Banking on Bananas, Crediting Crafts: Financing Women's Work in the Philippine Cordillera

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ABSTRACT

This paper addresses the emergence of microfinance programmes in international development as a preferred strategy for poverty alleviation and empowering women. Drawing on ethnographic research in the Philippine Cordillera, it argues that microfinance projects have embedded social change objectives in initiatives driven by market-led forces thereby failing to realize social justice for women. To effect a more normative agenda for development, this paper suggests integrating women's perspectives and initiatives other than credit.

RÉSUMÉ

Cet article adresse l'apparition de programmes de microfinance dans le développement international comme stratégie de choix pour éliminer la pauvreté et permet aux femmes de s'assumer. En se servant de la recherche ethnographique aux ordillières des Philippines, il soutient que les projet de microfiance ont ancré les changements d'objectifs dans les initiatives guidées par les forces du marché ce qui fait qu'elles ne reconnaissent pas la justice sociale pour les femmes. Afin de mettre en effet un ordre du jour plus normatif pour le développement, cet article suggère d'intégrer les perspectives et les initiatives des femmes autre que le crédit.

INTRODUCING MICROFINANCE

Since the 1970s, the gender and development movement has put gender issues on the table. We have moved from patronizing welfare models of development to understanding that involving women in designing initiatives from the outset is integral to achieving the most fruitful outcomes. Yet, the fact that social institutions and development organizations continue to produce gendered outcomes that can be constraining or disadvantageous for women means that it can be useful to adopt a feminist perspective to examine the relationship between the institutional claim to empowerment and the capacity of programme design and practice to generate social opportunity for women (Goetz 1997). Such an approach raises questions about how theories of power underlying the concept of empowerment are currently being used in development practice. To generate debate around these issues, this paper analyzes a new (1997) microfinance development programme in the northern upland Philippines established by the Central Cordillera Agricultural Programme or CECAP.[1] CECAP's Rural Finance System is developing a local system of village savings and loan groups and connecting these to local banking cooperatives to promote economic development.

In current international development practice, issuing credit, particularly to women, has gained wide acceptance as the most effective means of reducing poverty and empowering programme beneficiaries. The frequently articulated example of the empowered borrower - one who wisely invests money in a successful livelihood enterprise to better the social (education, nutrition) and economic (income) position of herself and her family - represents the fulfillment of the microfinance promise (Morduch 1999).

Much of this enthusiasm rests on what Jonathan Morduch terms the "win-win" premise: microfinance institutions that follow the principles of good banking will also be those that reduce the most poverty and provide people with more life choices. By being able to achieve financial self-sustainability in a timely manner, microfinance institutions will be able to grow without the constraints imposed by donor budgets, and will be able to effectively serve and empower more poor people. A key tenet is that poor households demand access to credit, not necessarily cheap credit; thus the income generated by loan interest will eventually cover the costs of operating microfinance programmes (2000, 619). While some find this argument to be self-evident, others are more skeptical. The latter argue instead that microfinance fails to reach the poorest (Fernando 1997), has a limited effect on income (Hashemi et al. 1996), and does little to address the broader socioeconomic causes of poverty (Goetz and Sen Gupta 1996).

I argue that particular understandings and applications of power, such as those that privilege the market or are rooted in gender hierarchies, are built into the rules and practices of social institutions such as that of CECAP and, that this institutional climate can influence the results of programmes from the outset (Goetz 1997). The implications of such a power bias can, in turn, hold unintended consequences for social change objectives as initiatives may be actively contested and resisted by participants who are excluded from decision-making processes. In practice, CECAP's programme encompasses conflicting goals: it prioritizes achieving financial self-sustainability within the short lifespan of the project (i.e., 1997-2002) and thus gives little more than lipservice to realizing member empowerment and poverty reduction. Consistent with their prioritization of the market-led model of development, then, CECAP's programme design leaves little space for women's voices to be heard, and thus little opportunity to incorporate women's knowledge and experience into more locally appropriate and potentially empowering livelihood enterprises.

