Behind the rhetoric: Bangladesh—A Model of Neoliberalism. The Case of Microfinance and NGOs

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Contents

In 2006, a few months after the Nobel Peace Prize for Muhammad Yunus and Grameen Bank was announced, I was visiting Germany. Quite understandably, I found nonresident Bangladeshis overwhelmed with joy and pride about the prize. Many Germans, including left academics and activists, looked at it as a victory over neoliberalism. One German activist theatre group invited me to the show of their latest drama, Taslima and the Microcredit. The show was eye opening for me: I realized to what extent Grameen Bank had been misunderstood in the West, and how media campaigns and public relations activities, including embedded studies, created a myth around the Grameen Bank and Yunus.

The play was set in a remote village of Bangladesh, full of poor people and few landlords. Taslima, a poor girl, lived there with her parents. One day, a fully suited and booted World Bank consultant arrived with a “development” project to rescue the poor and make the village developed. After some time the World Bank project, as usual, created havoc—bringing more distress for the poor, more money for the rich, and intensifying natural disaster. The increasing floods and river erosion made Taslima’s family lose everything. At this point a miracle happened: Grameen SOS arrived. The poor villagers received information about microcredit, the way to prosperity and empowerment! Taslima and others formed a group to get microcredit, but since they only had four members, they needed one more to form a group eligible for a loan. In the meantime, the World Bank consultant realized his disastrous role, and after desperately looking for Taslima to begin a new life, he joined her, leaving his suited and booted world behind. They became five, allowing them to form a group to enter the microcredit world, and they lived happily ever after!

The theatre organizers requested me to join a discussion following the show. Standing before a mesmerized audience, I had to tell them the hard truth with facts and figures. I said that, despite their best wishes, they were making a terrible mistake. Grameen had never been an alternative to the World Bank-pushed neoliberal economic model; rather, it was born and brought up as a necessary supplement to it.

It is therefore necessary to examine microfinance and the NGO model in a larger context, as well as the connections between the financialization of global capitalism and the neoliberal reforms that actually created the space for the microfinance boom. It is also important to investigate the nature and direction of microfinance in Bangladesh—its impact on the lives and livelihoods of the poor, and on the macroeconomic reality.

Globalization, Financialization, and Privatization

Globalization is not a sudden phenomenon of capitalism. Capitalism's dynamics have always been uneven with a global dimension. In the recent history of capitalism, Paul Sweezy identified its "three most important underlying trends" that began with the recession of 1974–1975: (1) The slowing down of the overall rate of growth; (2) the worldwide proliferation of monopolistic (or oligopolistic) multinational corporations; and (3) what may be called "the financialization of the capital accumulation process." [1]

Neoliberalism has been an outcome of these dynamics. It swept the world in three phases: (1) It began in the 1970s, and was later pushed forward with the forceful support of Ronald Regan and Margaret Thatcher in the 1980s. (2) The fall of the USSR created unprecedented opportunities for neoliberal ideologues to dominate the development thinking. (3) Since 2001, the so-called War on Terror has strengthened corporate power and rationalized the use of force for geopolitical ends.

In the last few decades, world trade has expanded quickly. Most economies have become more integrated into a single global economic system, and information and communications systems have developed at a fast rate because of the rapid development of information technology. Although restrictions on the mobility of labor remain in place, many reforms have taken place globally and nationally to ensure the free mobility of capital. We find globalization, at this stage, to be little else than global monopoly capitalism, integrating peripheral countries into a single global system, on the terms of the powerful.

Increased financialization of global capitalism, on the one hand, and speedy privatization of public goods and common property, on the other, have facilitated the three decades of global neoliberal restructuring. The state has taken the backseat. Structural reforms (for example, land reforms and institutional reforms) have been replaced by structural adjustment under the Washington Consensus. Public expenditures for education, healthcare, safe drinking water, and energy capabilities are considered liabilities. Austerity comes as a weapon directed against the public sphere, while keeping the military budget, corporate subsidies, and tax facilities for the rich intact. [2]

According to David Harvey, these selective budget cuts follow long-standing pressures within the system, because "capital has always had trouble internalising the costs of social reproduction (the care of the young, the ill, the maimed, and the aged, the costs of social security, education and health care)." [3] Neoliberalism proposed the solution of simply making the affected populations themselves pay. This required the expansion of finance; as Samir Amin says, financialization "is not a 'deviation' that might be corrected by appropriate forms of regulation; it is inseparable from the survival requirements of the system." [4]

