All Myth and Ceremony? Causes and logics of a mission shift in microfinance from microenterprise credit to financial inclusion

Philip Mader, Sophia Sabrow[1]

This version: December 2014[2]

Abstract

This contribution assesses the shift in the mission of microfinance from providing small loans for entrepreneurship to the broader agenda of financial inclusion. Three leading organisations' publications inform a discourse analysis which allows the strategic shift to be analysed using two theoretical frames from organisational sociology: instrumental rationalism and sociological institutionalism. The proclaimed shift in strategy is found to consist less of rational innovation toward the aim of poverty alleviation than of "myth and ceremony" for the sake of organizational self-preservation.

---

[1] PhD, University of Basel; MA, Graduate Institute, Geneva.
[2] Pre-editing version of a forthcoming publication in the Forum for Social Economics.

1. Introduction

The microfinance sector rose to fame with small loans for entrepreneurship – micro*credit* – but since at least the mid-2000s the term micro*finance* has been dominant.[3] This was more than merely a semantic change, for microfinance also encompasses savings, insurances and money transfers. At the same time, the justification for offering microfinancial services has changed: where once the core mission was to help small enterprises with credit, financial inclusion suggests that financial services more generally are supposed to alleviate poverty through participation in the financial sector. Financial inclusion entails that the microfinance sector broaden its activities beyond credit for enterprise, so as to satisfy poor people's ostensibly ubiquitous financial needs in all variety of life situations; a change in emphasis which has gone hand-in-hand with the increasing profit orientation and commercialisation of the microfinance sector.

Ever since commercialisation began, observers have asked whether the sector has experienced *mission drift*, whereby microfinance institutions (MFIs) increasingly ignore their original poor and female target populations in favour of less-poor and male clients, either because the commercial framework directly impels them to (Woller 2002; Mersland and Strom 2010), or because subsidies are uncertain and they seek to cross-subsidise their dealings with very poor clients (Armendariz and Szafarz 2011; Armendariz et al. 2011). Simultaneously, doubts have arisen about the efficacy of microfinance as a poverty alleviation strategy. Its success has been questioned for years, but more openly since a series of large-scale impact analyses failed to produce evidence for microfinance sustainably raising incomes or assets (see Duvendack et al. (2011) for a systematic review). At the very least, as far as any broad-based, empirically significant reduction of income and asset poverty is concerned, microfinance appears to fail[4] as an anti-poverty measure, which critics[5] assert is due to fundamental problems of the microfinance concept, which commercialisation has only exacerbated.

We investigate another perhaps more fundamental development than the aforementioned mission drift: a strategic *mission shift*, whereby the strategy through which poverty alleviation is supposed to take place has fundamentally shifted, from microenterprise

---

[3] According to Seibel (2005), the term originally dates back to 1990.

[4] David Roodman, who elsewhere claims success for microfinance in terms of building up a financial industry (Roodman 2012a: 221–267), sums up the findings regarding poverty: „On current evidence, the best estimate of the average impact of microcredit on the poverty of clients is zero" (Walt 2012). A more fundamental assertion is Bateman's (2011) argument that microfinance even undermines economic development.

[5] Including, but not limited to: Bateman (2010), Karim (2011), Klas (2011), and Sinclair (2012).

credit to financial inclusion. As we show with a discourse analysis, while poverty alleviation remained the stated goal, the legitimate means for pursuing this goal have fundamentally changed. No systematic study of the causes for this strategic shift exists yet[6], and we seek to fill the gap by (a) showing to what extent a shift in the mission of microfinance programming has indeed taken place, (b) reconstructing the assumptions and interpretive frameworks underlying the successive missions, and (c) offering explanations for the rationales of the actors involved. Our analysis questions the extent to which the shift from microenterprise credit to financial inclusion constituted an instrumentally rational improvement of the means for pursuing poverty alleviation – as MFIs' explanations would suggest – instead of being a product of organisational striving for legitimacy and self-preservation. Drawing on sociological theories of organisational behaviour, we suggest the shift was an institutional change of "myth and ceremony", through which microfinance actors formally adjusted their mission without necessarily pursuing their goals any more effectively than before (Meyer and Rowan 1977: 341). Evidence of such a mission shift could raise doubts as to what extent mainstream microfinance actually is still driven by the goal of poverty alleviation. At issue here is not whether microfinance actually manages to alleviate poverty, or whether it truly addresses the needs of the poor, but *how the legitimate means for poverty alleviation through microfinance have changed, and to what extent this shift in mission was motivated instrumentally by the goal of poverty alleviation or a striving for legitimacy*.

The following section briefly presents the data and methods of our discourse analysis. The third section shows to what extent a strategic shift in microfinance from the mission of microenterprise finance to financial inclusion took place. The fourth section discusses four explanations for the mission shift with reference to two theoretical approaches: instrumental rationalism and sociological institutionalism. The conclusion offers an interpretation of our findings.

2. Methods and approach

To document the microfinancial mission shift we perform a discourse analysis taking an "actor-centred"[7] approach (Keller 2001). This builds on the sociology of knowledge tradition that draws on Berger and Luckmann's (1966) theory of knowledge and Foucaults's approach to discourse, whereby discourses are social relationships of knowledge "brought to life" by

[6] Aside from Sabrow and Mader (2014), the findings of which this article relays.
[7] "Akteursbezogene Diskursanalyse" (Keller 2001: 138).

social actors “in historically situated processes of interaction and institution building” (Keller 2011: 64). Our approach takes the involved actors’ interpretive level, rather than an abstract level, to reconstruct the process from their perspective. Organisations actively use their published texts as media for communicating with the public about their activities and the contexts in which they operate (Halliday et al. 2009: 84-85). In our actor-centred discourse analysis, therefore we take the textual products of organisational actors (MFIs) as discursive means for the actors to communicate the rationale and legitimacy of their work (Grant et al. 2001; Hardy 2001). We understand legitimacy an objectively-possessed yet subjectively-created, generalised perception of the actions of certain actors as desirable, proper and appropriate; as perceived both by their immediate environments and the broader public (Suchman 1995: 574). Thus, by studying organisations’ textual output, it is possible to uncover their interpretive frameworks and assumptions about what constitutes legitimate action, and trace and interpret changes over time.

Since it is unfeasible to analyse all the textual output of the global microfinance sector, we selected three representative organisations which vary in terms of organisational structure, balance of economic and social interests, and geographic location. These three represent different aspects of the contemporary microfinance mainstream, which is oriented towards growth and “financial sustainability.[8] While the organisations under study – one MFI, one investor network, and one think-tank – cannot encapsulate the entire diversity of the sector, they do characteristically showcase its general structure and development.