While researchers and development practitioners debate to what extent such local systems of experience and socioeconomic organization should be respected or challenged, most programmes are designed partially in deference to existing values, and partially to change them. I argue, like Brooke Ackerly (1997, 142), that both "deference and opposition" require understanding such organizational systems (e.g., gender and class hierarchies) to effectively operationalize social justice objectives for women, especially. By relying on the familiar theoretical distinction between formal and informal economy, rather than on the more locally appropriate understanding of extra- and intra-familial, class and gender relationships, CECAP's initiatives have failed to address the broader discriminatory infrastructure within which women work; and their programme, in many cases, has thus left women with debts resulting from inappropriate livelihood projects.

Drawing on Ackerly, I define woman's empowerment as a function of both institutional change and individual initiative. With regard to women's institutional environment, empowerment necessitates changing or eliminating the society's values, practices, norms and laws that constrain women's activities and choices. Secondly, empowerment depends upon an individual woman's ability to take action and make choices. As Ackerly points out, the two aspects of empowerment are not easily differentiated from one another as a coercive environment may limit a woman's agency (1997, 141).

To explore these issues in women's empowerment and microfinance development, I use data on women's work in handicrafts and farming (banana cultivation and trade) at the household level. Following a discussion that problematizes the theoretical context of women, empowerment and microfinance, I explore the extent to which different women have been able to successfully operationalize CECAP's microfinance programme. I conclude by discussing how microfinance initiatives in the Cordillera highlight the broader issue of gender, sustainable development and policy formation, which are currently being debated in development studies.

ACCESSING CREDIT, ACCESSING EMPOWERMENT?

Since the 1990s, microfinance initiatives based on the Grameen Bank model have been increasingly adopted by development practitioners as the most powerful intervention to reduce poverty and to empower women in particular. As heralded by the 1997 Microcredit Summit Conference in Washington, DC, success stories are being written around the world from Oceania to Asia, Africa to South America. The cornerstone of these programmes is the provision of subsidized access to loans, not subsidized loans per se as interest rates can be equal to those of the regular banking institutions. Through a process in which peer group pressure, rather than possession of conventional collateral (land, capital), ensures timely loan repayments, women normally marginalized from the formal banking sector receive small loans for livelihood projects (Yunus 1994). By so doing, microfinance programmes provide borrowers with alternatives to usurious moneylenders and with opportunities to build or expand household enterprises. The key to microfinance's rise as the star of international development is the documentation of the positive impacts associated with lending to poor women, especially in terms of increasing their household income. Women are targeted as programme beneficiaries because of their record of higher repayment rates and their prioritization of expenditure on family welfare; this, in turn, promises increased program efficiency, poverty reduction as well as a positive social impact due to improvements in women's positions within family and society (Wood and Sharif 1997).

However, a growing number of studies have questioned the validity of using increases in household income as the sole barometer for measuring improved quality of life for household members (e.g., Berger 1989; Goetz and Sen Gupta 1996; Rahman 1999). Hulme and Mosley argue that increased income does not necessarily result in a reduction in poverty. They point out that poverty is not only about having inadequate income or income below the poverty line, but is also about the inability to sustain a specified level of well being through lack of options in work or through lack of control over earnings. Microfinance advocates who adopt a broader view of poverty suggest that strategies must move beyond simply offering credit to include "protectional strategies" such as voluntary savings, emergency consumption loans and low-risk income-generating projects that are unlikely to create indebtedness (Hulme and Mosley 1997, 100; Wright 2000, 15). Although development organizations now widely recognize that poverty is multifaceted and that people's own perceptions are fundamental to identifying what poverty means to them or is, many microfinance programmes still fail to enhance women's socioeconomic positions because initiatives do not challenge the discriminatory and exclusionary infrastructure in which women work and live.

Addressing these debates, Linda Mayoux identifies three paradigms of gender and microfinance delivery that focus on achieving either financial self-sustainability, poverty alleviation, or feminist empowerment. Each regard "women's empowerment as a process of change in a complex system of interlinked and mutually reinforcing dimensions of gender subordination." However, their goals are differentially weighted in their prioritization of microfinance delivery, complementary services, organizational structure and new opportunities for women (1998, 6-7). These differences account for why certain policies and practices and not others prevail in practice.