Many argue that the stronger regulation in the 1990s and early 2000s could have prevented the Great Financial Crisis. But the counter argument, that the deregulation process intensified the major crisis that was already in the offing, is fundamental. It is important to note that, "its underlying cause was a debt bubble that had already driven the USA to the brink of Great Depression debt levels by 1989." [5] The following two decades went far beyond that. Through financialization, "strange new markets arose, pioneered within what became known as the 'shadow banking' system, permitting investment in credit swaps, currency derivatives, and the like…from trading in pollution rights to betting on the weather.” [6]

The strong political motives behind neoliberal reforms, including the most recent austerity measures even under non-crisis conditions, should not be overlooked. Alan Budd, Margaret Thatcher’s chief economic adviser, later admitted that “the 1980s policies of attacking inflation by squeezing the economy and public spending were a cover to bash the workers,” and to create an “industrial reserve army” which would undermine the power of organized labor and permit capitalists to make easy profits ever after. [7] Patronizing and promoting the non-government organization (NGO) model and microfinance is also a means pursing the political economy of the dominant class.

The Trajectory of Neoliberal Reforms in Bangladesh

After independence in 1971, Bangladesh did not take long to fall prey of the global capital net, i.e., the World Bank-IMF reform trap. Like many other peripheral countries, Bangladesh was targeted by the Structural Adjustment Programs, which later formed the backbone of the Washington Consensus. So-called fiscal discipline, reordering of public expenditure priorities, tax reform, liberalizing interest rates, competitive exchange rates, freeing up trade and foreign direct investment, privatization, and deregulation—have always been the key principles of the Structural Adjustment Programs and the Washington Consensus. [8] In simple terms, the aim is to bring everything under the sun within the reach of private business, turn every activity into something for profit, and open every public space and property for corporate interests. In the hegemonic ideology, this is pushed as “efficient and rational”!

The impacts of these reforms in Bangladesh were significant

• Big public enterprises were dismantled; large mills were replaced by export processing zones, shopping malls, and real estate.

• Export-oriented garment factories became the mainstay of manufacturing. Incidents like the Rana Plaza collapse in April 2013 showed the extent of cruelty and greed in these death traps. [9]

• Permanent jobs in factories were replaced by a system of temporary, part-time, outsourced, and insecure work.

• The biggest source of foreign exchange has been remittances; existing side by side with a huge outflow of resources through the transfer pricing and profit outflow by foreign companies, and transfer of accumulated wealth by local business groups, legally and illegally.

• The number of workers abroad is now more than the number of workers working in the country’s factories, who took this risky option because of job scarcity.

• The feminization of the working class is another recent phenomenon, which happened because of a reduction of purchasing power and increase of job insecurity. That has kept pressure on the families to work longer and to join the workforce with more than one family member, including children.

• Energy resources and power have been systematically privatized. [10] Power became a costly commodity and costs for the productive sector have increased, while energy security for the majority was threatened. All of this hurt the peasants; many had to join the labor market at home and abroad.

• Land grabbing, occupying public spaces by private business, and deforestation have uprooted many.

• Rural branches of state-owned banks have closed down, squeezing the access to cheaper finance for rural people, and forcing them to go to microcredit, which has higher interest rates.

The rise of the superrich and mafia lords and their domination over policy makers makes it easy for global institutions to promote their agenda; for example, privatization gives huge opportunities to this class to grab common property. The largest bank defaulter is the largest business group in the country; the bank's owner, who has been accused of draining billions of Taka abroad by manipulating market share is still the economic adviser to the prime minister of the country. [11]

One unpublished study by the Ministry of Finance estimated the size of the underground economy is a minimum of 40 to 50 percent, and a maximum of 83 percent, of Bangladesh's GDP. [12] This particular economy encompasses bribery, crime, the arms trade, the employment of professional criminals, corruption, resource grabbing, trafficking of women, illegal commissions from questionable deals, and leakages from different governments projects, especially "foreign aided" ones.

