targeting women as loan recipients (See Chapter Five and Six). Further details connecting this
survey finding to the theoretical and practical expression of neoliberalism in Canadian microfinance organizations are provided below.

Research for this dissertation has identified a new sub-set of Canadian microfinance organizations that provide skills upgrading/training loans to immigrants (Training/Upgrading Loans). Smaller in size than the category of Classic Microfinance, this dissertation identified only 11 organizations within Canada fitting into the typology of loan provision to immigrants for the purposes of skills upgrading/training. Although currently limited in number, data suggests that organizations with an explicit mandate of providing micro-loans to immigrant populations in Canada are a trend to watch in the future. In less than 10 years (2005-2013) the growth of organizations within the category of Training/Upgrading Loans outpaced the growth and/or expansion of organizations within both the categories of Classic Microfinance and Developmental Lending.

Introduced within Chapter Three, the strategic targeting of programs and services towards individuals deemed “valuable” and/or providing “economic utility” (i.e. immigrants) aligns directly with the theories of roll-back and roll-out neoliberalism. It is this new trend in relation to the structure and borrowers of Canadian microfinance organizations that is analyzed in Chapter Five and discussed in further detail in subsequent paragraphs.

Also explored within this dissertation are alternative financial lending institutions within the Northwest Territories and Nunavut classified as Developmental Lending organizations. Articulated in Chapter Four, organizations within this category are not considered microfinance organizations given the high numerical value of loans provided to borrowers (i.e. loan values greater than $100 000). Organizations classified under the category Developmental Lending were included within this dissertation in an effort to
portray a complete picture of alternative financial lending throughout all parts of Canada, not as an example of microfinance programs in Canada’s North. Research has indicated that only one organization, Dana Naye Ventures situated in the Yukon, can be classified as a “traditional” microfinance program. Diverging from the previously discussed categories, organizations under the classification of Developmental Lending have been in existence for a longer period of time, on average, for three decades.

Also notable among these organizations are the types of businesses started or expanded as a result of a loan. While a number of organizations indicated that borrowers used loans to start or expand service sector businesses (i.e. painter, cleaner, hairstylist and/or masseuse), a significant number of organizations indicated that borrowers used loans towards the start-up or expansion of construction or tourism related businesses. During interviews, questions were asked regarding this divergent trend in terms of loan use and employees indicated that these particular business venture choices were more than likely a by-product of the geographical location of the organizations and in turn current business trends within Canada’s North. The on-line survey conducted as part of the research for this dissertation yielded previously unknown information about the sector, therefore positioning it as a substantial contribution to the field.

Central Findings – Research Objective Two

Research objective two, articulates for the first time in Canadian scholarship, the connections between neoliberalism and Canadian microfinance. Interview material provided by microfinance employees, volunteers and borrowers in conjunction with survey data is utilized to construct an argument illustrating the embedded nature and complicity of Canadian microfinance in the reproduction of neoliberal principles and
ideology (See Chapters Four, Five and Six). During the course of interviews, interviewees articulated variegated expressions of individualism (See Chapters Five and Six). Although expressed under a variety of different contexts, it is clear that microfinance employees/volunteers perpetuate conceptualizations of individualism while borrowers internalize this notion.

According to the doctrine of neoliberalism, the abstract, disassociated individual reigns supreme therefore removing the need for consideration of issues and/or problems from a collectivist perspective (Bakker and Brodie 2008 and 2009). Under the guise of this neoliberal inspired doctrine, problems and/or concerns are individualized therefore denying systemic issues within society and further, removing the possibility of a collectivist response (Luxton 2010; Jenson 2009). It is these conceptualizations of neoliberal infused individualism that were expressed during the course of interviews. Entrenched within the principles of neoliberalism from an organizational structure perspective, interview data has suggested that microfinance employees, volunteers and borrowers perpetuate and reproduce these ideals.

Further exemplifying the neoliberalism imbued within these organizations is the way in which the theories of “roll-back” and “roll-out” neoliberalism directly map on to Canadian microfinance (Peck and Tickell 2003; Peck 2010). Discussed in detail within Chapters Three, Five and Six, roll-back neoliberalism is focused on the destruction of social services in addition to the deprioritization of certain persons (i.e. women) while

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50 The ingrained nature of individualism within Canadian microfinance organizations was not only expressed in the spoken words of employees, volunteers and borrowers but also in the structural design of organizations. As discussed within Chapters Four, Five and Six the majority of organizations within Canada employ an individual lending model as opposed to a circle or peer-lending program.
roll-out neoliberalism invests money in programs targeted at certain persons (i.e. racialized persons, particularly immigrants) (Peck and Tickell 2003; Peck, Theodore and Brenner 2012; Peck and Tickell 2002). It is these trends of invisibilization and strategic targeting which are evident in the structure and design of Canadian microfinance organizations therefore illustrating the omnipotent presence of neoliberalism within these organizations.

Particularly compelling in the research for this dissertation is the sheer lack of Canadian microfinance organizations with an explicit focus on women as borrowers. As articulated within Chapter Two, a focus on women as borrowers is a deliberate and central feature of many microfinance organizations within the global South and as such, this difference in mandate between geographical contexts is striking (Maes and Reed 2012; Yunus 2011; Rahman 1999). Within this thesis, the lack of women focused Canadian microfinance programs is connected to and explained through the theory of roll-back neoliberalism. As asserted under the doctrine of roll-back neoliberalism, women are no longer perceived as the “worthy” recipients of social welfare services and/or programs. Women are no longer seen as over represented amongst the poor despite the statistics that state otherwise (Dobrowolsky 2009; Jenson, 2008 and 2009; Bakker and Brodie 2007; Brodie 2008). Based on this belief, women are no longer positioned as the “worthy” recipients of financial support therefore perpetuating the “common sense” notion that gender equality has been achieved. Under the guise of neoliberalism experiences of poverty are blamed on the individual rather than an inequitable system.

Showcasing an entrenchment within roll-back neoliberalism, research for this dissertation has suggested that in the majority of cases, Canadian microfinance programs
envision borrowers as undifferentiated, de-gendered individuals therefore removing the “need” to target programs towards female borrowers. Adding depth to an already existing theoretical perspective, this dissertation showcases the way in which roll-back neoliberalism and its drive towards the dismantling and delegitimizing of gendered state structures and social policy frameworks also pervades into the basic organizational structure of Canadian microfinance organizations.

Occurring simultaneously to roll-back neoliberalism, this dissertation has suggested that Canadian microfinance organizations also embody the principles and lived expressions of roll-out neoliberalism. Emerging during the course of this research is a trend in relation to the growth of a new type of Canadian microfinance organization designed to explicitly target and provide services to Canadian immigrants (see Chapter Four - *Training/Upgrading Loans* category). While not denying the need for services targeted toward immigrant populations, it is asserted that this trend aligns directly and positions Canadian microfinance organizations as complicit in the process of roll-out neoliberalism. As articulated within Chapter Five, microfinance programs envision immigrant borrowers as “worthy” beneficiaries of support who in turn will yield economic utility in the future (Bauder 2008; Roberts and Mahtani 2010; Abu-Laban and Gabriel 2008). Based on this perceived “utility,” government funds are provided to start and/or expand services, like microfinance programs, targeted towards immigrant borrowers.

In this thesis, the growth of organizations explicitly providing services to immigrants (i.e. the *Training/Upgrading Loans* category) is positioned as a direct by-product of the process of roll-out neoliberalism. During the course of interviews with
microfinance employees a loan to an immigrant was described as providing future benefits for both the individual borrower as well as Canadian society as a whole. Based upon this assumption of “utility” and “benefit,” microfinance loans to immigrants are positioned as valuable and therefore “worthy” of support. Microfinance organizations classified in this dissertation under the category of Training/Upgrading Loans sustain and perpetuate notions of the “worthy” and “un-worthy” individual and therefore are complicit in the production and reproduction of roll-out neoliberalism.

It is important to re-iterate that these programs, targeting loans to immigrants, do not eliminate or substantively impact the racism present in Canadian society. Instead, they prioritize and provide services to the most “profitable” or “utility maximizing” racialized bodies (i.e. immigrants) therefore further invisibilizing the majority of racialized citizens’ and non-citizens’ experiences of discrimination and poverty. These programs perpetuate the belief that only immigrants experience obstacles to success and therefore are “worthy” of support. All other racialized persons are therefore “un-worthy” of support and treated as individually responsible for their experiences of social and economic inequality. Pervasive in nature, the principles of roll-back and roll-out neoliberalism are evident in Canadian microfinance organizations (see Chapters Five and Six for a full description). It is this extension of the theories of roll-back and roll-out neoliberalism to the realm of Canadian civil society (i.e. microfinance organizations) which provides an innovative theoretical contribution to the field.

**Future Contributions to Research**

Within various parts of this dissertation, the need for future research on microfinance in Canada has been articulated. In particular, an independent, longitudinal
study of microfinance in Canada is necessary. It is important that future research in the field be conducted independently of microfinance organizations in an effort to avoid the potential of organizational bias discussed within Chapters Five and Six. Although no research is completely objective in nature, a degree of objectivity should always be sought and as such it is integral that researchers remain as independent as possible from studied organizations. Further, future research needs to consider microfinance organizations not only in the short term but also over the long term. It is through this longitudinal study that new questions and ideas will emerge regarding the state of microfinance in Canada. Areas identified within this dissertation in need of further study include but are not limited to organizational structure (i.e. circle vs. individualized lending programs), associated program outcomes (i.e. businesses started or expanded and revenue generation over the short and long term) and borrower demographics (i.e. strategic targeting of certain demographic groups and/or the de-prioritization of certain demographic groups).