(1) Association for Social Advancement (ASA). ASA was one of the early pioneer institutions and is today a highly influential MFI. It was founded in 1978 in Bangladesh, several years before the better-known Grameen Bank[9], as an NGO which later specialised in microfinance and since 1992 has exclusively done microfinance. ASA was one of the first MFIs to become financially independent, and its business model has informed many MFIs around the world; its model emphasises profitability and cost-efficiency (Klas 2011:60-61). In 2007, Forbes Magazine ranked ASA as the “top” MFI worldwide (Swibel 2007). In 2012, ASA had over four million microfinance clients in Bangladesh, owned a gross loan portfolio of around

[8] With this, they represent the dominant self-sustaining microfinance model and not the classical NGO microfinance model, whose principles and practices are considered outdated, and whose representatives are gradually dwindling (cf. Roodman 2012: 106-109).
[9] Grameen Bank, due to its international fame, is often treated as a pathbreaking MFI. However, Grameen’s lending model is considered outdated or at least lagging behind the sector’s trend (CGAP 2000b: 1; Roy 2010: 45-47). Furthermore, Grameen has repeatedly been accused of being very intransparent (Morduch 1999; Schmidt 2006). For these reasons we consider the Grameen Bank comparatively less suited for an analysis.

$638 million, and held $208 million in savings deposits (MIX 2014). The organisation operates exclusively in Bangladesh but runs subsidiaries in nine other countries through the holding company ASA International (ASA 2014).

(2) Accion International. Accion was founded in 1961 as a non-profit organisation (Accion International 2014; see also Woodworth 2000) and grew to become the largest umbrella organisation of MFIs worldwide. Accion links partnering MFIs with investors and banks, offers training courses and comprehensive management assistance, and promotes the "sustainability"[10] of MFIs worldwide by supporting them in handling and attracting investment capital; Accion also invests its own capital (Woodworth 2000: 25). In 2010, Accion International worked with 62 MFIs on four continents, counting over 4.2 million microcredit clients with a gross loan portfolio of roughly $8 billion and over $2.2 billion in savings deposits (Accion International 2010: 14). Through its distinctive role as a consultancy and shareholder, Accion combines a prominent position with significant financial power. It vigorously advocates commercialisation and the pursuit of a "double bottom line" of social and financial goals (Accion International 2003: 16).

(3) Consultative Group to Assist the Poor (CGAP). CGAP was founded in 1995 by the World Bank, in whose Washington D.C. offices it resides. For a long time after its founding, CGAP received the lion's share of its budget directly from the World Bank[11], and its director always serves on the World Bank Board of Directors (Roy 2010: 45; CGAP 2010b). Nonetheless, CGAP portrays itself as an independent "partnership" of over 30 development agencies, private foundations and national governments with a "common vision of improving the lives of poor people" (CGAP 2013: i); a vision that from the outset has been exclusively pursued through microfinance and expanding access to finance (Roy 2010: 44-45). CGAP is not an MFI, but rather sees itself as a think-tank or centre of expertise that "combines a pragmatic approach to responsible market development with an evidence-based advocacy platform" (CGAP 2014). It seeks to exert intellectual influence through standard-setting, defining best practices, assisting MFIs in commercialisation, and ensuring smooth collaboration between MFIs and investors (Bateman 2010: 16–17; Roy 2010: 44-47). Through its vicinity to

[10] "Sustainability" in microfinance refers to the ability of an MFI to operate without subsidies.
[11] From 2003 to 2006 half of its $12 million annual budget came from the World Bank, and in the following years roughly one quarter of its (growing) budget (CGAP 2004a: 44; 2007: 42; 2010a: 70). In 2013, the Bill and Melinda Gates Foundation replaced the World Bank as the largest donor; CGAP (2013: 37) speaks of a "planned scale-down of the World Bank's contribution".

various financially and politically powerful organisations and its broad acceptance as a standard-setter, CGAP has established itself as an authority in the microfinance field.

We analysed series of regularly-issued publications by all three organisations over as long a time frame as possible: for ASA, these were annual reports, newsletters and donor briefs from 1999 to 2011[12]; for Accion, annual reports, newsletters, donor briefs and topical publications from 1986 to 2011; for CGAP, annual reports, donor briefs, focus notes and occasional papers from 1995 to 2011. The final dataset of 177 documents[13] was imported into the qualitative data analysis software MAXQDA, and all relevant passages were manually coded. We coded the data in several steps, such that passages offering rationales for why microfinance programming should exist or be expanded, arguing about who benefits, and highlighting the effects of microfinance, were assigned codes. These in turn allowed us to generate explanatory concepts signifying different missions.[14]

3. Shift in the mission of microfinance

There are various predecessors to the microfinance concept; but it was popularised by Muhammad Yunus and the Grameen Bank (founded 1983) and was adopted by the World Bank in the 1980s as a policy tool. Beginning with a few cases in the 1980s, and picking up speed through the 1990s, many MFIs have acquired banking licenses and transformed into commercial institutions, citing the need to access more secure and more plentiful capital sources than donations or public sector funds (Bateman 2010: 14-16). By becoming financially self-sustaining, it was (and is) argued that MFIs could more reliably disburse more loans, and thereby help more poor people (Morduch 2000: 620; Schmidt 2010: 114-115; Weiss and Montgomery 2005: 3–4). In the course of the 2000s, the term "microcredit" was largely replaced by "microfinance". In the context of offering a broader range of services, "financial inclusion" was declared the sector's new mission (CGAP 2006a: xi–xiii).

Among the three organisations under study, almost all of the analysed texts contain passages justifying their activities, as well as microfinance as such, and the explanations strikingly change over time. While the overall goal, as communicated by all three organisations, at all times consistently remained to alleviate poverty, the portrayal of *how* poverty is to be

[12] Despite extensive inquiries, telephone calls and even a personal visit to ASA no older publications were made available. However, since ASA only fully specialised in microfinance in 1992, we cover most of the relevant period.
[13] We only cite the relevant (quoted) parts of the dataset in the reference list here.
[14] The dataset and codebook (in German) have been made available online: LINK TO STILL BE SUBMITTED.

alleviated – whether through loans for microenterprise, or through financial inclusion – the mission shifted fundamentally.

3.1 First phase: microenterprise lending

In the early phase (up to the early 2000s) the three organisations can be seen primarily promoting microcredit in the Grameen Bank tradition. Their arguments are very similar to Yunus' in this phase: by using loans to become microentrepreneurs, poor people could develop their creative potential and pull themselves out of poverty (Accion International 2002: 2, 12; Yunus 2008: 138–139). The mission of MFIs, therefore, is to help them through offering enterprise credit. The following description by Accion illustrates the anticipated effects of microenterprise lending:

> She set up a large frying pan in the middle of her tiny home, nothing more than a shack squeezed between hundreds of others on a steep dusty hillside. […] To sell more chips, she needed cash to buy another fryer and stock up on supplies – and cash was something she didn't have. But BanGente did. Now, after four small loans, Ana's sales have increased sixfold. (Accion International 1999a: 11).