The financial self-sustainability paradigm seeks to increase household income by providing credit to increasingly large numbers of poor people to practice economies of scale (11& 13). Women are targeted for efficiency as they are better repayers and as such are an "underutilized resource for development" (14). In the poverty alleviation paradigm microfinance is part of a wider integrated community development programme aimed at poverty reduction as well as at improving individual well-being, decreasing vulnerability and expanding access to social services (17-18). In the feminist empowerment approach microfinance responds to the immediate practical needs of poor informal sector women workers, but it is regarded as only part of a strategy for the wider social and political empowerment of women through social mobilization and advocacy around issues of gender equity at the macrolevel (19).

The current feminist scholarship examining issues in the field of gender, empowerment and development provides a useful entry to identifying the role of credit programmes in changing institutional environments that enable borrowers to broaden their range of action and choice. In her discussion of different institutional models of development, Goetz (1997, 7), like Hulme and Mosely, argues that initiatives often focus on the "technical" matters of quantifiable input provision in a process which neglects issues of women's actual control over these inputs. She maintains that the business of expanding women's access to and control over resources and of revaluing their roles in the rural economy disrupts traditional interpretations of gendered need and worth upon which patterns of female exclusion and denial are based (6). Such hesitancy to implement gender-transformatory aspects of policy - to tackle the larger social and politico-economic context that largely restricts women to domestic sphere activities - is also reflected in the tendency to minimize the empowerment-related objectives of such programmes as has occurred in CECAP's programme (7).

Kabeer similarly argues that studies evaluating the impact of microfinance on women's empowerment often use the concept of "managerial control" as their index of measurement. Managerial control, she maintains, confuses two distinct aspects of decision-making related to household resource allocation: "control" and "management." Control has to do with the policy-making function (e.g., deciding how resources are to be utilized) while management has to do with the implementation function, putting into operation the policy decided upon (1998, 6). By focusing on the index of managerial control, programmes highlight the implementation of decision-making related to the management of the loan-funded enterprise, but offer little insight into control over decision-making about loan use. Women's empowerment is rooted in their obtaining the controlling position that enables them to determine "the rules of the game" (Goetz 1997, 7), rather than simply how the rules are implemented. Indeed, Goetz points out that analyses of implementation patterns show that women's identification with policy-making is often limited to those features of their lives which centre on their contribution to family welfare and on their needs as dependents of men, rather than on their needs as producers and marketers in extra-household spheres (10).

Nancy Fraser's 1997 analysis further highlights the complexity of addressing gender injustice in development programmes with conflicting goals. She argues that gender is a "bivalent differentiation" that suffers both economic and cultural injustice. Thus people subordinated by gender need both redistribution (redistributing and reorganizing economic opportunities) and recognition (upwardly revaluing disrespected identities), both of which need to be pursued simultaneously (28 & 15-16). Changes in both spheres, most commonly implemented through "affirmation," she maintains, do indeed assure women a fair share of existing economic opportunities as well as respect by revaluing feminism (28). However, in both spheres, the larger socioeconomic infrastructure remains unchanged: namely, the nature and number of jobs accessible to women and the prevailing binary opposition in which being female sits (29). Fraser argues then that the most promising path for transforming the deep structures of both political economy and culture must encompass "transformative" measures aimed at "dismantling androcentrism by destabalizing gender dichotomies" and thereby challenging gender injustice (29).

Some Philippine microfinance programmes similarly exemplify how development incentives may be tied more closely to quantitatively measurable performance targets than to qualitative objectives such as promoting empowerment processes, regardless of the organization's official line. Sharon Miron demonstrates this tension in her study of a southern Luzon credit programme operated by CARD Bank (Center for Agriculture and Rural Development), one of the country's most successful microfinance programmes (Chua 1998; Ocampo 2000). She argues that although CARD's access to credit has indeed improved women's income, their savings for emergencies and their personal self-confidence, it has in fact not truly "empowered" women (1997, 206). Miron found that despite the fact that women contribute twenty-five to fifty percent of the household's total income and spend forty to fifty percent of their time in productive activities, a majority of women still refer to men as the breadwinners and to themselves as housewives, emphasizing their reproductive rather than their productive work; and in decision making, men often have the final say in cases of a deadlock (Kwiatkowski 1998, 82-96). Thus, women often excuse men for spending thirty to sixty percent of their income on "personal wants" rather than contributing their earnings to the pooled household resources as is the usual practice (Miron 1997, 55). Miron also demonstrates that many women spend more hours working in both spheres thus increasing income by increasing workload. She concludes, then, that although access to financial resources enhances women's positions within the traditional family sphere, women must also have control of the decision-making processes governing income distribution as well as institutional alternatives to dependence on family (208).