Current literature on microfinance in Canada tends to focus on organizations in the short term. These studies produce “snap-shot” glances of Canadian microfinance and therefore fail to present a truly comprehensive understanding of the field. While not completely undermining the utility of this literature, future scholarship needs to examine Canadian microfinance programs over a longer period of time (i.e. a 5-10 year period). A longitudinal study of this nature would accomplish a multitude of interconnected objectives, including the ones outlined below. As previously discussed, the field of microfinance is in a continual state of flux with new organizations emerging and others closing their doors on a regular basis. Lacking within current literature is an
understanding around why certain organizations thrive and expand while others decrease operations and ultimately cease to exist. Through a longitudinal study, this information could be obtained. A study of this nature would also be beneficial in outlining macro sector wide trends in relation to the “types” of microfinance organizations being opened within the Canadian context. As discussed within Chapter Four, from the mid 2000s onwards there is a trend in relation to the creation and growth of microfinance organizations providing skills upgrading loans to Canadian immigrants. This is a significant finding but given the time parameters of this dissertation it is unknown whether or not these organizations will continue to thrive and be reproduced in the future. A longitudinal study of approximately 5-10 years in length would showcase the trends and fluctuations within the sector, therefore providing a more detailed understanding of microfinance in Canada.

As articulated within this thesis, current information on microfinance borrowers is scarce and most often positioned as organizational success stories. Future research on this topic needs to examine more closely and introspectively the Canadian “microfinance client”. In an effort to produce independent academic scholarship, future research should be conducted independent of microfinance organizations. As articulated within Chapter Six, gaining access to microfinance borrowers has been a challenge throughout this dissertation. In the majority of cases, microfinance organizations acted as gatekeepers deciding upon the number and which particular borrowers were “acceptable” to interview. As such, no borrowers in default of their loans, no former borrowers and no unsuccessful applicants were interviewed. This was and remains a limitation of this research, although efforts were made to counteract this limitation throughout the research
process (see Chapter Six). In an effort to obtain authentic and unconstrained borrower perceptions of Canadian microfinance programs, future scholarship should, as much as possible, be independent of organizational influence or control.

Characterized as largely “snap-shot” orientated literature, very little is known about the outcomes resulting from membership within a Canadian microfinance organization. Already documented in the context of microfinance programs and borrowers in the global South, a longitudinal study of microfinance borrowers in Canada is currently absent (Bateman and Chang 2012; Morduch 1998 and 2000). Future research in the field should carefully examine microfinance borrowers and by studying microfinance borrowers over a 5-10 year period, new information can be obtained relating to the sustainability of microfinance started or expanded self-employment ventures. Currently little is known about the success or failure rates of businesses started or expanded through a microfinance loan. Aiding in the construction of this dialogue, a prolonged study of microfinance borrowers is necessary in order to contextualize already existing literature.

As a result of only short-term engagement with borrowers, little is known about sustained outcomes associated with membership within a microfinance organization. A long-term study of microfinance borrowers provides an opportunity to pose and obtain answers to the questions outlined below. Over the long term, does a borrower’s financial situation change for either the better or worse? Are there visible signs of this change? Have borrowers needed to seek out further financial assistance in an effort to sustain their self-employment venture? Is business sustainability a concern? Looking back retrospectively, would the pursuit of a microfinance loan still appear as both a viable and
appealing option? Also important to examine is the mental and physical health of borrowers. Over the long term have borrowers found a balance between work and personal life? What are the impacts of self-employment on borrowers’ mental and physical health? Only through a borrower focused, longitudinal study can these questions be answered. Given the growth and increasing maturation of the sector it is important that future research begins to only consider not only short-term outcomes but also the long-term implications resulting from membership in a Canadian microfinance organization.

This dissertation has provided a substantial contribution to existing data and overarching knowledge on microfinance in Canada. Research for this thesis has contributed to both an improved structural as well as theoretical understanding of these Canadian organizations. While significant in its production of knowledge, there remains a great deal more to understand regarding Canadian microfinance and in particular the interaction between these organizations and the theoretical underpinnings and practical manifestations of neoliberalism. Within this dissertation the connections between Canadian microfinance and neoliberalism are explicitly named and therefore made visible. Cognizant of the power derived through the process of naming, this thesis works to challenge and therefore unsettle the hegemonic discourse surrounding neoliberalism within Canada. Positioned as a complex and evolving project, neoliberalism and its ubiquitous nature within Canadian society, must be challenged and it is in this vein of disruption and de-legitimization that this dissertation has been written.
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Appendix A: Queen’s University’s General Research and Ethics Board Approval Letter

June 06, 2012

Ms. Iris Clow
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GREB Ref #: GPLST-082-12; Romeo # 6607647
Title: “GPLST-082-12 Microcredit in Ontario - What Do Gender and Race Have To Do With It?”

Dear Ms. Clow:

The General Research Ethics Board (GREB), by means of a delegated board review, has cleared your proposal entitled “GPLST-082-12 Microcredit in Ontario - What Do Gender and Race Have To Do With It?” for ethical compliance with the Tri-Council Guidelines (TCPS) and Queen’s ethics policies. In accordance with the Tri-Council Guidelines (article D.1.6) and Senate Terms of Reference (article G), your project has been cleared for one year. At the end of each year, the GREB will ask if your project has been completed and if not, what changes have occurred or will occur in the next year.

You are reminded of your obligation to advise the GREB, with a copy to your unit REB, of any adverse event(s) that occur during this one year period (access this form at https://services.queens.ca/romeo_researcher/ and click Events - GREB Adverse Event Report). An adverse event includes, but is not limited to, a complaint, a change or unanticipated event that alters the level of risk for the researcher or participants or situation that requires a substantial change in approach to a participant(s). You are also advised that all adverse events must be reported to the GREB within 48 hours.

You are also reminded that all changes that might affect human participants must be cleared by the GREB. For example you must report changes to the level of risk, applicant characteristics, and implementations of new procedures. To make an amendment, access the application at https://services.queens.ca/romeo_researcher/ and click Events - GREB Amendment to Approved Study Form. These changes will automatically be sent to the Ethics Coordinator, Gill Irving, at the Office of Research Services or irvingg@queensu.ca for further review and clearance by the GREB or GREB Chair.

On behalf of the General Research Ethics Board, I wish you continued success in your research.

Yours sincerely,

Joan Stevenson, Ph.D.
Professor and Chair
General Research Ethics Board

cc: Dr. Margaret Little, Faculty Supervisor
Dr. Andrew Lister, Chair, Unit REB
Dianne Flint, Dept. Admin.
Appendix B: Letter of Information and Consent Form for Employee On-line Survey

Department of Political Science
Mackintosh Corry Hall
Queen’s University
Kingston ON
K7L 3N6

Letter of Information for Employee On-line Survey

This research study is being conducted by Erin Clow, a PhD student working with Dr. Margaret Little as her supervisor in the department of Political Science at Queen’s University in Kingston, Ontario, Canada.

During this study, you will be asked questions regarding your involvement in a Canadian microfinance organization. You will be asked to fill in this survey asking for items such as position within the organization, borrower repayment rates and the lending model employed within your organization. It will take you about **5-10 minutes** to complete. Once you begin the survey you will not be able to save your answers and re-start at another time. You must complete the survey in one sitting. You will only be permitted to take the survey once.

There are no known risks associated with your participation in this study. Participation is completely voluntary. You are free to withdraw at any time for whatever reason without penalty by just exiting the survey before the end. You are not obliged to answer any questions that you find objectionable. You will not be identified in any way if the results are published and nothing will connect you to your responses. Data collected from the survey will be used in an aggregate (as a whole) form and therefore responses will not be directly connected to a specific individual. All data will be stored in a secure computer file accessible only to the researcher until published, at which point the files will be erased from the computer.

Any questions about study participation may be directed to the Erin Clow at 613 766 3031 or erin.clow@queensu.ca or Dr. Margaret Little at 613 533 6000 x74930 or mjhl@queensu.ca. Any ethical concerns about the study may be directed to the Chair of the General Research Ethics Board at chair.GREB@queensu.ca or 613-533-6081. *This study has been granted clearance according to the recommended principles of Canadian ethics guidelines, and Queen's policies.*

Thank you again for your participation,

Erin Clow - Graduate Student  
Margaret Little - Faculty Supervisor

**If you consent to this survey please click “CONTINUE”**
Appendix C: Letter of Information for Employee Interviews

**Department of Political Science**
Mackintosh Corry Hall
Queen’s University
Kingston ON
K7L 3N6

**Letter of Information for Employee Interviews**

This PhD research is being conducted by Erin Clow, under the supervision of Dr. Margaret Little, in the Department of Political Science at Queen’s University in Kingston, Ontario.

**What is this study about?** The purpose of this research is to gather information on the structure and function of microcredit organizations throughout Canada. The study will require one interview which will last approximately thirty to forty minutes in length. There are no known physical, psychological, economic, or social risks associated with this study.