Similar stories can be found throughout the analysed publications, portraying hard-working, sympathy-inspiring poor people who use microloans to invest in small businesses (or start new ones); what follows is usually a drastic improvement in their living conditions (cf. Accion International 1999c: 4; ASA 2001: 4). Loans are needed to facilitate enterprise, and this enterprise raises their income, the argument goes (cf. Accion International 2008: 10–11; ASA 2004a: 2). Overall, the causal chain implied is: loan → poor person starts/expands business → poverty alleviation. To illustrate:

> Yet a lack of affordable credit cripples their ability to grow [...]. Aminat Omolara Olaiya is no stranger to hard work. She's been selling rice and nut oil in Lagos for 15 years. Only recently, however, has she been able to access the capital she needed to grow her business. Today she's expanding her clientele and sending her daughter to school, all with the help of ACCION Microfinance Bank in Nigeria (Accion International 2001a, S. 7).

Yet the first suggested causal relationship ("loan → poor person starts/expands business") rests on two core assumptions:

Assumption 1a: poor people are entrepreneurs. The cause-effect relationship hinges on the repeatedly emphasised idea that poor people are particularly skilled entrepreneurs, and especially women possess under-utilised entrepreneurial potential. The publications from the

1990s and early 2000s prominently emphasise the exceptional commitment and creativity which make poor people into remarkable microentrepreneurs:

> The Year of Microcredit 2005 calls upon the world to extend financial services to the poor and strengthen the powerful, but often untapped, entrepreneurial spirit existing in impoverished communities. All of them share a drive to better themselves and an ingenuity that triumphs over seemingly impossible odds. (Accion International 2004, S. 2)

Yet critics argue that poor people's proclivity towards microenterprise is hardly due to any innate special talent or desire, and instead results from lack of choice. Most would prefer decent employment, but their environment offers few job opportunities (Karnani 2009: 42–43; Klas 2011: 275–276).

Assumption 1b: enterprises always need credit. Although microenterprises evidently need some form of capital, the analysed publications conspicuously portray entrepreneurial success as mostly or entirely dependent on access to credit. In this discourse, entrepreneurial success ensues after (often repeated) investments of borrowed capital, not through organically-retained earnings or own funds. Numerous passages underscore this assumption in all three organisations' publications. For example: „all micro-enterprises share a common need for credit. The smaller the firm, the greater the urgency for working capital." (Accion International 1989: 19). This need for credit is often presented as an immutable and permanent fact: "Poor businesswomen need a steady supply of easily repaid loans which grow with their businesses" (CGAP 2000b: 1).

The second cause-effect relationship ("business → poverty reduction") also rests on an assumption whose validity is far from self-evident:

Assumption 1c: the business is profitable. Only if the new (or expanded) business succeeds at generating sufficient returns after interest payment can the causal chain function. This assumption is neither justified nor questioned by the organisations, and instead the entrepreneurial activity is even sometimes presented as a reward in itself. For instance:

> Microcredit has changed their way of life. Some of them culluring [sic] coloured aquarium fishes, some making papads and some embroidering zari have considerably improved their households. Microcredit has made its positive impact on each of their lives. (ASA 2007a, S. 2)

After setting up a microbusiness, success appears almost inevitably: "Time and again I have seen how microentrepreneurs like Carlos have overcome seemingly insurmountable odds. *All they needed was the will to succeed and a little credit*" (Accion International 2000b: 5, emphasis added). However, these descriptions entirely omit the myriad difficulties faced by micro-entrepreneurs which can easily impair their financial success. They are usually low-skilled service activities which are locally already numerously pursued in competitive markets with few barriers to entry, and do not generate high absolute returns; given the high interest burdens, many microenterprises rather seem destined to fail (Dichter 2007; Bateman 2010: 64-77; Klas 2011: 275-276).

3.2 Second phase: financial inclusion

Entering the era of financial inclusion marks a sea change, albeit a gradual one. While CGAP already began arguing along the lines of the financial inclusion paradigm before the year 2000, Accion and ASA (representative of the broader sector) followed suit in the early to mid 2000s. In time, the three organisations even themselves noted and proclaimed a "newly focused strategic direction" (Accion International 2011: 2) or a "new era" (CGAP 2003b: 18). The key vision behind traditional microfinance, the success of the microentrepreneur, gradually blurs; instead, a more general inclusion into the financial market shifts into focus. The following passage illustrates just how different the new rhetoric is:

> Like everyone else, poor people need and use financial services all the time. They need financial services to take advantage of business opportunities, invest in home repairs and improvements, and meet seasonal expenses like school fees and holiday celebrations. They need financial services to prepare for life-cycle events like the wedding of a daughter or the death of a grandmother. They need financial services to cope with emergencies like the sudden death of a wage-earner or a monsoon that wreaks havoc on their village (CGAP 2004a: 2)

Starting or expanding an enterprise is now just one of the multifarious financial needs the poor have. To fulfil these many needs, microfinance should offer a large variety of financial services (Accion International 2007: 2; CGAP 2006a: 1).

Interestingly, the mission of financial inclusion consists of two components: integrating poor people into the microfinance sector, and integrating microfinance with the national and global financial sectors. Both components should - like enterprise loans previously - help attain the goal of ameliorating poverty. The implied causal chain has two aspects: (1) integration of poor people into microfinance sector → access to capital for poor people improves → poverty alleviation; and: (2) integration of the microfinance sector with financial markets → improved access to capital for MFIs → greater number of people reached.

The first aspect defines supplying poor people with financial services – savings accounts, loans, transfers and insurance policies – as a process of inclusion. Inclusive services should give poor people the opportunity to hedge against risks, undertake investments, handle setbacks, and uphold consumption. In contrast to earlier microenterprise lending, it is no longer assumed that they must somehow generate the money for repayment via entrepreneurial ventures. It is rather assumed that they *already possess it*, as past and future income. "Financial services allow people to reallocate expenditure across time [so that] if you don't have the ability to pay for things *now*, out of current income, you can pay for them out of *past* income or *future* income, or some combination of both" (CGAP 2000b: 2). Thanks to financial services, poor people can now bundle and shift their incomes over time. When the need arises to deal with crises and setbacks, or invest in any such things as schooling, housing, water access, and even social capital (through holiday celebrations), they can mobilise the necessary funds by borrowing against their future or taking from their past. This is now perceived as a form of poverty alleviation *in itself*. As CGAP (2002: 7) says: "Evidence shows that when poor people have financial services, these services enable them to fight poverty in their own terms." This idea that financial services actually increase welfare rests on a crucial assumption:

Assumption 2: poor people have sufficient savings and repayment capacities. Doubtlessly, home repairs, water and sanitation access or wedding celebrations are sensible expenditures. However, they do not usually generate revenue streams.[15] While, with microenterprise lending, repayment was at least feasible in theory through the income generated by the enterprise, it now has to be facilitated using other sources. As a CGAP publication explains:

> Saving up – keeping back cash now so that it can be spent in the future—is hard for poor people. Strange as it may seem, this is *not* primarily because they have little or nothing to save (though that may also be true). It is very hard to find a safe place to store cash (CGAP 2000b: 3).

In the financial inclusion discourse, the problem poor people face, therefore, is not so much that they lack capital for investments, but that they *cannot deploy it in the right moment*; this is where MFIs should help, by offering the right products (CGAP 2006b). Moreover, since poor people control so few liquid means, they need financial services even more than rich people (CGAP 2000b: 2). Strikingly, however, the reverse issue – that it is consequently harder for them to liquidate the means for repaying or saving – finds no mention.