Ironically, neoliberal reforms were initiated in Bangladesh, just as elsewhere, in the name of curbing corruption, improving efficiency and transparency, increasing decent employment, and reducing poverty. But these reforms, instead, increased the scope and legality of corruption, criminality, resource grabbing, commissions from bad deals, and gangsterism. This process of capital accumulation is in many ways similar to what Marx wrote about the process of primitive capital accumulation in Europe, wherein old and new elites appropriated common resources and turned them into private property. [13] In Bangladesh, neoliberal programs and the model of primitive capital accumulation work as twins: they help each other, rationalize each other, and strengthen each other.

Neoliberalism for the Poor: The NGO/Microfinance Model

To open the space for different forms of privatization and financialization, an ideological campaign has demonized the state's responsibility towards its citizens. The gradual withdrawal of these responsibilities left the majority of the population unprotected from hunger, destitution, job insecurity, and illness.

Since the early 1970s, the World Bank has focused on poverty-alleviation programs. By then rising poverty and inequality, resulting from the "trickle down" modernization process, had created widespread discontent. Therefore, the emergence and growth of development NGOs enjoyed a favorable environment in terms of funding and policy support. Bangladesh, newly independent but poverty stricken, appeared to be an ideal test case and breeding ground for NGOs.

In 1974, BRAC started its own microcredit program with group formation (of rural poor) and a target group approach (i.e., targeting the poor); it later became the largest NGO in the country. [14] ASA, another big microcredit agency, was born in 1978. Muhammad Yunus formed the embryo of Grameen Bank as a project in 1976; now it has become the best-known microfinance organization in the world. [15] A 1981 policy shift affecting private banks made the Grameen Bank's establishment in 1983 possible. [16].

The NGO model of development soon appeared as a convenient option for working with poor people while avoiding structural solutions to poverty. NGO participation was made a condition to receive aid by donor countries and agencies. Therefore during the heaviest period of the neoliberal onslaught (1980–1995), NGOs were made an integral part of the policy-making process, and were used as resources and service-delivery systems for the peripheral state, becoming an effective tool of the privatization process. [17] In this regard, what James Petras and Henry Veltmeyer observed in Latin America is very much true in Bangladesh too: "the proliferation of NGOs has not reduced structural unemployment or massive displacements of peasants, nor provided livable wage levels for the growing army of informal workers. What NGOs have done is to provide a thin stratum of professionals with income in hard currency who are able to escape the ravages of the neoliberal economy that affects their country and people and to climb within the existing social class structure." [18]

Initially, NGOs started working with a clear commitment to address social issues like inequality, lack of healthcare, and mobilizing the poor to stand against exploitation, deprivation, and the dominant power structure. [19] However, most of them retreated from their initial promises and concentrated mainly on microcredit operations. This happened because of legal bindings by the state on NGOs, the risk of antagonizing powerful actors, and the conditions of donor funding.

Since the early 1990s, the NGO sector has become highly polarized. A few NGOs have gained command over the sector's resources, most of its workforce, and the international support and funder network, while most other NGOs have had to settle into the status of being their subcontractors. [20] These few big NGOs have accumulated substantial amounts of capital through their microfinance activities and gradually opened various business windows, including joint ventures with multinational corporations. Their multi-storeyed buildings, and corporate culture and influence over media and government policies, demonstrate their power.

This polarization also brought about a significant transformation in certain NGOs, what I like to call "corporatization." Grameen Bank and BRAC became global players, entering into joint ventures with multinationals and organizations like the World Bank and turning the groups into corporate companies, whether formally or not. The formation of the "corporate NGO" is certainly a new phenomenon, not only in the NGO sector, but also in the corporate world, resulting in a new form of private ownership and monopolization/oligopolization of certain business areas.

Microcredit: Financialization of the NGO Model

The financialization of global capitalism, and its hunger for new markets due to the mismatch between the supply of goods and the purchasing capacity of the global majority, has created an open space for microcredit/microfinance as a financial market for the poor. Therefore we should not look at microfinance as mere "small sums of money handled in basic transactions," but as "part of a system of finance recognisable to other systems of finance. Microfinance is not the same as money lending or pawn brokering; it is financially more advanced, in that it incorporates the calculatory devices, languages and logics of the mainstream financial system into the act of lending to poor people." [21]

Since the 1980s, microcredit/finance programs have expanded rapidly in Bangladesh. [22] This is the same period when countless jobless workers came onto the labor market from closed-down or privatized manufacturing enterprises and uprooted peasant farms. Different poor-targeted programs evolved as "safety net"' programs to rescue victims of the Structural Adjustment Programs. The informal sector expanded, since it was the only option left to the uprooted, jobless, unprotected people. Microcredit got this market.