**What are the benefits of this research?** The benefits of this project are twofold. For individual borrowers, the benefits come from the hope that case study organizations may consider including some of the recommendations presented in this research. Through these recommendations it is anticipated that the organizations will be able to provide effective services to borrowers of the organization. A second anticipated benefit of this research is that the case study organizations will benefit directly through access to information on other like-minded organizations within Canada.

**Is my participation voluntary?** Your participation in this study is voluntary. You can choose to be part of this study or not to participate. If you decide to be part of the study, you can decide to withdraw at any time, even after signing the consent form or part-way through the interview. In cases of withdrawal, any data and contact information you have provided will be destroyed unless you indicate otherwise. If you do not want to answer some of the questions you do not have to but we can still continue on with the interview and your answers to other questions can still be included in the study.

**What will happen to my responses?** You have choice in terms of whether or not you wish to have your identity disclosed within this dissertation. If you do not want your name directly associated with a quote I will simply refer to you as an employee at a specific microcredit organization. Due to the number of employees within your specific organization I cannot guarantee that your identity will be fully concealed in this dissertation. The information you provide will be kept in a locked cabinet where only I will have access. Information kept on a computer will be protected by a password. Once the study has been completed, the data will be destroyed.
How do I find out what was learned in this study? I expect to have this study completed by August, 2014. An executive summary of this study will be sent to you.

What if I have concerns? Any questions about study participation may be directed to Erin Clow at 613 766 3031 or erin.clow@queensu.ca or Dr. Margaret Little at 613 533 6000 x74930 or mjhl@queensu.ca. Any ethical concerns about the study may be directed to the Chair of the General Research Ethics Board at chair.GREB@queensu.ca or 613-533-6081.

This study has been granted clearance according to the recommended principles of Canadian ethics guidelines, and Queen's policies.

Again, thank you. Your interest in participating in this research study is greatly appreciated.
Appendix D: Consent Form for Employee Interviews

Department of Political Science
Mackintosh Corry Hall
Queen’s University
Kingston ON
K7L 3N6

Consent Form for Employee Interviews

Name (please print clearly):

Contact Information (Phone and E-mail Address):

I have read the letter of information which explains the purpose of this research. I understand that I will be providing information for a PhD dissertation on microfinancing in Canada. I understand that the purpose of this interview is to gather information on the function and structure of [name of microcredit organization].

I understand that my participation in this study is voluntary and I may withdraw at any time. Due to the number of employees within the [name of microcredit organization] I understand that it cannot be guaranteed that my identity will be fully concealed in this dissertation. I also understand that as an employee at the [name of microcredit organization] I have a choice in terms of whether or not I wish to have my identity disclosed within this dissertation.
If I do not want my name directly associated with a quote in this dissertation, I will simply refer to you as an employee at a specific microcredit organization (please see below).

Please check one of the following:

☐ You may directly associate my name and position within the [name of microcredit organization] to quotes within this dissertation. DO NOT conceal my identity in this dissertation.

☐ You may not directly associate my name and position within the [name of microcredit organization] to quotes within this dissertation. (If you check this box in this dissertation you will be referred to as an employee at a specific microcredit organization).

Only Erin Clow, Margaret Little (supervisor) and a research assistant will have access to interview transcripts. The material collected from this interview may also be published in professional journals or presented at conferences, but any such presentations will be of general findings and will never breach the level of confidentiality agreed to within this consent form.
I am aware that if I have any questions, concerns, or complaints, I may contact Erin Clow erin.clow@queensu.ca; project supervisor, Dr. Margaret Little (613) 533-6000 x 74930; mjhl@queensu.ca; Head of the Department of Political Science Colin Farrelly (613) 533-6243, or the Chair of the General Research Ethics Board (533-6081) at Queen’s University.

You will be asked to sign two copies of this consent form, one which I will leave with you and one which I will keep for my own records.

I have read the above statements and freely consent to participate in this research:

Signature: 
Date:
Appendix E: Letter of Information for Volunteer Interviews

Department of Political Science  
Mackintosh Corry Hall  
Queen’s University  
Kingston ON  
K7L 3N6

Letter of Information for Volunteer Interviews

This PhD research is being conducted by Erin Clow, under the supervision of Dr. Margaret Little, in the Department of Political Science at Queen’s University in Kingston, Ontario.

What is this study about? The purpose of this research is to gather information on the structure and function of microcredit organizations throughout Canada. The study will require one interview which will last approximately thirty to forty minutes in length. There are no known physical, psychological, economic, or social risks associated with this study.

What are the benefits of this research? The benefits of this project are twofold. For individual borrowers, the benefits come from the hope that case study organizations may consider including some of the recommendations presented in this research. Through these recommendations it is anticipated that the organizations will be able to provide effective services to borrowers of the organization. A second anticipated benefit of this research is that the case study organizations will benefit directly through access to information on other like-minded organizations within Canada.

Is my participation voluntary? Your participation in this study is voluntary. You can choose to be part of this study or not to participate. If you decide to be part of the study, you can decide to withdraw at any time, even after signing the consent form or part-way through the interview. In cases of withdrawal, any data and contact information you have provided will be destroyed unless you indicate otherwise. If you do not want to answer some of the questions you do not have to but we can still continue on with the interview and your answers to other questions can still be included in the study.

What will happen to my responses? You have choice in terms of whether or not you wish to have your identity disclosed within this dissertation. If you do not want your name directly associated with a quote I will simply refer to you as a volunteer at a specific microcredit organization. Due to the number of volunteers within your specific organization I cannot guarantee that your identity will be fully concealed in this dissertation. The information you provide will be kept in a locked cabinet where only I will have access. Information kept on a computer will be protected by a password. Once the study has been completed, the data will be destroyed.
How do I find out what was learned in this study? I expect to have this study completed by August, 2014. An executive summary of this study will be sent to the organization where you volunteer.

What if I have concerns? Any questions about study participation may be directed to Erin Clow at 613 766 3031 or erin.clow@queensu.ca or Dr. Margaret Little at 613 533 6000 x74930 or mjhl@queensu.ca. Any ethical concerns about the study may be directed to the Chair of the General Research Ethics Board at chair.GREB@queensu.ca or 613-533-6081.

This study has been granted clearance according to the recommended principles of Canadian ethics guidelines, and Queen's policies.

Again, thank you. Your interest in participating in this research study is greatly appreciated.
Appendix F: Consent Form for Volunteer Interviews

Department of Political Science
Mackintosh Corry Hall
Queen’s University
Kingston ON
K7L 3N6

Consent Form for Volunteer Interviews

Name (please print clearly):

Contact Information (Phone and E-mail Address):

I have read the letter of information which explains the purpose of this research. I understand that I will be providing information for a PhD dissertation on microfinancing in Canada. I understand that the purpose of this interview is to gather information on the function and structure of [name of microcredit organization].

I understand that my participation in this study is voluntary and I may withdraw at any time. Due to the number of employees/volunteers within the [name of microcredit organization] I understand that it cannot be guaranteed that my identity will be fully concealed in this dissertation. I also understand that as an employee/volunteer at the [name of microcredit organization] I have a choice in terms of whether or not I wish to have my identity disclosed within this dissertation.

If I do not want my name directly associated with a quote in this dissertation, I will simply refer to you as a volunteer at a specific microcredit organization (please see below).

Please check one of the following:

☐ You may directly associate my name and position within the [name of microcredit organization] to quotes within this dissertation. DO NOT conceal my identity in this dissertation.

☐ You may not directly associate my name and position within the [name of microcredit organization] to quotes within this dissertation. (If you check this box in this dissertation you will be referred to as an employee or volunteer at a specific microcredit organization).

Only Erin Clow, Margaret Little (supervisor) and a research assistant will have access to interview transcripts. The material collected from this interview may also be published in professional journals or presented at conferences, but any such presentations will be of general findings and will never breach the level of confidentiality agreed to within this consent form.
I am aware that if I have any questions, concerns, or complaints, I may contact Erin Clow erin.clow@queensu.ca; project supervisor, Dr. Margaret Little (613) 533-6000 x 74930; mjhl@queensu.ca; Head of the Department of Political Science Colin Farrelly (613) 533-6243, or the Chair of the General Research Ethics Board (533-6081) at Queen’s University.

You will be asked to sign two copies of this consent form, one which I will leave with you and one which I will keep for my own records.

I have read the above statements and freely consent to participate in this research:

Signature:
Date:
Appendix G: Letter of Information for Borrower Interviews

Department of Political Science
Mackintosh Corry Hall
Queen’s University
Kingston ON
K7L 3N6

Letter of Information for Borrower Interviews

This PhD research is being conducted by Erin Clow, under the supervision of Dr. Margaret Little, in the Department of Political Science at Queen’s University in Kingston, Ontario.

What is this study about? The purpose of this research is to gather information on the structure and function of Canadian microcredit organizations. The study will require one interview which will last approximately forty minutes in length. There are no known physical, psychological, economic, or social risks associated with this study.

What are the benefits of this research? The benefits of this project are twofold. For individual borrowers, the benefits come from the hope that microcredit organizations may consider including some of the recommendations presented in this research. Through these recommendations it is anticipated that the organizations will be able to provide effective services to borrowers of the organization. A second anticipated benefit of this research is that the organizations will benefit directly through access to information on other like-minded organizations within Ontario.