Rebecca Coke, in her research in the

central Philippines, similarly argues that microcredit programmes adhere to a feminine sub-system tied to household and community management. As such, they are geared to women's roles as small household producers and mothers which, in practice, fall short of their goal to empower women, and in fact, may lead to programme failure. For the Filipino wife, family needs are often placed before her obligation to the larger community and thus to her microcredit group or institution. Female borrowers may choose to divert loan funds from bank repayments to family expenses even when her groupmates do not approve. Coke argues that in the Philippines, the Spanish colonial ideal of a virtuous woman means that women are customarily expected to sacrifice themselves for the good of their families (Chua 2001, 154). In many cases, then, loan funds may be diverted to cover essential family needs (health care and education); other women, understanding the rationale for their groupmates' delinquency may not exert the peer pressure expected by programme management because they feel they themselves would have acted in a similar fashion, having little alternative, especially in a culture that validates maternal self-sacrifice (Coke 2000, 13-14).

It becomes evident that facilitating women's access to physical resources through credit alone only partially addresses circumstances of social injustice. Empowerment strategies for women must build on the social embededness and on the multidimensionality of power to make a difference in women's ability to control these resources, determine agendas and make decisions.

SITUATING THE PHILIPPINE CORDILLERA

The provinces of Ifugao and Kalinga-Apayao are located in the Gran Cordillera Central mountain range that extends through much of northern Luzon. The main economic activity throughout the Cordillera is subsistence wet-rice cultivation carried out in irrigated pond-fields, and in many areas the high elevation and cool climate limits cultivation to one rice crop per year. Where the temperatures are warmer and the terrain gentler in both provinces, small-scale farmers can seasonally produce a limited surplus of crops such as vegetables, bananas and coffee which they sell commercially. Most families, however, to sustain themselves throughout the year must also engage in non-agricultural income-generating work such as producing crafts, working in the tourist service industry or operating grocery stores.

Except for the small percentage of those living in town centres, most people live in hamlets of two to four houses scattered throughout the rice fields. Many settlements are several hours walk from the nearest road and the limited roadways are often blocked by landslides cutting off many municipalities and towns for weeks during the rainy season each year (May-December). The dispersed housing pattern means that population density is extremely low and this, coupled with the provinces' substantial distance (ten to twelve hours) from major urban markets, challenges development efforts to achieve programme efficiency.

Men and women both work in extra-household income-generating activities. The region's socioeconomic systems of bilateral kinship and inheritance, ambilocal residence and primogeniture (inheritance based on seniority not gender) means that women own land and inherited wealth and have ready access to different economic opportunities. Most women are prominent in the management of household finances and hold power in this sphere by controlling the allocation of household cash resources. Men, however, predominate in public positions in politics and in religious office, and although men participate in domestic tasks, women still assume the bulk of childcare and domestic responsibilities (Kwiatkowski 1998; Milgram 2000).

Throughout the Cordillera, moreover, it is important to consider the differences among women. Depending upon factors such as their social class (landed elite, tenant or landless) and their education, some women as artisans and vegetable traders may have more of an advantage than others to gain prestige and increase income through their involvement in microfinance programmes - as the following case studies demonstrate.

FINANCING WOMEN'S WORK

The Central Cordillera Agricultural Programme, operational since 1989, is jointly funded by the European Union and the Philippine government's Department of Agriculture (CECAP 1997, 4). Its renewed seven-year mandate began in

July 1996 and contains, among other programmes, a rural microfinance component charged with "increase[ing] income and strengthen[ing] resource management capabilities" through all programmes in the Cordillera (6).