[15] See Mader (2011) on the specific topic of water and sanitation.

The second aspect, "integration of the microfinance sector with financial markets → access to capital improved for MFIs → greater number of people reached", connects the broader global and national financial sectors with the outreach and durability of microfinance. By integrating with the broader financial sector, MFIs should gain commercial investors whose capital they on-lend to the poor, hence microfinance projects no longer depend on grants and can reach more poor people (CGAP 2004b: V; 2011a: 9). "Because microfinance can be delivered to the poor without the need for continuous subsidy, benefits can be permanent" (CGAP 2007: ii). Only a *commercial* microfinance system guarantees the full inclusion of the poor, CGAP argues. But the assumption implicit in this second aspect is the plausibility of Assumption 2: only *if* financial services increase the welfare of the poor, it is desirable to expand access as much as possible.

Both aspects, finally, connect financial inclusion with the normative notion of social inclusion. Since the poor can save and repay, like anyone else, in the name of equal rights they should have equal access to financial services; and therefore the broader financial sector should integrate with the microfinance sector. As a CGAP (2004b: V) publication argues: "It is illogical, as well as unjust, that any country's formal financial system would serve a handful of elites while excluding most of its citizens". Loans and financial services, the financial inclusion mission implies, would allow poor people like all others to participate fully in society; *social integration and justice depend on financial integration*.[16] "Our goal is to help break down the walls of financial exclusion," Accion International (2009: 3) says, "in order to build a world in which no one is shut out of all that society has to offer". It is now simply claimed that participation in society and access to goods ("all that society has to offer") depends on a distinct form of financial market expansion. The process is often described as "financial democratization" (CGAP 2004b: vi), in contrast to otherwise-existing "financial repression" (Accion International 2000c: 2) or "financial apartheid" (Yunus 2011). This connection of "financial inclusion" with values such as justice, equality and democracy grants the new mission remarkable ideological power of persuasion.

3.3 Comparing the organisations

The mission shift from microenterprise lending to financial inclusion is clearly visible in the textual output of all three organisations. But they differ both in terms of the timing and

[16] On CGAP's blog, Peru's former Minister of Development and Social Inclusion for instance argues: "Social Inclusion Cannot be Achieved Without Financial Inclusion" (Trivelli 2013).

radicality of the shift. The discourse-analytical evaluation of the 177 documents showed not only that a fundamental shift in mission (as communicated by the three organisations) took place; but also that CGAP initiated the shift earlier, while ASA and Accion followed suit. CGAP, the youngest of the three organisations, began articulating new visions for microfinance shortly after being founded in 1995. Most passages where CGAP describes the practice of microenterprise lending refer to the past. CGAP soon delineated an old "microenterprise era" which began in the 1970s from an ensuing "microfinancial services era" which should supersede it (CGAP 2000b: 1).

Accion and ASA, meanwhile, continue to extensively articulate the mission of microenterprise lending, and proffer countless examples for its effectiveness. Their turn towards financial inclusion takes place later, most starkly visible in Accion's publications which explicitly argue for a new strategy (cf. Accion 2011: 2). Arguments highlighting the diverse financial needs of the poor and the advantages of integrating microfinance with global capital markets begin to show in both organisations' publications around the mid-2000s. With the creation of the “Center for Financial Inclusion”, Accion in 2008 finally signals a complete strategic adoption of the new mission and its own claim to a leadership role.[17]

By the late 2000s, the mission shift is nearly completed; loans for microentrepreneurs discursively survive only in representations of microfinance for the general public. The causal mechanisms behind microfinancial poverty alleviation in the discourse are so fundamentally changed that Collins et al. (2009: 184) now conclude: "Not having enough money is bad enough. Not being able to manage whatever money you have is worse." With microenterprise credit, poverty was understood as a lack of money; a problem which entrepreneurship should resolve. With financial inclusion, poverty appears as a lack of financial tools with which to marshal one’s meagre financial resources. Once viewed as entrepreneurs in need of capital, the poor are now seen as "portfolio managers" (Collins et al. 2009: 238) who seek better financial services to increase their wealth, or at least manage their poverty in a better way. The earlier discourse presented poor people as almost miraculously talented at entrepreneurially earning a living; the new discourse portrays them as almost miraculously talented at employing financial services, skilfully "saving up" and "saving down" (CGAP 2000b) and "juggling with money" (Guérin et al. 2014)[18] to the tune of their economic lives and circumstances. The new mission,

[17] The Center describes its aim as „to help bring about the conditions to achieve full financial inclusion around the world”. (Center for Financial Inclusion 2013b)

[18] Guérin et al. take a critical approach, and highlight the precarious and risky nature of "juggling".

however, further amplifies what is expected of the poor: microenterprise lending handed the responsibility for socio-economic development to them (as entrepreneurs), but "financially included" poor people are also supposed to function as shrewd financial consumers and managers (Roy 2010: 48).

4. Explaining the strategic shift

We assess four possible explanations for the strategic mission shift: (1) structural changes in the global economy (growth of financial markets and new financial technologies); (2) failure of microenterprise lending and rising criticism; (3) CGAP as a new actor in the microfinance field; and (4) declining donations and public funding. These four explanatory concepts[19] for the mission shift arose from our discourse analysis and match the explanations most commonly suggested by the actors.[20] We examine these explanations from the interpretive perspectives of *instrumental rationality*, which understands organisations as actors seeking optimal ways to pursue their aims, and *sociological institutionalism*, a perspective which sees organisations as striving for legitimacy.

Following Max Weber's definition, actions are instrumentally rational if "the end, the means, and the secondary results are all rationally taken into account" and considered against the alternative means (Weber 1978: 26). In this perspective, the organisations are strategic actors pursuing the goal of poverty alleviation by the most rational means. Their legitimacy stems directly from efficiently fighting for their social mission and communicating their activities effectively, such that their publications only serve to make their actions comprehensible and transparent. Their organisational goals and the external world's expectations of the organisations are congruent. A key indicator for the plausibility of such an interpretation would be if the organisations' proclaimed and actual practices are in sync, since if a proclaimed strategy is effective, rational actors will pursue it. Because so-called "social enterprises" like MFIs, however, often operate in relatively under-explored fields, their practices are continuously adjusted and improved "as the entrepreneurs learn about what works and what does not work" (Edwards 2008: 37). A shift of strategy thereby is an act of optimisation which is often unavoidable given a lack of experience and established facts. This

[19] As Glaser and Strauss (1967) propose, in discourse analysis the development of concepts should follow from the coding.

[20] One further explanation commonly given by the actors we disregard as implausible: the success of microfinance. Far from motivating the organisations to abandon previously-successful narratives and develop a new mission, we believe operational success at poverty reduction would rather motivate the organisations to entrench and defend their existing mission.

perspective matches the organisations' self-image as conveyed by their textual output: they are actors seeking to alleviate poverty in the most effective way, persistently adapting and improving their methods in pursuit of the goal.