Is my participation voluntary? Your participation in this study is voluntary. You can choose to be part of this study or not to participate. If you decide to be part of the study, you can decide to withdraw at any time, even after signing the consent form or part-way through the interview. In cases of withdrawal, any data and contact information you have provided will be destroyed unless you indicate otherwise. If you do not want to answer some of the questions you do not have to but we can still continue on with the interview and your answers to other questions can still be included in the study. Your decision on whether or not to be part of the study will not affect your involvement or access to the services of [name of microcredit organization]. Information on which borrowers participated in interviews as part of this research will not be revealed to [name of microcredit organization].

What will happen to my responses? Every effort will be made to protect your confidentiality and privacy. I will not use your name or any information that would allow you to be identified. In this research interview, participants will simply be referred to as a borrower of a particular organization. Distinguishing characteristics will be altered to conceal participants’ identities (i.e. specific names of businesses will not be given but rather generic descriptors like food service business, hospitality business etc.). No one but myself, Margaret Little (supervisor) and a research assistant, who has signed a
confidentiality agreement, will know your identity. The information you provide will be kept in a locked cabinet where only I will have access. Information kept on a computer will be protected by a password. Once the study has been completed, the data will be destroyed.

**How do I find out what was learned in this study?** I expect to have this study completed by August, 2014. An executive summary of this study will be sent to [name of microcredit organization].

**What if I have concerns?** Any questions about study participation may be directed to Erin Clow at 613 766 3031 or erin.clow@queensu.ca or Dr. Margaret Little at 613 533 6000 x74930 or mjhl@queensu.ca. Any ethical concerns about the study may be directed to the Chair of the General Research Ethics Board at chair.GREB@queensu.ca or 613-533-6081.

*This study has been granted clearance according to the recommended principles of Canadian ethics guidelines, and Queen's policies.*

Again, thank you. Your interest in participating in this research study is greatly appreciated.
Appendix H: Consent Form for Borrower Interviews

Department of Political Science
Mackintosh Corry Hall
Queen’s University
Kingston ON
K7L 3N6

Consent Form for Borrower Interviews

Name (please print clearly):
_____________________________________________________

Contact Information (Phone and E-mail Address):
____________________________________

I have read the letter of information which explains the purpose of this research. I understand that I will be providing information for a PhD dissertation on microfinancing in Canada. I understand that the purpose of this interview is to gather information on the function and structure of [name of microcredit organization].

I understand that my participation in this study is voluntary and I may withdraw at any time.
I understand that every effort will be made to maintain the confidentiality of the data now and in the future. Only Erin Clow, Margaret Little (supervisor) and a research assistant will have access to interview transcripts. The material collected from this interview may also be published in professional journals or presented at conferences, but any such presentations will be of general findings and will never breach individual confidentiality.

I am aware that if I have any questions, concerns, or complaints, I may contact Erin Clow erin.clow@queensu.ca; project supervisor, Dr. Margaret Little (613) 533-6000 x 74930; mjhl@queensu.ca; Head of the Department of Political Science Colin Farrelly (613) 533-6243, or the Chair of the General Research Ethics Board (533-6081) at Queen’s University.

At the end of the interview I will return to this portion of the consent form and ask you if there is any information which you provided during the interview which you would like altered to conceal identity or taken out completely.

_____________________________________________________________________
_____________________________________________________________________
_____________________________________________________________________
______________________________________________________________

I have read the above statements and freely consent to participate in this research:

Signature: _____________________________________
Date: _______________________

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Appendix I: Organization List from 2003 Social Investment Organization and Riverdale Community Development Corporation

Community Investment Funds – Included within the 2003 Social Investment Organization and Riverdale Community Development Corporation study entitled - A National Study of Community Investment in Canada

ACCESS Riverdale Community Loan Fund
ACEM – Montreal Community Loan Fund
Black Business Community Investment Fund
Metro Credit Union’s Community Micro Loan Fund
CAIC Alternative Investment Co-operatives
Ottawa Community Loan Fund
Ford City Microloan Fund – planning phase
Coast Capital Savings’ Rising Tide
Circle of Habondia Lending Society
Saint John Community Loan Fund
Community First Development Fund of Saskatoon, Inc.
Social Capital Partners
The Jubilee Fund
Van City Credit Union’s Self Reliance Loans, Peer Lending, ABLED
Van City Credit Union’s Deposit Funds
Ecotrust’s The Natural Capital Fund
National Aboriginal Capital Corporation Association – national (51 Aboriginal Financial Institutions)
Stepping Stone Loan Program
Fonds d'emprunt communautaire Feminin
Reseau Access Credit
Newfoundland- Labrador Federation of Co-operative’s Cooperative and Micro Business Development Service
anonymous
MCC Employment Development’s Micro Business Loans
Les Cercles d’emprunt de Quebec
Fonds communautaire d’emprunt de la Mauriceie
The Maytree Foundation’s Immigrant Employment Loan Program
The Canadian Worker Co-op Federation’s Worker Co-op Fund
OK Community Loan Guarantee Fund
PARO: A NW Ontario Women’s Community Loan Fund
Fonds d’emprunt economique communautaire
Fonds communautaire d’Acces au micro-credit
Edmonton Community Loan Fund
Partners for Economic and Community Help (PEACH)
Assiniboine Credit Union’s Community and Micro-lending Program
Anglican Community Development Fund
CCEC Credit Union
Community New Ventures Program Micro-loan fund
Saskatoon Credit Union
SEED Loan Fund
SEED Winnipeg
The Loan Circle of Society of Central Alberta
Victoria Women Work!
Yukon Micro-loan program
Fonds d'entraide communautaire
Societe de'investissement Urbaine Chicoutimi-Jonquiere
Cercle d'emprunt de Charlevoix
IDEE
YMCA
Cercles d'emprunt d'Option Femmes Emploi
FIEF
SOCLE
Cercles d'entraide de la rive sud
Page Credit Union
BCA Financial Group
Community Works
Life*Spin Community Development Loan Association
Association communautaire d'emprunt de la Rive-Sud
Réseau d'investissement social du Québec
FilAction
Appendix J: Organization List from 2009 York University Community Finance Project - *Highlights of Existing Microcredit Programs*

Canadian Community Loan Funds Surveyed – As part of the 2009 York University Community Finance Project. Survey entitled *Highlights of Existing Microcredit Programs* by Aliu, Cosentino, and Panasyuk.

1. Aboriginal Youth Business Loan Fund (AYBLF) [www.aymb.ca/](http://www.aymb.ca/)
2. ACCESS Community Capital Fund [http://www.accessccf.com](http://www.accessccf.com)
3. Atlantic Canada Opportunities Agency (ACOA) [http://www.acoa-apeca.gc.ca](http://www.acoa-apeca.gc.ca)
5. Black Creek MicroCredit Program [http://www.blackcreekcapacity.ca/communityloanfund](http://www.blackcreekcapacity.ca/communityloanfund)
7. Canadian Youth Business Foundation (CYBF)
8. Centre for Business [http://www.centreforbusiness.ca](http://www.centreforbusiness.ca)
9. Community Futures Development Corporations (CFDC’s)
11. Community Futures Development Corporation- of Chatham-Kent (CFDCK) [http://www.cfdck.on.ca](http://www.cfdck.on.ca)
12. EcoTrust Canada Capital [http://ecotrust.ca/capital](http://ecotrust.ca/capital)
14. Lloydminister Region Community Futures [http://www.lloydcfdc.ca](http://www.lloydcfdc.ca)
15. McConnell Foundation [http://www.mcconnellfoundation.ca](http://www.mcconnellfoundation.ca)
17. Montreal Community Loan Association MCLA [http://www.acemcreditcommunautaire.qc.ca](http://www.acemcreditcommunautaire.qc.ca)
19. Northwest Community Futures Development Corporation (CFDC)  
   http://www.northwestcfdc.com
21. PARO Centre for Women’s Enterprise http://www.paro.ca
22. Quebec City Community Loan Fund/Réseau québécois du crédit communautaire
24. Société communautaire Lavaloise d'emprunt
25. Two Rivers Community Development Centre http://www.tworivers.ca
27. VanCity Micro-Loans https://www.vancity.com
28. Wellington-Waterloo Community Futures Development Corporation (WWCFDC)  
   http://www.wwcfdc.com
Appendix K: Survey Participant Recruitment E-mail (English)

Hello __________,

My name is Erin Clow and I am a PhD student at Queen's University in Kingston, ON. I just left a voice mail message for you and I thought I should also follow up with an e-mail. As part of my PhD research I am looking at trends across microfinance organizations within Canada. At the present, very little information exists on microfinance organizations throughout Canada. In an effort to collect this information I have designed a very short on-line survey. The survey should take no longer than 5-10 minutes to complete. It will ask for basic information on the __________________ program including organizational structure and loan dispersal method. I know how busy individuals within the microfinance sector are and therefore have designed the survey to be as user friendly and short as possible.

The link to the on-line survey is:

http://queensu.fluidsurveys.com/surveys/erinclow/employee-survey-for-microfinance-organizations/

I have been granted research ethics clearance from Queen's University.

If you have any follow up questions or would like to chat further about my research please feel free to e-mail me or call me at 613 777 1781.

Thank you for your time.

Erin Clow
PhD Candidate
Queen's University
Political Science
Bonjour,

Je m’appelle Erin Clow, et je suis étudiante au doctorat à l’Université de Queen’s, qui se trouve à Kingston en Ontario.

Dans le cadre de mon doctorat, je recherche des informations sur les tendances et les caractéristiques des organisations traitant de la microfinance à travers le Canada.