The World Bank initially considered microfinance ineligible for its support, because it was subsidized and "amateurish." But the Bank soon realized that "new wave" microfinance was actually perfectly "consonant" with its overall mandate to address poverty while also enforcing neoliberal policies. Accordingly, in the early 1990s the World Bank aggressively moved into the microfinance field, especially through its arm, International Finance Corporation (IFC). In fact, the World Bank soon "took the lead in pushing for the 'new wave' microfinance model." [23] In 1995, the World Bank created the Consultative Group to Assist the Poorest (CGAP), and in 1997 the first Microcredit Summit took place in Washington. Microfinance became a strong arm of the financialization-globalization development toolset.

Microfinance is a now more than $90 billion industry, with over 200 million borrowers. In one estimate, "a total of US$ 19.583 billion was actually paid by microfinance borrowers" to this industry in 2010. [24] Bringing a huge number of the poor of the world under the net of finance has contributed to a "transformation of value into globalized value" which renders their labor accessible to global capital. [25]

Despite the drum beats touting the success of microcredit and NGOs in Bangladesh, many studies in the country revealed early on the limits of microfinance as a tool of poverty reduction. In a study on "a total sample of 1489 families from 15 villages, only 5 to 9 per cent of the borrowers were found to use micro credit for their economic improvement, many of them had other sources of income as well." [26]

In another study, Q.K. Ahmed and others found that 1,189 out of 2,501 respondents could not repay their due installment of microloan on time. Ahmed found that 72.3 percent of them had to borrow money from moneylenders and others at high rates of interest, while about 10 percent had to sell assets like goats to repay. [27]

For Bangladesh, the number of borrowers and the amount of loans started showing a declining trend beginning in 2009. A study commissioned for poverty assessment for the World Bank found that, from 2003 to 2008, the yearly growth rate of active members was between 12.50 and 17.85 percent. That could not continue indefinitely. Notably, since 2009 a fall in membership is found in the above report, first –0.55 percent in 2009 and –3.04 per cent in 2010. [28]

Nevertheless, Grameen Bank and other Microfinance Institutions (MFIs) have their own spectacular success stories. But that success is found not in poverty alleviation, but rather in corporate expansion and the establishment of a new form of financial industry. For example, Grameen Phone is now the largest mobile company in Bangladesh, with a more than 62 percent share owned by Telenor, a Norwegian company. Grameen Telecom (another company closely linked with Grameen Bank) owns the rest of the shares. [29] In the beginning, Grameen Phone started its operations through the Grameen microcredit network; loans were provided by Grameen Bank to get members into the Grameen Phone market.

Grameen DANONE Food and Grameen Veolia Water Ltd. are other examples which were formed as joint initiatives with global companies and popularized in the name of the poor, but are not owned by Grameen's members. Grameen Veolia Water Ltd is an initiative devoted to working as part of a long-term strategy of water privatization. By now we know that the "Grameenized" private sector brings nothing different; we simply face a new rhetoric to hide corporate expansion in the veil of supporting the poor. [30].

Poverty Reduction and Branding Bangladesh

In the present development literature, BRAC and Grameen have become highly recognizable brands of Bangladesh, constituting, respectively, the largest microfinance NGO and the internationally most rewarded, including a Nobel Prize. Since both are praised for success in poverty reduction and human development, and the microfinance model is seen as the solution of poverty, Bangladesh supposedly leads the world in these fields. However, what is the reality on the ground?

Bangladesh presents some feel-good numbers to the world. Everybody from the government, World Bank-IMF-ADB, and the Economist, to the local media and consultants, cook these numbers to show that the current development paradigm is producing positive results and that the pairing of privatization and the NGO model is performing well. [31] Yes, the country has had 6 percent annual GDP growth for more than a decade, per capita income crossed $1,000 in 2013, there has been a remarkable growth of exports, and remittance earnings, roads, and communications have spread significantly. But these "dramatic" good numbers in macroeconomic variables cannot change the bleak pictures of human lives and environment; in fact, we find deterioration for many, across the society.