The sociological-institutionalist perspective, meanwhile, holds that organisations are rarely transparent and logical entities. Instead, they are complex systems operating in highly uncertain environments where the consequences of actions are hard to predict. In order to convince others of the adequacy of their actions, and thereby ensure their own survival, they "are driven to incorporate the practices and procedures defined by prevailing rationalized concepts of organizational work" (Meyer and Rowan 1977: 340). Meyer and Rowan (1977: 343-344) refer to these elements of formal organisational structure as "rationalized myths" which define the appropriate and legitimate means for pursuing technical purposes, be they producing a car or alleviating poverty. Organisations demonstrate their conformity with institutional myths through acts of "ceremony", for instance by justifying and explaining their activities in certain ways at conferences or in reports. Creeping institutional change in the transnational space may bring an incremental solidification of new institutionalised assumptions and practices (Djelic and Quack 2003: 309), such that organisations must adjust their structures and practices to these new paradigms in order to remain legitimate (cf. Louis and Simsek 1994). Thus, the organisations' representations of their work may be acts of ceremony which allow their actions to appear rational with respect to changing paradigms. This institutionalist perspective hardly implies irrationality, but simply posits far greater uncertainty about the consequences of organisational action. Conforming to what is accepted and institutionalised as the legitimate means of poverty alleviation helps MFI to rationalize their behaviour, very often by assimilating "isomorphically" to others (DiMaggio and Powell 1983). However, since the practices which are generally acknowledged as effective are not necessarily so effective in reality, the proclaimed and actual organisational practices may diverge (Meyer and Rowan 1977: 340-341). Several passages pointing to changing paradigms and highlighting efforts at adaptation support such an institutionalist perspective, for instance:

> So it looks as if ‘agricultural credit’ and ‘microenterprise credit’ are certain to lose their old monopoly on our imagination, and simple uniform products […] are about to be dethroned. (CGAP 2000b: 1)

Old rationalised myths, previously dominant and all-powerful, are dethroned, new ones enshrined, and the organisations are forced to innovate, particularly as

> [m]ore global leaders embraced access to financial services as an important policy objective. […] This global recognition boosts national-level efforts toward financial inclusion. On the other hand, the narrower idea of microcredit came under scrutiny. (CGAP 2010: 4)

These passages show a shift in paradigms of legitimate poverty alleviation taking place, with the old "myth" of enterprise credit delegitimized and replaced by a new one: financial inclusion.

4.1 Structural change in the global economy

Structural changes, in particular the globalisation of financial markets and emergence of new financial technologies, is the first among the four explanatory concepts that may help explain the shift. Recent decades saw a dramatic expansion of finance, often described as financialisation (cf. Stockhammer 2007; Epstein/Jayadev 2005), which brought the deregulation and globalisation of capital markets, the growth of institutional investors and investment banks, an expansion of consumer finance and rapid emergence of new financial instruments. Financialisation has entailed a fundamental restructuring even of non-financial firms (Krippner 2011), as financial "coupon pools" exert growing pressure and offer new opportunities (Froud/Johal/Williams 2002) which shape the behaviours of firms and households.

The instrumentally rational approach would interpret the mission shift as an adaptation by MFIs to the new environment with its changed opportunity structures, whereby the organisations rationally seek new and better ways of pursuing their mission (cf. Dart 2004: 414). Numerous statements by the organisations point in this direction. For instance: "To reach ever larger numbers of poor clients, MFIs and their networks increasingly began to pursue a strategy of commercialization […]" (CGAP 2006a: 4), since "rapid growth of competing microfinance institutions (MFI) [was] often fueled by the ready availability of debt capital […]" (CGAP 2010: 6). In this perspective, fresh capital is found to be available, and is rationally used. Similarly, the organisations posit a change in client needs, whereby the growth of finance ostensibly led more people to demand financial services: "Today, microentrepreneurs previously shut out of the financial mainstream […] are viewed as a desirable new market. As a market force, they are beginning to demand new financial services“ (Accion International 2000a: 7).

On the other hand, the institutionalist perspective would see financialisation as triggering a paradigm shift in what constitutes legitimate organisational practices, which the organisations adapt to. Dart (2004: 419-420) notes the increasing subjugation of different areas of activity to a financial logic, which makes even non-profit organisations adopt businesslike approaches, because in order to remain legitimate they must "conceptualize almost everything in market and revenue terms". Particularly CGAP's lines of argument, permeated by a market-oriented narrative, support this perspective:

> The next phase of microfinance will succeed as the best of different worlds are integrated: the mission focus from the development origins of microfinance with the efficiencies of the banking sector and the force multiplier of commercial capital (CGAP 2003a, S. 2).

The argument about the beneficent power of microfinance and the "multiplier" of commercial capital as "the best" of different worlds which *should* grow together evidences the ceremonial adoption of a new mission to better matches the prescriptions of the new environment, with its bloated financial industry. Throughout the later publications, an increasingly positive image of commercial capital is evident. Not least, the funding of Accion's flagship programme "Financial Inclusion 2020" by five main partners who may actively seek to build such a positive image of financial markets is notable: Citi Foundation, VISA, MasterCard, Gates Foundation, and Western Union Foundation (Center for Financial Inclusion 2013a).[21]

4.2 Failure of microenterprise lending and rising criticism

Another possible explanation could be the perceived failure of the old strategy. The broad-based mission shift which began in the mid-2000s coincided with a rising awareness of various insufficiencies of the microenterprise lending model. Impact studies such as Karlan and Zinman (2009), Banerjee et al. (2013), and Duvendack et al. (2011) quantitatively demonstrated what was already previously visible on the ground: the dream of microenterprise-based social and economic rise rarely comes true in practice. Two things in particular indicate a certain disillusionment among the studied organisations: first, the recognition that not every poor person is an entrepreneur (CGAP 2002: 6; 2010: 6); and second, that loans are often not used for entrepreneurship (Accion International 2001b, S. 2; CGAP 2003c, S. 2). According to the three organisations, their own observations and experiences drove these insights (Accion International 2000a: 7; CGAP 2001: 1; 2003c: 2). But implicitly a strong influence of external critics is tangible. The organisations seek to counter allegations about exploitative interest rates and profiteering (for instance ASA 2007a: 5; CGAP 2004b: 13; 2006a: 9–10), and assuage concerns over overindebtedness (Accion International 2011: 2; ASA 2009: 8; CGAP 2011b: 2).

[21] Three of the five are also listed as CGAP "member donors" in its 2013 annual report.

ASA, furthermore, explicitly denies profiting from devastation in the wake of natural disasters (ASA 2007b: 5–6).

From an instrumentally rational perspective, the mission shift to financial inclusion makes sense as an innovative learning process. Microenterprise loans may once have appeared to be adequate tools for poverty alleviation, but turn out to be insufficient:

> ACCION has found that business loans only meet part of the financial needs of microentrepreneurs. And who better to describe those needs than our clients themselves? […] We are creating new products – business credit for rural clients and home improvement loans – tailored to the specific circumstances of microentrepreneurs and their families (Accion International 2001b: 1).