Comme vous le savez sans doute, ce genre d’information existe peu. J’ai été moi-même impliquée dans le domaine de la microfinance pendant environ dix ans, en tant que chercheure et professionnelle.

Dans le but de réunir les informations nécessaires pour ma thèse, j’ai préparé un très court sondage électronique, qui ne devrait pas prendre plus de 5 à 10 minutes à compléter. Le sondage est court, car je reconnais que les individus impliqués dans les organisations de microfinance sont très souvent occupés. Le sondage porte sur des informations de base, y compris les informations liées à la structure organisationnelle et à la méthode de dispersion de prêt.

Le lien pour accéder au sondage électronique est le suivant : http://queensu.fluidsurveys.com/surveys/erinclow/employee-survey-for-microfinance-organizations/

Ce serait fantastique si vous pouviez répondre au sondage en entier, et le soumettre à la fin.

Mon projet a reçu l’approbation d’éthique de la recherche de l’Université Queen's.

Si vous avez des questions suite à cette requête, ou si vous désirez en savoir plus sur ma recherche, n’hésitez pas à m’envoyer un courriel, ou à m’appeler au 613-766-3031.

Merci beaucoup de votre temps et de votre attention envers mon projet de recherche.

Très cordialement,

Erin Clow
Candidate au doctorat
Université de Queen's
Sciences Politiques
Appendix L: Survey Participant Recruitment Script (Phone)

Introduction:

Erin Clow (PhD Student within Political Science at Queen’s University in Kingston)
I have been working in the field of microcredit for over 10 years.
Studying microcredit in Canada – particularly interested in the landscape of organizations across Canada and the features of these organizations.
At present very little information exists on organizations throughout Canada. Trying to compile material on organizations throughout Canada. To build a better understanding on the scope and various models of microcredit working throughout Canada.

Research Interest:

In the process of contacting organizations throughout Canada to see if they would take the time to fill out a very short survey. I realize the time constraints that non-profit organizations in Canada are under and as such I have designed the survey to be very short. It should take you only 5-10 minutes to complete the survey. You are not asked to provide your name and all of the answers you provide will be kept anonymous. The data collected through the survey will used as a whole and therefore no responses will be directly associated to you or your organization.  I have gone through the research ethics process at Queen’s University and can provide you with further information if necessary.

Would you be interested in taking part in this research? Do you have any question for me?

To whom should I send the survey?

Do you know of any other microcredit/microfinance organizations which I should be looking at within your province or throughout Canada?

Thank you.
Appendix M: Full List of Organizations Contacted (Survey) N=57
*Organizations in bolded font completed the on-line survey

<table>
<thead>
<tr>
<th>Survey Organizations</th>
<th>Province</th>
<th>Survey Completed</th>
<th>Additional Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABLED Loan</td>
<td>BC</td>
<td>NO</td>
<td>Part of Vancity</td>
</tr>
<tr>
<td>Aboriginal Youth Business Loan Fund (Louis Riel Capital Corporation)</td>
<td>MB</td>
<td>NO</td>
<td>Unable to connect with organization via phone or e-mail</td>
</tr>
<tr>
<td>ACCESS Community Capital Fund</td>
<td>ON</td>
<td>YES</td>
<td>Overarching Body – Multiple chapters within the GTA</td>
</tr>
<tr>
<td>Accès Micro-Crédit Gaspésie</td>
<td>QC</td>
<td>NO</td>
<td></td>
</tr>
<tr>
<td>ACEM: Montreal Community Loan Fund</td>
<td>QC</td>
<td>NO</td>
<td></td>
</tr>
<tr>
<td>Akaïtcho Business Development Centre</td>
<td>NT</td>
<td>YES</td>
<td>CFDC/CBDC Organization</td>
</tr>
<tr>
<td>Association communautaire d'emprunt de la Rive-Sud - ACERS</td>
<td>QC</td>
<td>NO</td>
<td></td>
</tr>
<tr>
<td>Axis Career Services, ANC</td>
<td>NFLD</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>Baffin Business Development Corporation</td>
<td>NU</td>
<td>YES</td>
<td>CFDC/CBDC Organization</td>
</tr>
<tr>
<td>Black Business Initiative</td>
<td>NS</td>
<td>YES</td>
<td>Survey was only partially completed</td>
</tr>
<tr>
<td>Canadian Microcredit Educators Group</td>
<td>PEI</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>Centre for Entrepreneurship Education and Development (CEED)</td>
<td>NS</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>Cercles d'emprunt de Charlevoix</td>
<td>QC</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>Circle of Habondia Lending Society</td>
<td>BC</td>
<td>NO</td>
<td>Organization no longer in existence</td>
</tr>
<tr>
<td>Dana Naye Ventures</td>
<td>YT</td>
<td>YES</td>
<td>Microfinance program is called Yukon Micro Loan Program</td>
</tr>
<tr>
<td>Deh Cho Business Development Centre</td>
<td>NT</td>
<td>YES</td>
<td>CBDC Organization</td>
</tr>
<tr>
<td>DIVERSEcity Community Resource Society</td>
<td>BC</td>
<td>NO</td>
<td>Affiliated with Vancity</td>
</tr>
<tr>
<td>Organization</td>
<td>Province</td>
<td>Available</td>
<td>Notes</td>
</tr>
<tr>
<td>------------------------------------------------------------------------------</td>
<td>----------</td>
<td>-----------</td>
<td>-----------------------------------------------------------------------</td>
</tr>
<tr>
<td>Dogrib Area Community Futures</td>
<td>NT</td>
<td>NO</td>
<td>Unable to connect with organization via phone or e-mail. CFDC/CBDC Organization</td>
</tr>
<tr>
<td><strong>Fonds Communautaire d'Accès au Micro-Crédit</strong></td>
<td>QC</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>Fonds Communautaire et Cercles d'Emprunts de la Mauricie</td>
<td>QC</td>
<td>NO</td>
<td></td>
</tr>
<tr>
<td>Fonds d'emprunt des Laurentides</td>
<td>QC</td>
<td>NO</td>
<td></td>
</tr>
<tr>
<td><strong>Fonds d'emprunt Québec</strong></td>
<td>QC</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td><strong>Immigrant Access Fund (Alberta)</strong></td>
<td>AB</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td><strong>Immigrant Access Fund (Saskatchewan)</strong></td>
<td>SK</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>Immigrant Settlement and Immigration Services</td>
<td>NS</td>
<td>NO</td>
<td></td>
</tr>
<tr>
<td><strong>Jubilee Fund</strong></td>
<td>MB</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td><strong>Keewatin Business Development Centre</strong></td>
<td>NU</td>
<td>YES</td>
<td>CFDC/CBDC Organization</td>
</tr>
<tr>
<td><strong>Kitikmeot Community Futures Inc.</strong></td>
<td>NU</td>
<td>YES</td>
<td>CFDC/CBDC Organization</td>
</tr>
<tr>
<td>Le microcrédit du Cercle d'emprunt - Pro Gestion Estrie</td>
<td>QC</td>
<td>NO</td>
<td></td>
</tr>
<tr>
<td><strong>Les Cercles d'entraide de la Rive-Sud</strong></td>
<td>QC</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>Maytree-Alterna Savings Immigrant Employment Loan</td>
<td>ON</td>
<td>NO</td>
<td>No longer providing immigrant employment loans</td>
</tr>
<tr>
<td><strong>Micro-Crédit KRTB</strong></td>
<td>QC</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>Micro-Crédit Lotbinière</td>
<td>QC</td>
<td>NO</td>
<td></td>
</tr>
<tr>
<td><strong>Miziwe Biiik</strong></td>
<td>ON</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td><strong>Momentum</strong></td>
<td>AB</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>MOSAIC</td>
<td>BC</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td><strong>New Brunswick Multicultural Council</strong></td>
<td>NB</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td><strong>Nunavut Community Economic Development Organization (NCEDO)</strong></td>
<td>NU</td>
<td>YES</td>
<td>Overarching body for Kakivak Association (KA), Kivalliq Partners in Development (KPID) and Kitikmeot Economic Development Commission (KEDC)</td>
</tr>
<tr>
<td>Option Femmes Emploi</td>
<td>QC</td>
<td>NO</td>
<td></td>
</tr>
<tr>
<td>Organization Name</td>
<td>Province</td>
<td>Status</td>
<td></td>
</tr>
<tr>
<td>-------------------------------------------------------------</td>
<td>----------</td>
<td>--------</td>
<td></td>
</tr>
<tr>
<td>Ottawa Community Loan Fund</td>
<td>ON</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>PARO Centre for Women’s Enterprise</td>
<td>ON</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>Réseau Accès Crédit</td>
<td>QC</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>Réseau québécois du crédit communautaire (RQCC)³²</td>
<td>QC</td>
<td>NO</td>
<td>Overarching body within Quebec</td>
</tr>
<tr>
<td>Rise Asset Development</td>
<td>ON</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>Saint John Community Loan Fund</td>
<td>NB</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>SEED Winnipeg Inc. Supporting Employment and Economic Development</td>
<td>MB</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>Social Enterprise and Economic Development (SEED)</td>
<td>ON</td>
<td>NO</td>
<td>No longer providing microfinance loans.</td>
</tr>
<tr>
<td>Société Communautaire Lavalloise D’Emprunt (Socle)</td>
<td>QC</td>
<td>NO</td>
<td></td>
</tr>
<tr>
<td>Société de Développement Économique Ilnu</td>
<td>QC</td>
<td>NO</td>
<td></td>
</tr>
<tr>
<td>Southwest Alberta Community Loan Fund</td>
<td>AB</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>Southwest Territorial Business Development</td>
<td>NT</td>
<td>YES</td>
<td>CFDC/CBDC Organization</td>
</tr>
<tr>
<td>S.U.C.U.E.S.S. Foreign Credential Recognition Loan Project</td>
<td>BC</td>
<td>NO</td>
<td></td>
</tr>
<tr>
<td>Thebacha Business Development Services</td>
<td>NT</td>
<td>NO</td>
<td></td>
</tr>
<tr>
<td>Ulnooweg Development Group Inc.</td>
<td>NS, NB and NFLD</td>
<td>NO</td>
<td></td>
</tr>
<tr>
<td>Vancity³³</td>
<td>BC</td>
<td>YES</td>
<td>Overarching body for ABLED Loan, DIVERSEcity Community Resources Society and MOSAIC</td>
</tr>
<tr>
<td>Western Artic Business Development Services</td>
<td>NT</td>
<td>YES</td>
<td>CFDC/CBDC Organization</td>
</tr>
<tr>
<td>WIL Employment Connections</td>
<td>ON</td>
<td>YES</td>
<td>Survey was only partially completed</td>
</tr>
</tbody>
</table>
ACCESS Community Capital Fund is the name of the overarching body for seven microfinance programs within the Greater Toronto Area (GTA) (ACCESS website “Microloans Programs”). Microloan programs under the ACCESS umbrella are divided by geographical location and include: Central (GTA wide), Black Creek, Thorncliffe Park, East Scarborough, Regent Park, Lawrence West and Southwest Scarborough.