There are many subtle and cunning things in poverty discourse. Numbers on the "reduction" of income poverty becomes a strong matter of belief, based on the assumption something that "must have happened." The Household Income & Expenditure Survey 2010 compiled both 2005 and 2010 data to revise poverty estimates for 2010; it showed that the share of people living under the upper-income poverty line decreased from 40 percent in 2005 to 31.5 percent in 2010. [32] However, the method, quality of data, and lack of consistency raised many questions among independent scholars. [33]

The World Bank has acknowledged that the proportion of people under the poverty line increases significantly when only small changes in the yardstick applied. According to the World Bank's recent report on Bangladesh, if we take the poverty line of per capita, per day income as $1.09, people living in poverty comes to 31.5 percent; but if we increase it to $1.25, then it goes up to 43.3 percent; if we calculate it on $2, then it goes up to 75.8 percent. [34] Although the World Bank acknowledged the limits of their measurement of the poverty line, it continues to make conclusions based on these yardsticks. [35]

A recent study reveals that if one calculates the poverty line on the cost of basic needs, as correlated with current prices, the poverty ratio differs significantly from the government's data. [36] One recent survey shows that 57 percent of households in rural Bangladesh are landless, and all together 82 percent of the rural population can be called "resource poor." [37]. That is the ground reality even after decades of NGO and microcredit "pro-poor" operations!

The most striking facts appear in a recent government document, which shows that Bangladesh has the highest proportion of people living under the poverty line in all of South Asia. According to their estimate, while 31.5 percent people live under the official poverty line in Bangladesh, the rates in neighboring countries are 29.8 percent in India, 25.2 percent in Nepal, 23.2 percent in Bhutan, 22.3 percent in Pakistan, and 8.9 percent in Sri Lanka. [38] There is no explanation available as to why the brand country of microcredit and NGOs lags so far behind others!

All of this data indicates one thing: that GDP and per capita income have increased without a significant improvement for the people in poverty and deprivation in Bangladesh, and for many there may even have been a further deterioration in their living conditions. Peasants in agriculture, workers in garment factories, and migrant laborers give blood and sweat to keep the growth numbers up. Because of privatization, the costs of education and health care have increased; therefore access to both is reduced for the majority, despite growth in these services in the private sector. Many development projects made GDP grow by uprooting people's livelihoods and destroying river systems and Bangladesh's unique environment. The Bangladeshi development paradigm is, therefore, clearly a neoliberal path of growth sugarcoated with "poor friendly" NGOs and microcredit.

Conclusion

The rural economy of Bangladesh is now much more marketized, and market relations have become dominant. Along with other internal and external factors, remittances have been the major cause behind this, while garment production is another. The spread of microcredit has also played a role in increasing the market orientation of the rural economy. Small trade and small moneylenders grew because of both remittances and microcredit. The much-applauded rise in women's mobility came more from garment production than microcredit. The development of infrastructure like roads and electrification has opened up opportunities for different occupations, businesses, and short-term migration. Therefore different studies, taking into consideration all of these factors, conclude that the conditions of the rural poor do not differ much between borrowers of microcredit and non-borrowers. [39]

Many studies also reveal that microfinance/credit could not improve the conditions of the poor who do not have other sources of income. On the contrary, a recent report shows how vulnerability increases after getting trapped into a never-ending cycle of indebtedness. In an attempt to escape this cycle, borrowers are even forced to sell their organs, facing preventable suffering if not premature death. [40] The high growth rate of rural-urban migration and constant flow of women and men to fill the streets and slums of Dhaka in search of work and their destiny in death-trap factories and uncertain informal jobs, as well as foreign lands, show the failure of the much-acclaimed NGO/microfinance model.

In essence, the model of the NGOs and the microfinance-based approach goes well with the neoliberal ideology and the dominant development paradigm that produces and reproduces poverty for many and affluence for the few, destroying nature and people's lives, in order to maximize corporate profit. Meanwhile, however, the rhetoric about "helping the poor" and a "peoples alternative" creates illusions about NGOs and microfinance. While serving global capital, that illusion weakens the politics and vision of a real alternative of people's sovereignty and emancipation.

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P.S.

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http://monthlyreview.org/2015/03/01/bangladesh-a-model-of-neoliberalism/

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Footnotes

[1] Paul M. Sweezy, "*More (or Less) on Globalization*," Monthly Review 49, no. 4, September 1997, 1–4.