In their credit scheme, borrowers, primarily women, organize themselves into peer groups of between five to fifteen members to receive small loans without the requirement of physical collateral (land, capital). Loans are issued in predetermined and increasingly larger amounts upon borrowers successfully repaying their loans in fifty weekly installments. Group members provide social collateral by agreeing to guarantee and monitor the repayment of each other's loans. Programme participants who have proved themselves creditworthy by meeting weekly and contributing an agreed upon amount to their pooled group savings can access CECAP's low interest loans (fifteen per cent per annum) from local subsidized banking cooperatives.[2]

BETTING ON BANANAS

Loans from the CECAP-designated banking cooperatives are used most often to increase the scale of existing activities or to diversify into related fields. Women choose income-generating projects that can be easily integrated into the existing mix of domestic and agricultural activities in which they are already engaged. I found, however, that those who have been able to take advantage of the first round of loans (P4,000 or $125.00 Canadian), as well as subsequent loans, are women engaged in already-existing businesses such as trading bananas or crafts, running grocery stores and selling home-made snacks. Women who work solely in cultivation or in non-paid domestic work are reluctant to borrow funds for investment. For the poorest households (those not in business), the opportunities for productive use of loans are limited, and the risk of taking loans that are repayable on a weekly basis are unacceptably high (Fernando 1997, 175).

For example, in Kalinga-Apayao, within one group, Doris Bannug[3] buys and sells bananas while many of her co-members are banana producers and Doris's suppliers. When the group qualified to take a CECAP-sponsored loan, only Doris took action on this opportunity as her co-members feared that their fluctuating income, based on seasonal cultivation, would not be sufficient to meet their weekly loan repayments. Using her access to loan funds, Doris has been able to expand her business by purchasing bananas from more producers while continuing to offer farmers the same price. Traders like Doris may also own grocery stores from which they advance dry goods to producers in exchange for the delivery of bananas, thus earning additional profit on the mark up of the groceries. A similar situation occurs in some groups with regard to the production and trade of crafts.

Doris is reluctant to pass on benefits in the form of higher prices to her farmers for their bananas because she herself is not in control of the prices she receives from larger town buyers. Throughout the Cordillera, the parameters of pricing bananas are firmly established at each level of the buying and selling network. Village farmers gather and sell their bananas to their favourite local village buyer. Bananas are counted and sold per one hundred pieces which consists of "hands" of bananas counted in terms of five pieces. If a hand of bananas physically holds either six or eleven bananas, for example, the extra pieces are not counted by the buyer but offered by the farmer as a "good-will" gift according to customary practice. The village buyer, in turn, sells her bananas to larger town buyers who either personally transport the bananas to large urban markets or wait for the urban buyers to pick up the produce according to a prearranged schedule. In the latter transaction, for each 100 bananas counted, the village buyer must include an extra ten bananas as insurance against spoilage, also as a good-will gesture. A similar practice of gifting produce between seller and buyer occurs with vegetable marketing. Farmers selling their vegetables to wholesalers are expected to add one kilogram of extra produce for every ten kilograms sold.[4]

Ultimately, then, the prices paid for the produce at each level of this network are determined by those paid by wholesale buyers in the main urban markets such as Manila. The dynamics of such group interaction has the effect of more firmly entrenching preexisting faultlines within the community; it widens cleavages among women based on age and class, determined by ownership of land, success in business and education, and, in turn, threatens the long-term sustainability of savings and loan groups.

Some village banana buyers, however, are developing their own innovative options for marketing their produce by beginning to work through Philippine fair trade NGOs, such as the Association of Partners for Fairer Trade (APFTI). Fair trade practices guarantee producer groups locally appropriate prices for their products and work to maintain ongoing support services (e.g., market access; skills training) (Milgram 2000). Both producers and small buyers have approached CECAP to request larger loans and skills training workshops that would enable them to form producer groups and thus access APFTI's services. By facilitating such member initiatives, CECAP's development efforts could move beyond simply making credit available; they could initiate transformatory measures that challenge the discriminatory infrastructure in which some of these practices such as buying and selling bananas are so firmly enmeshed.

CECAP's prioritization of the market-led practice of development is further demonstrated in the planning staff's misguided efforts to identify new income-generating projects for women that have resulted in a high percentage of delinquent loans. In one Ifugao village many women combine subsistence agriculture with their work in crafts by applying basketry embellishment to carved wooden containers for the tourist market. Artisans indicate that the 4,000-peso loan is not enough for them to engage independently in production since carvers require cash advances for their products and are often late in delivering their orders. Such risky delays may cause the prospective producer-trader to miss her buyers' deadlines (Milgram 2001a). CECAP staff have encouraged women here to collect and sell local, organically-grown ginger which commanded a high price in urban centers in 1998 and early 1999. To meet their weekly repayments members continued to do craft piecework.