Réseau québécois du crédit communautaire (RQCC) is the body which oversees microfinance within the province of Quebec. Quebec is the only province within Canada to have such a structure in place. In total, 23 organizations (10 circle funds and 13 loan funds) fall under the mandate of RQCC (RQCC website “Les Organismes Membres”). The usual maximum loan amount distributed by RQCC member organization is $20,000 (RQCC website “Le Financement”). It varies from one organization to the next but a significant portion of RQCC member organizations funding is provided through the provincial government (RQCC Websites “Les Partenaires”). The existence of the RQCC within Quebec makes it unique in the spectrum of microfinance organizations within Canada.

Connected with Vancity are three organizations, ABLED Loan, DIVERSEcity Community Resources Society and MOSAIC. These organizations are unique because of the populations which they target in terms of loan recipients. DIVERSEcity and MOSAIC work with immigrants to Canada (DIVERSEcity website “Micro Loans” and MOSAIC website “Micro-Loans Program”) while ABLED Loan works with persons with a disability (Vancity Website “ABLED”). Increasingly questions are being asked around the inclusion or exclusion of Vancity within a study on microfinance in Canada. This is a grey area within the literature. Vancity is a large credit union servicing hundreds of thousands of borrowers through the provision of a variety of banking services. Vancity has been included within this study because of the particular programs which are focused on in this dissertation. ABLED Loan, DIVERSEcity Community Resources Society and MOSAIC offer borrowers “small” loans and therefore have been included in this study.
### Appendix N: Survey Respondents Based on Province N=35

<table>
<thead>
<tr>
<th>Province</th>
<th>Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newfoundland and Labrador</td>
<td>- Axis Career Services, ANC</td>
</tr>
<tr>
<td>Prince Edward Island</td>
<td>- Canadian Microcredit Educators Group</td>
</tr>
<tr>
<td>New Brunswick</td>
<td>- Saint John Community Loan Fund</td>
</tr>
<tr>
<td>Nova Scotia</td>
<td>- Centre for Entrepreneurship Education and Development (CEED)</td>
</tr>
<tr>
<td>Quebec</td>
<td>- Réseau Accès Crédit</td>
</tr>
<tr>
<td></td>
<td>- Micro-Crédit KRTB</td>
</tr>
<tr>
<td></td>
<td>- Les Cercles d'entraide de la Rive-Sud</td>
</tr>
<tr>
<td></td>
<td>- Fonds d'emprunt Québec</td>
</tr>
<tr>
<td></td>
<td>- Fonds Communautaire d'Accès au Micro-Crédit</td>
</tr>
<tr>
<td></td>
<td>- Cercles d'emprunt de Charlevoix</td>
</tr>
<tr>
<td>Ontario</td>
<td>- WIL Employment Connections</td>
</tr>
<tr>
<td></td>
<td>- Rise Asset Development</td>
</tr>
<tr>
<td></td>
<td>- PARO Centre for Women’s Enterprise</td>
</tr>
<tr>
<td></td>
<td>- Ottawa Community Loan Fund</td>
</tr>
<tr>
<td></td>
<td>- Miziwe Biik</td>
</tr>
<tr>
<td></td>
<td>- ACCESS Community Capital Fund</td>
</tr>
<tr>
<td>Manitoba</td>
<td>- SEED Winnipeg Inc. Supporting Employment &amp; Economic Development</td>
</tr>
<tr>
<td></td>
<td>- Jubilee Fund</td>
</tr>
<tr>
<td>Saskatchewan</td>
<td>- Immigrant Access Fund (Saskatchewan)</td>
</tr>
<tr>
<td>Alberta</td>
<td>- Southwest Alberta Community Loan Fund</td>
</tr>
<tr>
<td></td>
<td>- Momentum</td>
</tr>
<tr>
<td></td>
<td>- Immigrant Access Fund (Alberta)</td>
</tr>
<tr>
<td>British Columbia</td>
<td>- Vancity</td>
</tr>
<tr>
<td></td>
<td>- MOSAIC</td>
</tr>
<tr>
<td>Yukon</td>
<td>- Dana Naye Ventures</td>
</tr>
<tr>
<td>Northwest Territories</td>
<td>- Western Artic Business Development Services</td>
</tr>
<tr>
<td></td>
<td>- Southwest Territorial Business Development</td>
</tr>
<tr>
<td></td>
<td>- Deh Cho Business Development Centre</td>
</tr>
<tr>
<td></td>
<td>- Akaitcho Business Development Centre</td>
</tr>
<tr>
<td>Nunavut</td>
<td>- Nunavut Community Economic Development Organization (NCEDO)</td>
</tr>
<tr>
<td></td>
<td>- Kitikmeot Community Futures Inc.</td>
</tr>
<tr>
<td></td>
<td>- Keewatin Business Development Centre</td>
</tr>
<tr>
<td></td>
<td>- Baffin Business Development Corporation</td>
</tr>
</tbody>
</table>
Appendix O: On-line Survey Questions
Hidden questions (dependent on response) are hi-lighted in yellow.

Name of microfinance organization?

What is your current position within the organization?
- President
- Manager
- Executive Director
- Vice President
- Lending/Loan Officer
- Training Officer
- Volunteer
- Other ______________________

How many paid staff does your organization currently employ?

How many individuals currently volunteer with the organization?

In what year did the organization distribute its first loan?

At present how many active borrowers does the organization have?
An active borrower is defined as someone who has taken a loan through the organization
At present how many active clients/members does your organization have?  
An active client/member is defined as someone who is part of the organization but has not taken a loan through the organization

☐ Not applicable (our organization does not differentiate between borrowers and clients/members)

Does your organization target a specific subset of the Canadian population as recipients of loans and/or members/clients of the organization?  (i.e. women, indigenous persons)

☐ Yes

☐ No

Which specific subset of the Canadian population does your organization target? Please check all that apply
☐ Women
☐ Immigrants to Canada
☐ Racialized persons
☐ Aboriginal/Indigenous persons
☐ Persons with physical/mental disabilities
☐ Persons with mental illnesses
☐ Persons with addictions
☐ Persons self-defined or formally defined as low income
☐ Other (please specify) ______________________

What percentage most accurately reflects the number of male borrowers/members/clients within your organization?  
Please move the slider along the bar to accurately reflect the correct percentage

____________________

____________________
What percentage most accurately reflects the number of female borrowers/members/clients within your organization?
Please move the slider along the bar to accurately reflect the correct percentage

Does your organization provide additional services to borrowers/members/clients other than loans?
○ Yes
○ No

What other services does your organization provide to borrowers/members/clients?
Please check all that apply
☐ Group business training sessions (group based workshops)
☐ One-on-one business training sessions
☐ Networking events for clients/members/borrowers
☐ Presentations from specialized professionals (lawyers, marketing specialists, successful business owners)
☐ Access to/reduced costs of professional services (lawyers, marketing specialists, web designers)
☐ Other (please specify) ______________________

Does your organization track the types of businesses which borrowers start or expand with the use of a loan from your organization?
○ Yes
○ No
What types of businesses do borrowers start or expand with the use of a loan from your organization?
Please select one of the options from the drop down list

Technology venture
- Never
- Rarely
- Sometimes
- Often
- Always

Handmade products (i.e. handmade candles, hand sewn clothing)
- Never
- Rarely
- Sometimes
- Often
- Always

Food provider (i.e. restaurant outlet, catering service)
- Never
- Rarely
- Sometimes
- Often
- Always

Household service/product (i.e. painter, cleaner)
- Never
- Rarely
- Sometimes
- Often
- Always

Service provider for people (i.e. hairstylist, masseuse)
- Never
- Rarely
- Sometimes
- Often
Service provider for animals/pets (i.e. pet groomer)