[2] A new study by the Tax Justice Network estimates that "there is as much as 32 trillion dollars, which is over twice the entire US national debt, hidden away offshore not paying taxes." See Mark Blyth, Austerity: The History of a Dangerous Idea (New York: Oxford University Press, 2013).

[3] David Harvey, *The Enigma of Capital and Crises of Capitalism* (Profile Books, 2011), First South Asian Edition, 265.

[4] Samir Amin, *The Law of Worldwide Value* (New York: Monthly Review Press, 2010).

[5] Steve Keen, *Debunking Economics* (New York: Zed Books, 2011), 395.

[6] Harvey, *The Enigma of Capital and Crises of Capitalism*, 21.

[7] Ibid, 15.

[8] William Easterly, "What Did Structural Adjustment Adjust? The Association of Policies and Growth with Repeated IMF and World Bank Adjustment Loans," *Journal of Development Economics* 76 (2005): 1–22.

[9] For discussion on the worst factory collapse that killed at least 1,134, see my recent article "Bangladesh RMG: Global Chain of Profit and Deprivation," May 17, 2013, http://opinion.bdnews24.com. For analysis of the whole industry "Wealth and Deprivation: Readymade Garments in Bangladesh," Economic and Political Weekly, August 20, 2011, 23-27, http://epw.in.

[10] For details, Anu Muhammad, "Natural Resources and Energy Security, Challenging the 'Resource-Curse' Model in Bangladesh," Economic & Political Weekly, January 25, 2014. 59-67, http://epw.in.

[11] *Prothom Alo*, the largest circulated daily in Bangladesh, has published number of reports on the Beximco group on its loan default. Recently the daily reports about the group's more than USD 670 million unpaid loans mostly from state owned banks and the special privilege given to it. Monjur Ahmed, "Beximco grouper jonyo bishesh subidha" (Special Privilege for Beximco Group), Prothom Alo, December 15, 2014.

[12] The Finance Minister stated this in the post budget press conference on June 8, 2012, FE Report, "It's a People's Budget," *Financial Express* 20, no. 260, June 9, 2012, http://thefinancialexpress-bd.com.

[13] And which, as Harvey argues, continues as "accumulation by dispossession." See Harvey, *The Enigma of Capital and Crises of Capitalism*, 40–57.

[14] BRAC was known formerly as the "Bangladesh Rehabilitation Assistance Committee" and then as the "Bangladesh Rural Advancement Committee"; currently, it is not an acronym. See

http://brac.net.

[15] The Association for Social Advancement (ASA) was established in 1978. For more information see http://asa.org.bd.

[16] For details see http://grameen.com

[17] This process was earlier discussed by S.R. Osmany, "Limits to the Alleviation of Poverty Through Non-farm Credit," *Bangladesh Development Studies XVII* (1989): 1-19. And also by David J. Lewis: "Catalyst for Change? NGOs, Agricultural Technology and the State in Bangladesh," *Journal of Social Studies*, no. 65 (1994): 1–35.

[18] James Petras and Henry Veltmeyer, *Globalization Unmasked: Imperialism in 21st Century* (New York: Zed Books, 2001), 129.

[19] I began studying the NGOs from their emergence. After field-level investigations, I wrote about their limitations in 1980 and later in 1982 under the title "Samrajyabadi songstha, NGO, O Krishok Mukti" ("Imperialist organizations, NGO and Peasant Emancipation") an article in Anu Muhammad, *Biswa Pujibad O Bangladesher Anunnayan* (Dhaka: Karim Prakashani, 1983) before publishing a book on development crisis and the NGO model, *Bangladesher Unnyan Songkot ebong NGO Model* (Dhaka: Prochinta, 1988). By the time the second edition of this book was published in 2000, the polarization of the NGOs and their integration with the ruling structure was even more evident.

[20] If we consider command over microcredit only, we find that "The three largest MFIs—Grameen Bank, BRAC and ASA—account for 62 percent of all borrower accounts and 69 percent of outstanding portfolio. The top 15 serve 82 percent of all accounts and provide 82 percent of all outstanding portfolios." In Abdul Bayes, ed., *Bangladesh at 40 Changes and Challenges* (Dhaka: AHDPH, 2012), 284.