The organisations react by tailoring new services to better match clients' more universal needs. The repeated references to clients' needs as the reason for a mission reorientation makes the organisations' behaviour appear particularly goal-oriented and strategic.

The institutionalist perspective, meanwhile, sees the failure of microenterprise lending as triggering a paradigm shift. A major disjuncture between the prevailing microenterprise success myth and reality on the ground opens up: hardly any poverty reduction, but countless negative examples of over-indebtedness, crises, and even mass suicides (Schicks 2010; Ashta et al. 2011; Mader 2013). Consequently, the old paradigm is delegitimized and makes place for a new one. The MFIs must ceremoniously innovate and adjust their formal structure and mission to remain legitimate despite their generally unchanging practices.

4.3 CGAP as a new actor

Through our discourse analysis it became evident that CGAP played a special role in the mission shift from microenterprise credit to financial inclusion. CGAP was the first and most outspoken advocate of financial inclusion, and its publications extensively discussed the theoretical basis for financial inclusion. CGAP sees itself as a policy leader in the field, for instance: "CGAP hopes to […] encourage microfinance institutions to implement or adapt similar innovations [new financial products] into their programs" (CGAP 2000a, S. 12). Notably, CGAP's hopes came true, as MFIs around the world recognised its "best practices" as the key to success. Few MFIs can today afford to be oblivious of CGAP's "consensus" on microfinance (Roy 2010: 46). The fact that ASA and Accion both emphasised services beyond loans and adopted the terms "financial inclusion" and "financial services" somewhat later than CGAP, suggest that the organisations implicitly followed its lead.

From the instrumentally rational perspective, the microfinance sector's adjustment to match the standards proclaimed by CGAP was a voluntary appropriation of practices seen as improving their progress towards the original goal of poverty alleviation. A new, creative actor appears and formulates new, better ideas and strategies, which other organisations gratefully implement. The advice and best practices offered by CGAP are recognised as the better way forward and therefore enthusiastically followed.

The institutionalist perspective, on the other hand, would see CGAP’s emergence as triggering a paradigm shift in the acceptable standards for poverty alleviation. As Meyer and Rowan (1977: 348) note: “Powerful organizations attempt to build their goals and procedures directly into society as institutional rules”. Roy (2010: 46) understands CGAP as an actor defining “how microfinance is understood” and controlling “the truths about microfinance”. The other organisations frequently make reference to CGAP’s guidelines, rankings and assessments (for instance: Accion International 1999b: 41; 2006: 3; ASA 2004b: 3). CGAP’s proximity to the World Bank as well as other widely recognized organisations suggest it may indeed have the power to generate a change in paradigm by institutionalizing new legitimate practices – myths which in time are taken for granted. In order to remain legitimate, MFIs must adopt the innovations proposed by CGAP. After some first-moving MFIs implemented CGAP’s directives and garnered public praise and acknowledgment, a process of “institutional isomorphic change” (DiMaggio and Powell 1983: 150) was set in motion and reinforced the pressure on other organisations to follow suit. CGAP itself underscores its power to define success and failure in the microfinance sector for instance by referring to its own platform Microfinance Information Exchange (MIX) as “the Bloomberg of Microfinance” (CGAP 2006a: v).

4.4 Declining donations and public funding

As the organisations’ frequent expression of their desire to be independent of donor funds would suggest (Accion International 2005: 2; CGAP 2001: 1; 2002: 1), a final conceivable reason could be that the decline of subsidies, grants and donations necessitated a new approach in microfinance. OECD statistics, however, show the opposite: global development funding grew consistently over the relevant time period, reaching nearly 60 percent more than 1990 and almost double the 1997 amount (OECD 2014). This also extends to microfinance more specifically: Accion’s annual reports show private donations and public assistance growing from $4.9 million in 1998 to $9.5 million (2010) and $11.2 million in 2013

(Accion International 1998: 18; 2010: 15; 2013: 38). The MIX (2014) also shows funding from governments and development finance institutions (DFIs) rising from 2007 through 2011. We may therefore discount the decline of donor funding as a reason for the mission shift.[22]

5. Conclusion

With our actor-centered discourse analysis, we traced a gradual mission shift in microfinance from microenterprise lending to financial inclusion. Three factors appeared plausible and, in our estimation, worked in mutually-reinforcing ways to create the shift. Firstly, the economic process known as financialisation shows astonishing parallels to the strategic shift in microfinance, and – at the very least – the microfinance sector was no more able than other sectors to resist the changes, challenges and temptations of financialisation. Moreover, arguably the microfinance industry has embraced and facilitated financialisation and its new rationalised myths; the change in the goals of microfinance, the expansion of financial services, and the commercialisation of MFIs have all been connected with and conducive to the global growth of financial investments and usage of financial services (cf. Mader 2015). Secondly, the failure of the old microenterprise mission to attain its goals appears a plausible explanation. The organisations implicitly and sometimes explicitly note an insufficiency of microenterprise lending, and it would appear natural for them to react with – or at least promise – an expanded and changed range of services. At the same time, comfortably, financial inclusion shifts the goal posts just as it turns out that microenterprise lending does not alleviate poverty significantly. Thirdly, the appearance of CGAP as an actor influenced the sector's reorientation; CGAP's power as a knowledge producer is undisputed, and its propounding of the idea of financial inclusion is likely to have influenced others. CGAP's formative influence appears particularly plausible when viewed in combination with the other two factors: financialisation and growing doubts about microenterprise lending created fundamental uncertainty and an expectation for change in the sector, such that a powerful new actor was able to propose a new mission, and prevail.

[22] Voluntary renunciation of free or subsidised capital (for instance in the interest of creating a distortion-free market) would be equally implausible, since Accion and other MFIs still heavily advertise for donations.

explanation	instrumental rationalism	sociological institutionalism
economic change (financialisation)	making use of new opportunities presented by financialisation	normative influence of financialisation leads to adaptation
failure and criticism	improvements through learning from failure	failure and criticisms lead to paradigm shift; ceremonial adaptation
new actor: CGAP	voluntary adoption of effective new practices	powerful new actor changes paradigm; others must adapt

The table summarises the three plausible explanations from both the instrumentally rational and sociological-institutional perspectives. We found both perspectives to show some explanatory power, however we would suggest the latter to be more convincing. The organisations in their texts consistently portray all changes as rational, goal-oriented optimisation processes: grasping opportunities and adapting to changes in their environment, learning from error, and imitating more effective practices – all in the name of poverty alleviation. But this portrayal fits *both* the instrumentally rational and the sociological-institutional interpretation; the depiction of one's actions as instrumentally rational is a key ingredient of Meyer and Rowan's "rationalized myths" in organisations.