Borrowers expressed concern, early on, about possible overexposure in this new income-generating project. In 1997, only one or two women regularly bought local ginger from farmers to sell in urban markets. During the summer of 1998, however, more than twelve women were armed with bank loans to start similar businesses. Members trading ginger feared that as more loans were granted for this same purpose, competition among neighbouring buyers might cause prices to decrease, thus jeopardizing their projected profits and their ability to meet their schedule of repayments. Indeed, this occurred early in 1999 and was compounded by the situation in which many women were not able to sell the ginger they had kept in storage. Since most women retain the primary responsibility for childcare and domestic tasks, many of those who took loans to market ginger had to store their collected produce, some for up to three months, until they could conveniently travel to city markets. Others hoped to receive a higher selling price by accumulating larger quantities for volume sales. While in storage, some of the ginger decreased in weight as it started to dry out, to the point where women lost up to thirty percent of the weight of their stock. This situation, coupled with falling prices, made it difficult for borrowers to repay their loans. Indeed, nine of the twelve women dropped out of the programme leaving behind delinquent loans and two disbanded groups.

By offering only credit without the provision of broader market and social support (e.g., childcare, transportation to market, agricultural training), CECAP's programme, in this and in similar instances with regard to crafts, has done little to help women secure their livelihoods; nor has CECAP facilitated the opportunity for women to move from being producers to being producer-traders.

SEEKING OPTIONS, DIVERTING FUNDS

In addition to investing loans for specific income-generating projects, most women also spend some portion of their CECAP funds on household consumption needs. Although this diversion of loans is contrary to the lending policy of CECAP and of the banking cooperatives, the use of CECAP loans is rarely monitored after the loan application has been approved. Given their large work load, rural field staff and bank outreach workers devote little time to loan supervision, turning their efforts, instead, to successful and timely loan collection. Many women thus divert their loans from their original investment to adjust to fluctuating market demands and prices for crafts or vegetable produce, as well as to cover unexpected family expenses (e.g., healthcare).

Susan Tayad, for example, took a loan to buy and sell bananas directly to her village neighbours in upland Ifugao, hoping to bypass the permanent vegetable traders who monopolize sales in the town centre. Her proposed costs were based on the selling price of bananas grown under normal climatic conditions. When she went to purchase the bananas in the lowlands, she found that because of the lack of rain in 1998, the selling price had increased by twenty percent and the bananas were smaller than usual and thus not readily saleable. She decided on an alternate course of action and purchased, instead, bulk supplies of sweet rice, coconut, oil and sugar to make homemade rice cakes; and subsequently she added other baked goods such as different types of muffins and fried vegetable cakes to her production. Susan and her mother sell these snacks to their neighbours, to nearby businesses, and to those living along the road to the town center. As selling baked goods reproduces a low-profit return on her time and investment, Susan transformed her remaining cash into small, low-interest loans to her basketry-producing neighbours. She hopes to gain not only a profit on these loans, but also social capital for her supportive gesture to the artisan community. Susan remains fearful, however, that by diverting her loan to moneylending practices she will jeopardize her chances of securing subsequent loans.

Such situations demonstrate how institutional rules, structures and practices that privilege the market and the predetermined proper behaviour and work of women, continue primarily to serve the political and social interests which institutions were designed to promote in the first place (Goetz 1997, 6). Given the restricted opportunities for women for income-earning activities, many borrowers have a low absorptive capacity for additional capital; businesses commonly associated with women's work, such as making and selling home-made food or crafts, exhibit sharply diminishing returns to capital after the first loan. Since the original business cannot expand beyond a certain local market context, women commonly divert their subsequent loans to other businesses or to pay for family consumption needs. As Coke (2000, 13) points out, in such cases, the probability of default increases as the borrower's "discounted value of expected future loan benefits decreases."[5]

Susan's initiatives demonstrate how women carve multiple channels through which to tackle shifting socioeconomic contexts and refashion information offered by development programmes. The manner in which Susan has redirected her investments and nurtured social networks challenges traditional assumptions about women's roles and capacities for self-development which contribute to women's lower entitlements. By failing to consider the input offered by women's voices, CECAP's programme reproduces the ongoing cycle of women's engagement in only low-return, home-based occupations. Their policies hardly provide women with an institutional alternative to dependence on family, nor do practices demonstrate sensitivity to difference among women and commitment to outcomes which are empowering to a broader range of women.