[21] Philip Mader, *The Political Economy of Microfinance: Financialising Poverty* (London: Palgrave, 2014), 137.

[22] As the government document shows, "In Bangladesh, there are four main types of institutions involved in microfinance activities. These are: Grameen Bank, more than thousand non-government organizations, out of which about 500 are licensed MFIs, commercial and specialized banks, and Government sponsored microfinance programs." Microcredit Regulatory Authority, "Microfinance Regulations in Bangladesh: Development & Experiences," position paper presented in the International Conference on Microfinance, Dhaka, March 15–17, 2010.

[23] Milford Bateman, Why Doesn't Microfinance Work? The Destructive Rise of Local Neoliberalism (London: Zed Books, 2010), 16.

[24] Philip Mader, *The Political Economy of Microfinance*, 140.

[25] Amin, *The Law of Worldwide Value*, 84.

[26] Anu Muhammad, "Grameen and Microcredit: A Tale of Corporate Success," Economic and Political Weekly, August 29, 2009, 35-42, http://epw.in.

[27] Q.K. Ahmed, ed., *Some Findings on Micro Credit at Micro Level: Socio-economic and*

Indebtedness Related Impact of Microcredit in Bangladesh (Dhaka: University Press Limited, 2007).

[28] World Bank, Bangladesh Poverty Assessment, Bangladesh Development Series, June 2013, 128. http://documents.worldbank.org.

[29] Quoting different sources, Philip Mader noted that "Telenor had also made a major donation of 14 million Norwegian Crowns to the Nobel Peace Centre two years before. The man who nominated Yunus for the Prize worked for Telenor as a consultant." Philip Mader, *Financialising Poverty, The Transnational Political Economy of Microfinance's Rise and Crises*, unpublished PhD dissertation, Max Planck Institute for the Study of Societies, Cologne, 2012, 49.

[30] This term has been used by Grameen Bank founder Muhammad Yunus on many occasions; recently very often in connection with his latest mission of "social business." See Muhammad Yunus, *Building Social Business: The New Kind of Capitalism that Serves Humanity's Most Pressing Needs* (New York: Public Affairs, 2010). Also for his ideas and experience with Grameen loan, see Muhammad Yunus, *Banker to the Poor* (New York: Public Affairs, 1999)

[31] The Economist, in particular, gives credit to BRAC through and NGO model in general for "poverty reduction"! See "Bangladesh Development: The Path the Fields," *Economist,* November 3, 2012. http:// economist.com.

[32] Ministry of Finance, Government of Bangladesh, *Bangladeshe Daridro o Oshomota* (Government Poverty Report in Bangla), June 2013, 5.

[33] See for excellent analysis on problems of official poverty lines for India, similar to Bangladesh, Utsa Patnaik, "Poverty Trends in India 2004–5 to 2009–10," Economic and Political Weekly, October 5, 2013, 43–58.

[34] The World Bank, Bangladesh Development Series, Vol II, Bangladesh: Towards Accelerated, Inclusive and Sustainable Growth—Opportunities and Challenges, June 2012, http://documents.worldbank.org.

[35] The $1 and $2 a day poverty estimates described here are useful only as indicators of global progress, not to assess progress at the country level or to guide country policy and to program formulation." World Bank, World Development Report 2000/2001: Attacking Poverty, 17, https://openknowledge.worldbank.org.

[36] For details see Saiful Malek Ansary, *Poverty and Self Employment*, A Study on 20 Villages, PhD dissertation, Jahangirnagar University, 2014.

[37] IFPRI-USAID, *Bangladesh Integrated Household Survey* 2011-2012, Dhaka, April, 2013, http://usaid.gov

[38] Ministry of Finance, Government of Bangladesh, *Bangladeshe Daridro o Oshomota* (Government Poverty Report in Bangla), June 2013, 39–41.

[39] Anu Muhammad, "Grameen and Microcredit: A Tale of Corporate Success," Economic and Political Weekly, August 29, 2009, 35-42, http://epw.in; also, World Bank, Bangladesh Poverty Assessment, Bangladesh Development Series, June 2013, http://documents.worldbank.org.

[40] "The Bangladesh Poor Selling Organs to Pay Debts," BBC News, October 27, 2013, http://bbc.co.uk.