The sociological-institutionalist explanation makes more sense, considering how the organisations have strived to maintain legitimacy and rationalise their changing missions. Firstly, the new, more "financialised" language and lines of argument indicate an institutional shift that goes beyond merely a change of practice. They suggest that the prevailing norms of poverty alleviation fundamentally changed and obliged MFI to adapt in order to remain legitimate. Wilson (2007), for instance, illustrates the intense pressures upon those organisations which felt uneasy about commercialisation to leave the sector entirely. Secondly, although Accion and ASA repeatedly used their textual output to respond to criticism, they never explicitly admitted failures or contradictions, instead pointing to supposedly changed circumstances which they must adapt to or learn from. The repeated reference to improvements, albeit without critical reflection on past failures, suggests a *myth* of permanent learning and optimisation which the organisations employ to maintain their legitimacy. Thirdly, and most importantly: the practices have hardly changed at all. The mission shift from microenterprise lending to general-purpose loans is hardly a change, since loans ostensibly intended for business were previously already widely known to be used for other purposes such as consumption

(Bateman 2010: 29-30). What changed was merely that this fact is now officially acknowledged, and legitimated; a previously unofficial practice is officially inscribed and made commensurable with the goal of poverty reduction via a new mission, financial inclusion. On the other hand, regarding services beyond credit, the disjuncture between proclaimed and actual practices is striking: the rhetoric changes and the inefficacy of credit-based microfinance is acknowledged, but credit still *de facto* makes up the vast bulk of microfinancial activity (Bateman 2010: 29; Mader 2015: Chapter 1).[23] Under financial inclusion, the share of non-credit financial services like savings and insurances is portrayed in a vastly exaggerated way in the organisations' publications, while in reality for most clients the face of microfinance remains microcredit.

The disjuncture between rhetoric and reality suggests the actors themselves not to be convinced of the effectiveness of their new mission, or their own capacity to deliver effectively; but they nonetheless have adopted new myths and perform new ceremonies for legitimation purposes. The "decoupling" of formal structures from practical action (Meyer and Rowan 1977: 356-357), of proclaimed from actual practices, is a way of dealing with the pressures to adapt; the implications of the dominant paradigm are formally acknowledged, but if the paradigm proves impracticable, the relevant changes are never seriously implemented. In their publications, at public events, and by creating dedicated organisational units (such as the ACCION Center for Financial Inclusion) the formal structure of microfinance organisations changes to reflect the changing institutional field, while practical action remains largely unchanged. Whether effective or not, financial inclusion is the *new legitimate mission* for microfinance organisations to pursue in the name of the immutable goal of poverty alleviation. Notably, it is a target that can hardly be missed, since anyone who consumes a financial service is thereafter "financially included". In this way it matches Meyer and Rowan's (1977: 357) observation that, when organisations seek to resolve inconsistencies, "[g]oals are made ambiguous or vacuous, and categorical ends are substituted for technical ends".

None of this should be taken to imply any deliberate deception on the part of microfinance actors. Rather, myth and ceremony serve highly important functions for many organisations, allowing them to make sense of their own actions in highly intransparent and contingent environments where it is difficult to determine in advance which strategies are

[23] The finances of ASA and Accion reflect this: ASA's loan portfolio in 2011 was over four times the size of its savings deposits, and Accion counted three times as many borrowers as savers (Accion International 2010: 14; Mixmarket 2012). Microinsurance meanwhile has remained very marginal (Churchill 2008; Kiviat 2009).

effective at attaining their goals – in this case the goal of alleviating poverty. Whistleblowers from inside the microfinance sector have portrayed the community as pervasively suffering from cult-like delusion and self-deception (Sinclair 2012); this also suggests an important role for myth and ceremony in ensuring organisational survival. Summarily, considering the rising doubts about credit alone as a successful instrument of poverty alleviation against the nonetheless rapidly-expanding business of microlending – and furthermore taking into account the sector's growing profit orientation – it could even be that poverty alleviation itself has become the "rationality myth" of an increasingly self-absorbed microfinance sector. Should it indeed be the case that the goal of poverty alleviation has been abandoned – which we have neither demonstrated here, nor attempted to – this could have serious consequences for developmental policy, as it draws into doubt the high public esteem for the sector and continuing support with public funds.[24]

References

Accion International (1989) *A methodology for working with the informal sector*, Boston, MA: Accion International.

— (1998) *Annual Report 1998*, Boston, MA: Accion International.

— (1999a) *Annual Report 1999*, Boston, MA: Accion International.

— (1999b) *Guidelines for the effective governance of microfinance institutions*, Boston, MA: Accion International.

— (1999c) *Ventures Winter 1999*, Boston, MA: Accion International.

— (2000a) *Annual Report 2000*, Boston, MA: Accion International.

— (2000b) *Ventures Fall 2000*, Boston, MA: Accion International.

— (2000c) *Ventures Spring 2000*, Boston, MA: Accion International.

— (2001a) *Annual Report 2001*, Boston, MA: Accion International.

— (2001b) *Ventures Spring 2001*, Boston, MA: Accion International.

— (2002) *Annual Report 2002*, Boston, MA: Accion International.

— (2003) *Annual Report 2003*, Boston, MA: Accion International.

— (2004) *Ventures Fall 2004*, Boston, MA: Accion International.

— (2005) *Ventures Fall 2005*, Boston, MA: Accion International.

— (2006) *Ventures Spring 2006*, Boston, MA: Accion International.

— (2007) *Annual Report 2007*, Boston, MA: Accion International.

[24] $21 billion came from public funders in 2012, growing faster than private funds (CGAP and Mixmarket 2013).

— (2008) *Annual Report 2008*, Boston, MA: Accion International.

— (2009) *Annual Report 2009*, Boston, MA: Accion International.

— (2010) *Annual Report 2010*, Boston, MA: Accion International.

— (2011) *Ventures Summer 2011*, Boston, MA: Accion International.

— (2014) *About us,* https://www.accion.org/about-us (consulted: 19 November 2014).

Armendáriz, B., D'Espallier, B., Hudon, M. and Szafarz, M. (2011) "Subsidy Uncertainty and Microfinance Mission Drift," *CEB Working Paper,* N° 11/014, Université Libre de Bruxelles: Centre Emile Bernheim.

Armendàriz, B. and Szafarz, M. (2011) "On mission drift in microfinance institutions," *MPRA Paper No. 31041,* Munich Personal RePEc Archive.

ASA (2001) *Annual Report 2001,* Dhaka: ASA.

ASA (2004a) *New Vision February 2004*, Dhaka: ASA.

ASA (2004b) *Note June 2004,* Dhaka: ASA.

ASA (2007a) *New Vision July-September 2007*, Dhaka: ASA.

ASA (2007b) *New Vision November-December 2007*, Dhaka: ASA.

ASA (2009) *New Vision April-June 2009*, Dhaka: ASA.

ASA (2010) *Annual Report 2010*, Dhaka: ASA.

ASA (2014) *Home*, Homepage, http://asa-international.com (consulted 17 December, 2014).

Ashta, A., Khan, S., and Otto, P. E. (2011) "Does microfinance cause or reduce suicides? Policy recommendations for Reducing borrower stress", paper available at SSRN, March 3, 2011, DOI 10.2139/ssrn.1715442.

Banerjee, A., Duflo, E., Glennerster, R., and Kinnan, C. (2013) "The miracle of microfinance? Evidence from a randomized evaluation," *MIT Department of Economics Working Paper No. 13-09*.