- Always
- Never
- Rarely
- Sometimes
- Often
- Always

Other (please specify)

Since the founding of the organization how many loans has your organization distributed?
Please provide the total number
- None
- 1-20 loans
- 21-40 loans
- 41-60 loans
- 61-80 loans
- 81-100 loans
- 101-120 loans
- 121-140 loans
- 141-160 loans
- 161-180 loans
- 181-200 loans
- 200 plus loans
What is the numerical range of loans a borrower can access through your organization?
Please respond using numerical amounts – i.e. $1000 minimum - $20,000 maximum

What is the average amount given to borrowers within your organization?
Please respond using a numerical amount - i.e. $5000

What percentage best reflects the repayment rate of loans distributed to borrowers to date?
- 100%
- 90-99.9%
- 80-89.9%
- 70-79.9%
- 60-69.9%
- 50-59.9%
- Less than 50%

What types of loans does your organization provide to borrowers?
Please check all that apply
- Business Start-up (equipment purchasing, hiring staff, etc.)
- Training/Education/Skills Development
- Personal Living Expenses (rent, utilities, etc.)
- Other (please specify) ______________________

What is the interest rate charged on loans to borrowers within your organization?
Please respond using a percentage – i.e. 12%
What lending model type do you use at your organization? Please check all that apply
☐ Individualized lending (loans are provided to individuals)
☐ Peer-lending model (circle based lending)
☐ Other (please specify) ______________________

Prior to giving out a loan, does your organization perform any kind of financial check regarding the borrower’s ability to successfully meet the requirements of loan repayment?
☐ Yes
☐ No
If “yes” please describe the type of check which is performed by the organization.
____________________________________

Are clients asked for personal/household financial information prior to receiving a loan through your organization?
☐ Yes
☐ No

Please discuss the organization’s rationale in asking for this personal/household financial information from clients.
____________________________________

Is the personal/household financial information used as a means of excluding/denying loans to prospective borrowers through your organization?
☐ Yes
☐ No
How are borrowers assessed for loan eligibility within your organization?
Please check all that apply
☐ Financially based (formally issued financial statements)
☐ Character based
☐ Business plan based
☐ Skill set/previous training based
☐ Identity based (self-identification)
☐ Other (please specify) ______________________

Where does your organization acquire money to sustain itself?
Please respond "YES" or "NO" for all the options. If the information is available could you provide an approximate percentage of how much of your funding comes from each source

<table>
<thead>
<tr>
<th>Funding Acquired</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government grants/funds (Federal, Provincial and/or Municipal)</td>
<td></td>
</tr>
<tr>
<td>☐ Yes</td>
<td></td>
</tr>
<tr>
<td>☐ No</td>
<td></td>
</tr>
<tr>
<td>Partnerships with commercial banks (i.e. Bank of Nova Scotia, Royal Bank,)</td>
<td></td>
</tr>
<tr>
<td>☐ Yes</td>
<td></td>
</tr>
<tr>
<td>☐ No</td>
<td></td>
</tr>
<tr>
<td>Partnerships with smaller financial institutions (i.e. Credit Unions, Alterna Savings)</td>
<td></td>
</tr>
<tr>
<td>☐ Yes</td>
<td></td>
</tr>
<tr>
<td>☐ No</td>
<td></td>
</tr>
<tr>
<td>Donations from the general public</td>
<td></td>
</tr>
<tr>
<td>☐ Yes</td>
<td></td>
</tr>
<tr>
<td>☐ No</td>
<td></td>
</tr>
<tr>
<td>Fundraising events</td>
<td></td>
</tr>
<tr>
<td>☐ Yes</td>
<td></td>
</tr>
<tr>
<td>☐ No</td>
<td></td>
</tr>
<tr>
<td>Members’ Investments (i.e. Loan Fund)</td>
<td></td>
</tr>
<tr>
<td>☐ Yes</td>
<td></td>
</tr>
<tr>
<td>☐ No</td>
<td></td>
</tr>
<tr>
<td>Other (please specify below)</td>
<td></td>
</tr>
<tr>
<td>☐ Yes</td>
<td></td>
</tr>
<tr>
<td>☐ No</td>
<td></td>
</tr>
</tbody>
</table>
Where does your organization acquire money to fund loans to borrowers?
Please respond "YES" or "NO" for all the options. If the information is available could you provide an approximate percentage of how much of your funding comes from each source

<table>
<thead>
<tr>
<th>Funding Acquired</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government grants/funds (Federal, Provincial and/or Municipal)</td>
<td>Yes</td>
</tr>
<tr>
<td>Partnerships with commercial banks (i.e. Bank of Nova Scotia, Royal Bank,)</td>
<td>Yes</td>
</tr>
<tr>
<td>Partnerships with smaller financial institutions (i.e. Credit Unions, Alterna Savings)</td>
<td>Yes</td>
</tr>
<tr>
<td>Donations from the general public</td>
<td>Yes</td>
</tr>
<tr>
<td>Fundraising events</td>
<td>Yes</td>
</tr>
<tr>
<td>Members’ Investments (i.e. Loan Fund)</td>
<td>Yes</td>
</tr>
<tr>
<td>Other (please specify below)</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Does your organization partner with other community/non-profit organizations?
- Yes
- No
In what capacity does your organization partner with other community/non-profit organizations?
Please check all that apply

☐ Provision of additional member/client services (i.e. workshops, presentations)
☐ Recruitment of new members/clients for the organization (referral network)
☐ Strategic partnerships geared towards receiving specific types of funding
☐ Added legitimacy provided to the microcredit organization
☐ Other (please specify) ______________________

Has there been a growth in demand for services and/or loans offered through your organization post the 2008 economic recession?

☐ Yes
☐ No

Please explain further this growth in demand for services and/or loans post the 2008 economic recession.

______________________________
Appendix P: Interview Participant Recruitment E-mail to Organizations in Quebec (English)

Hello

My name is Erin Clow and in December of 2012 you completed an on-line survey designed for my PhD research on microfinancing organizations in Canada. To date, 31 organizations have completed the on-line survey. This is wonderful and I am very grateful to everyone who has taken part in the research thus far. I am moving into the next phase of my research which involves interviews and I am hoping to schedule an interview with you in the upcoming weeks.

I would very much like to include your organization within this research but I am unable to speak French fluently enough to conduct an oral interview with you in French. If there is someone I could interview who speaks English, that would be wonderful, but I completely understand that this may not be an option. If there is not someone who speaks English, the interview questions for this research have been translated into French and are attached within this e-mail. Would you be willing to answer these questions in French? If you are willing to answer these questions in French, I am able to translate them from French to English.

Please let me know what works best for you. If you are willing to take part in an interview I am very flexible in terms of when this interview takes place. I will work around your schedule. The interview should realistically take no longer than 30 minutes and would be done over the phone. Before the interview takes place I would send you all of the necessary research ethics forms (letter of information and consent form).

Thank you again for your support thus far. If you would like to chat further about this please feel free to give me a call at 613 766 3031.

Erin Clow
PhD Candidate
Political Studies
Queen's University
Appendix P: Interview Participant Recruitment E-mail to Organizations in Quebec (French)

Bonjour,

Je m’appelle Erin Clow et en Décembre 2012, vous avez complété un questionnaire en ligne. À date, 31 organisations ont complété le questionnaire en ligne. Cela est fantastique, et je suis très reconnaissante envers tous ceux qui ont participé à ma recherche jusque là. Je passe maintenant à la prochaine phase de ma recherche, qui comprend des entrevues; j’espère donc pouvoir avoir une entrevue avec vous dans les semaines qui suivent.

J’aimerais beaucoup inclure votre organisation dans ma recherche, mais comme je ne parle pas couramment Français, je comprend ci ce n’est pas faisable de votre part. S’il n’y a personne au sein de votre organisation qui parle français, les questions d’entrevues pour ma recherche ont déjà été traduites en français, et se trouvent en pièce-jointe de ce courriel. Seriez-vous disponible à répondre à ces questions en français? Si vous l’êtes, je pourrai alors traduire vos réponses du français à l’anglais.

Veuillez m’indiquer s’il vous plait, l’option qui vous est préférable. Si vous êtes dans la possibilité de participer à une entrevue, je suis très flexible en termes de la période à laquelle cette entrevue a lieu. Concrètement, l’entrevue ne durera pas plus de 30 minutes et sera fait au téléphone. Avant que cette entrevue ne prenne place, je vous enverrai tous les formulaires de recherche nécessaires par courriel (lettre d’information et formulaire de consentement).

Merci bien encore de votre soutien jusqu’à présent. Si vous désirez bavarder davantage à ce sujet, n’hésitez surtout pas à m’appeler au 613 766 3031.

Erin Clow
Candidate au PhD
Études Politiques
Université de Queen's
Appendix Q: Original Research (Employee/Volunteer Interviews) N=24

ACCESS Community Capital Fund

Gauthier, Kelly (Director, Board of Directors). Interview by author. 25 February 2013. Phone Interview. Kingston, Ontario.


Baffin Business Development Corporation

Kosmenko, Valerie (General Manager). Interview by author. 19 April 2013. Phone Interview. Kingston, Ontario.

Canadian Microcredit Educators Group

Campbell, J.W. (Bill) (Founder and President). Interview by author. 5 April 2013. Phone Interview. Kingston, Ontario.