CONCLUSIONS

In spite of the laudable gains achieved by placing gender on the policy agenda of international development, embedded within models such as CECAP's microfinance programme is an understanding of women's needs that can be seen foremost to reflect the concerns of agencies for financial accountability. As Ackerly argues, when performance incentives are increasingly tied to the speed with which funds are moved, rather than to their impact on the socioeconomic infrastructure within which women work and live, pressure to disburse and recover money rapidly diminishes concerns to ensure that credit contributes to women's social and financial autonomy (1997, 155-156).

By embedding social change objectives in programmes driven by market forces, CECAP has tended to view its problems as technical: their policies and practices have largely ignored the preexisting faultlines among women, the differences that existed before project implementation. Thus, while some established microentrepreneurs have been able to use CECAP's microfinance loans to augment their existing businesses, others have found themselves marginalized by the system and scrambling to make their weekly loan repayments. Indeed, without wider socioeconomic and political support for borrowers, even microentrepreneurs cannot expand their businesses sufficiently enough to justify the reinvestment of increasingly larger loans. Loan funds may be diverted to cover household consumption needs, putting borrowers at risk of default. Entrepreneurs, moreover, hesitate to pass on benefits to smaller producers as they themselves remain vulnerable to broader market and class constraints.

CECAP's failure to develop transformatory initiatives beyond low-paying, home-based enterprises, have enforced, rather than challenged, stereotypes about gender needs and the division of labour that institutionalizes women's domestic work. As Fraser argues, "to correct inequitable outcomes of social arrangements without disturbing the underlying framework that generates them" not only leaves intact the ideological structures that produce gender and class subordination, but also marks women as deficient, since these corrections must be repeatedly administered (1997, 23 & 29).

The reduction of women's needs to temporary infusions of credit cannot guarantee opportunities for social change, just as idealistic expectations about women's solidarity cannot in themselves transcend hierarchies that mitigate women's collective action (Rankin 2001). The group-based framework for delivering resources to women is less problematic if one objective is its contribution to women's collective empowerment. In the Cordillera, it becomes a problem, however, if it is merely an instrument for more efficient development practice - a means of managing controlled and uniform resource delivery and recovery (Goetz 1997, 12). Simply gaining access to credit institutions falls short of establishing a controlling voice in how policy and practice are decided upon as well as implemented. While CECAP group members might be able to provide information or knowledge which may eventually feed into some aspects of policy or project design, they are not actually changing any of the key programme decisions.

Promoting broader debates within microfinance initiatives, as well as within other affirmative approaches, can provide a foundation for operationalizing a more normative agenda for development. Developing transformative interpretations of women's needs can lead to deeper structural communication among women within the parameters of their lived experiences. These channels, in turn, may create the most realistic opportunities for women to develop a collective social criticism of gender and class inequality to assume power over conditions of change.

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ENDNOTES

1. The Central Cordillera Agricultural Programme operates their microfinance and agricultural support programmes in four Cordillera provinces: Kalinga-Apayao, Ifugao, Abra and Mountain Province. Although I have conducted research in each of these provinces, data for this paper focuses on Ifugao and Kalinga-Apayao.

2. For a more detailed account of the design and implementation of CECAP's microfinance programme, see Wright 2000. In an earlier paper analyzing microfinance in the Philippines, I discuss different aspects of CECAP's programme design with regard to its effect on poverty alleviation and women's positions (see Milgram 2001b).

3. All personal names of individuals as well specific village names are pseudonyms.

4. For a discussion of patron-client relationships in rural trade in the Cordillera, see Milgram 2001a.

5. Women most commonly divert their loan funds to pay for emergency healthcare and tuition costs. In many cases, to cover their CECAP loan repayments, borrowers took additional loans from moneylenders, at ten percent interest per month, from their household subsistence budget.

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