Centre for Entrepreneurship Education and Development


Mosher, Corey. (Chair of Loan Review Committee). Interview by author. 21 February 2013. Phone Interview. Kingston, Ontario.

Dana Naye Ventures

Chambers, Elaine and Underschultz, Holly (General Manager and Manager Financial Services). Interview by author. 15 February 2013. Phone Interview. Kingston, Ontario.

Fonds Communautaire d'accès au Micro-Crédit (FCAMC)


Immigrant Access Fund (Alberta)

Fehr, Dianne (Executive Director). Interview by author. 21 March 2013. Phone Interview. Kingston, Ontario.
Kitikmeot Community Futures Inc.


MicroCrédit KRTB

Nadeau, Mario (General Manager). Interview by author. 28 February 2013. Phone Interview. Kingston, Ontario.

Momentum


MOSAIC


Ottawa Community Loan Fund

Cawley, Mark (Director of Lending Operations). Interview by author. 19 February 2013. Phone Interview. Kingston, Ontario.

Lavictorie, Margaret (Board Member and Member of Loan Review Committee). Interview by author. 21 February 2013. Phone Interview. Kingston, Ontario.

PARO Centre for Women’s Enterprise


Rise Asset Development

Saint John Community Loan Fund

Asimakos, Seth (Manager). Interview by author. 3 April 2013. Phone Interview. Kingston, Ontario.

Matthews, George [pseud] (Employee within the organization. Interview by author. 20 March 2013. Phone Interview. Kingston, Ontario.

Murphy, Brenda (Coordinator Urban Core Support Network). Interview by author. 13 March 2013. Phone Interview. Kingston, Ontario.


Vancity

Smith, Elizabeth [pseud] and Klein, Kevin [pseud] (Employees within the organization). Interview by author. 28 March 2013. Phone Interview. Kingston, Ontario.

Based on Geographic Region – Total Number of Organizations Represented (Interview)

Ontario – 4
Quebec – 2
Northern Canada (Northwest Territories, Nunavut and Yukon) – 3
Eastern Canada (Nova Scotia, Prince Edward Island, New Brunswick and Newfoundland and Labrador) – 3
Western Canada (Manitoba, Saskatchewan, Alberta and British Columbia) – 4
Appendix R: Employee/Volunteer Interview Questions

Since I will be conducting semi-structured interviews, these questions are only a general outline of questions that may be asked in my research. Based on interviewees’ answers, it is likely that new questions may arise.

1. Please describe your position and duties within the organization?

2. What are the goals/purpose of this organization?

3. Does this organization specifically target a certain subset of the Canadian population as borrowers? Why or Why not?

4. In your experience with the organization do you tend to see more women or men accessing loans? Why do you think this is the case?

5. Do you offer any additional services to borrowers? Do these services continue once they have taken a loan?

6. How does the process of providing a loan to an individual work within this organization? (pre-evaluation to distribution)

7. What are reasons for a borrower being ineligible for a loan from your organization?

8. Why has this organization chosen this strategy of microcredit lending over other practices? (why individual based loans rather than circle loans)

9. Where does this organization draw its structure/lending model from? Grameen? Other?

10. Where does this organization acquire the money for the loans it provides?

11. What are some strengths and/or limitations you see in this organization?

12. What contributions, if any, does this organization make to the community?

13. Do you feel organizations like this are necessary in Canada? Why or Why Not?
Appendix S: Borrower Recruitment Letter (Interview)

My name is Erin Clow and I am a PhD student at Queen’s University in Kingston, Ontario. Over the past few months I have been in contact with [insert name of microfinance employee] regarding my research on Microcredit organizations in Canada. To date, [insert number] microfinancing organizations throughout Canada have taken part in my research project. I am very excited to be working with [insert name of microfinance organization] on this project, but I need your help in order to complete this research project. I am interested in your expertise and experiences as a small business owner in Canada and your involvement with [insert name of microfinance organization].

As part of my research, I would like to do interviews with borrowers from [insert name of microfinance organization]. These interviews would be done over the phone and would be no longer than 30 minutes in length. I understand how busy being an entrepreneur can be and am willing to work around your schedule in terms of setting up an interview time. I would be happy to do interviews during the day or in the evening, outside of normal business hours. I will try and work with times that work best for you. During the interview I will be asking questions about your business, involvement with [insert name of microfinance organization], and overall impressions of what it is like to be an entrepreneur in Canada. The responses you provide during an interview will be kept completely confidential and your identity will not be revealed.

Your perspective as a borrower at [insert name of microfinance organization], is vital to this research project. Thank you for taking the time to read this e-mail and please consider taking part in a short interview. Your participation is very much appreciated. If you have any further questions, please feel free to contact me at erin.clow@queensu.ca or (613) 766 3031. I will answer any questions you may have about this research project and would be happy to provide you with additional information.

If you are interested in taking part in an interview please feel free to either e-mail or call me at erin.clow@queensu.ca or (613) 766 3031 to set up a date and time.
Appendix T: Original Research (Borrower Interviews) N=9

ACCESS Community Capital Fund


Centre for Entrepreneurship Education and Development


Ottawa Community Loan Fund


Appendix U: Borrower Demographic Form

Borrower Demographics:

Name

Age

Gender

Marital Status

Were you born in Canada? – If not, where? When did you immigrate to Canada?

Size of loan

Number of Loans

Name of Business (Years in Operation)

Does your Business have a Website – What is the website?

Number of Employees within Business (excluding yourself)
### Appendix V: Borrower Demographic Information

<table>
<thead>
<tr>
<th>Name (pseud)</th>
<th>Age</th>
<th>Sex</th>
<th>Marital Status</th>
<th>Born in Canada (Yes/No)</th>
<th>Immigrated from…</th>
<th>Size of Loan</th>
<th>Number of Loans</th>
<th>Number of Employees 54</th>
<th>Number of Years in Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kim</td>
<td>61</td>
<td>Female</td>
<td>Divorced</td>
<td>Yes</td>
<td>N/A</td>
<td>$3150.00</td>
<td>1</td>
<td>0</td>
<td>2.5 Years</td>
</tr>
<tr>
<td>Jack</td>
<td>47</td>
<td>Male</td>
<td>Married</td>
<td>No</td>
<td>Democratic Republic of the Congo, Kinshasa</td>
<td>$3500.00</td>
<td>1</td>
<td>3</td>
<td>3 Years</td>
</tr>
<tr>
<td>Andrea</td>
<td>49</td>
<td>Female</td>
<td>Married</td>
<td>No</td>
<td>Peru</td>
<td>$5000.00</td>
<td>1</td>
<td>2</td>
<td>2 Years</td>
</tr>
<tr>
<td>Natalie</td>
<td>54</td>
<td>Female</td>
<td>Single</td>
<td>Yes</td>
<td>N/A</td>
<td>$5000.00</td>
<td>1</td>
<td>0</td>
<td>1 Month</td>
</tr>
<tr>
<td>Megan</td>
<td>33</td>
<td>Female</td>
<td>Common Law</td>
<td>Yes</td>
<td>N/A</td>
<td>$15 000</td>
<td>1</td>
<td>3</td>
<td>5 Years</td>
</tr>
<tr>
<td>Chris</td>
<td>29</td>
<td>Male</td>
<td>Married</td>
<td>Yes</td>
<td>N/A</td>
<td>$15 000.00</td>
<td>3</td>
<td>28</td>
<td>5.5 Years</td>
</tr>
<tr>
<td>Mary</td>
<td>47</td>
<td>Female</td>
<td>Divorced</td>
<td>No</td>
<td>Jamaica</td>
<td>$10 000.00</td>
<td>2</td>
<td>2</td>
<td>17 Months</td>
</tr>
</tbody>
</table>

54 Number of employees does not include the person being interviewed

55 1st Loan - $15 000 from microfinance organization, 2nd loan - $15 000 from Government program and 3rd loan - $75 000 from a commercial bank.
Appendix W: Borrower Interview Questions

Since I will be conducting semi-structured interviews, these questions are only a general outline of questions that may be asked in my research. Based on interviewees’ answers, it is likely that new questions may arise.

1. How did you first hear about this organization?

2. How long have you been a member of the organization?

3. What have you used your loan for thus far? and Why?

4. Please describe a typical day in your self-employment venture. – When do you start at your self-employment venture? When do you leave? (In this question I hope to gain information about their work in the self-employment venture and work within the family).

5. In what previous types of employment have you been involved?

6. What were some of the reasons you decided to take a loan from this organization?

7. When you applied for a loan through this organization what did the process look like?

8. Does this organization provide support services to you once you have taken the loan?

9. Do you feel supported and connected to this organization or to other people who have also taken loans?

10. What was a positive and negative experience for you in relation to this organization?

11. Do you have any suggestions for the improvement of this organization?

12. Has there been a positive or negative change in your financial situation since taking a loan from this organization in relation to:
   During the interview I will prompt interviewees with areas in which changes may have occurred such as:
   Income
   Food
   Housing
   Leisure
   Other

13. How else has it changed your life?

14. How would you describe the financial sustainability of your business (short term/long term)?
15. Do you expect to earn a profit during the 2012/2013 year? Why or Why Not?

16. Do you plan to grow your business in the next five years?

17. Have you noticed a change your business (revenues, sales, etc.) since the 2008 economic recession?

18. Do you see this organization as necessary within your specific community?

19. Do you feel organizations like this are necessary in Canada? Why or Why Not?