Bateman, M. (2010) *Why doesn't microfinance work?* London: Zed Books.

Bateman, M. (ed. 2011) *Confronting Microfinance: Undermining Sustainable Development*, Sterling, VA: Kumarian Press.

Berger, P. and Luckmann, T. (1966) *The Social Construction of Reality: A Treatise in the Sociology of Knowledge*, Garden City, NY: Anchor Books.

Center for Financial Inclusion (2013a) *FI 2020*, http://www.centerforfinancial inclusion.org/fi2020 (consulted 23 July, 2013).

— (2013b) *Who we are*, http://www.centerforfinancial inclusion.org/about (consulted 23 July, 2013).

CGAP (1995) *Focus. The missing links: Financial systems that work for the majority*, Washington D.C.: CGAP.

— (2000a) *Annual Report 2000*, Washington D.C.: CGAP.

— (2000b) *Focus. Raising the curtain on the 'microfinancial services era'*, Washington D.C.: CGAP.

— (2001) *Helping to build a microfinance industry*, Washington D.C.: CGAP.

— (2002) *Annual Report 2002*, Washington D.C.: CGAP.

— (2003a) *Annual Report 2003*, Washington D.C.: CGAP.

— (2003b) *CGAP Phase III Strategy 2003 – 2008*, Washington D.C.: CGAP.

— (2003c) *The impact of microfinance*, Washington D.C.: CGAP.

— (2004a) *Annual Report 2004*, Washington D.C.: CGAP.

— (2004b) *Scaling up poverty reduction. Case studies in microfinance*, Washington D.C.: CGAP.

— (2006a) *Focus Note. Financial inclusion*, Washington D.C.: CGAP.

— (2006b) *Focus Note. Safe and accessible: Bringing poor savers into the formal financial systems*, Washington D.C.: CGAP.

— (2007) *Annual Report 2007*, Washington D.C.: CGAP.

— (2010a) *Annual Report 2010*, Washington D.C.: CGAP.

— (2010b) *Tilman Ehrbeck Named as New CEO of CGAP*. http://www.cgap.org/news/tilman-ehrbeck-named-new-ceo-cgap (consulted: 17 December 2014).

— (2011a) *Emerging lessons of public funders in branchless banking*, Washington D.C.: CGAP.

— (2011b) *Focus Note. Responsible finance: Putting principles to work*, Washington D.C.: CGAP.

— (2013) *Annual Report 2013,* Washington D.C.: CGAP.

— (2014) *About.* http://www.cgap.org/about (consulted: 17 December 2014).

CGAP and Mixmarket (2013) *2013 Survey on Cross-Border Funding for Financial Inclusion*, European Microfinance Week 2013. http://www.e-mfp.eu/sites/default/files/resources/2014/02/Estelle%20Lahaye_CGAP.pdf (consulted: 17 December 2014).

Collins, D., Morduch, J., Rutherford, S., and Ruthven, O. (2009) *Portfolios of the poor: How the world's poor live on $ 2 a day,* Princeton, NJ: Princeton University Press.

Dart, R. (2004) "The legitimacy of social enterprise," *Nonprofit Management and Leadership* 14(4): 411–424.

Dichter, T. (2007) “Can microcredit make an already slippery slope more slippery? Some lessons from the social meaning of debt,” In T. Dichter and M. Harper (eds.) *What's Wrong with Microfinance?* Bourton on Dunsmore: Practical Action Publishing.

DiMaggio, P., and Powell, W. (1983) “The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields,” *American Sociological Review* 48(2): 147–160.

Djelic, M-L., and Quack, S. (2003) “Conclusion: Globalization as a double process of institutional change and institution building” In M.-L. Djelic and S. Quack (eds.), *Globalization and Institutions. Redefining the Rules of the Economic Game*, Cheltenham: Edgar Elgar, pp. 302-334.

Duvendack, M., Palmer-Jones, R., Copestake, J. G , Hooper, L., Loke, Y., and Rao, N. (2011) “Systematic review: What is the evidence of the impact of microfinance on the well-being of poor people?,” S. S. R. U. EPPI-Centre, Institute of Education, London: University of London.

Edwards, J. M. (2008) *Hybrid organizations: Social enterprise and social entrepreneurship*, Honolulu, Hi: School of Business and Economics, Atlantic International University.

Epstein, G. A. and Jayadev, A. (2005) “The rise of rentier incomes in OECD countries,” In G. A. Epstein (ed.) *Financialization and the world economy. Northampton*, MA: Edward Elgar Publishing, pp. 46-74.

Froud, J., Johal, S., Williams, K. (2002) “Financialisation and the coupon pool,” *Capital & Class* 26: 119-151.

Glaser, B. and Strauss, A. (1967) *The discovery of grounded theory*, Rutgers: Aldine Transaction.

Grant, D., Keenoy, T., and Oswick, C. (2001) “Organizational discourse: Key contributions and challenges,” *International Studies of Management and Organization* 31(3): 5-24.

Guérin, I., Morvant-Roux, S., Villarreal, M. (eds. 2014) *Microfinance, Debt and Over-Indebtedness: Juggling with Money*, New York: Routledge.

Halliday, T., Block-Lieb, S., and Carruthers, B. (2009) “Rhetorical legitimation: Global scripts as strategic devices of international organizations,” *Socio-Economic Review* 8(1): 77–112.

Hardy, C. (2001) “Researching organizational discourse,” *International Studies of Management and Organization* 31(3): 25–47.

Karim, L. (2011) *Microfinance and its Discontents: Women in Debt in Bangladesh*, Minneapolis: University of Minnesota Press.

Karlan, D., and Zinman, J. (2009) “Expanding microenterprise credit access: Using randomized supply decisions to estimate the impacts in manila,” *Review of Financial Studies* 23(1): 433–464.

Karnani, A. (2009) “Romanticizing the poor”, *Stanford Social Innovation Review* Winter 2009: 37–43.

Keller, R. (2001) „Wissensoziologische Diskursanalyse,“ In R. Keller, A. Hirseland, W. Schneider and W. Viehöver (eds.), *Handbuch Sozialwissenschaftliche Diskursanalyse,* Vol. 1, Wiesbaden: VS Verlag, pp. 115–147.

Keller, R. (2011) “The Sociology of Knowledge Approach to Discourse (SKAD),” *Human Studies* 34(1): 43-65.

Kiviat, B. (2009) ”Why the world's poor refuse insurance,” *TIME Magazine Business*, 21 September.

Krippner, G. (2011) *Capitalizing on crisis: The political origins of the rise of finance*, Cambridge, MA: Harvard University Press.

Klas, G. (2011) *Die Mikrofinanz-Industrie. Die große Illusion oder das Geschäft mit der Armut*, Berlin/Hamburg: Assoziation A.

Louis, K. S., and Simsek, H. (1994) “Organizational change as paradigm shift: Analysis of change process in a large”, *The Journal of Higher Education* 65(6): 670–695.

Mader, P. (2011) “Attempting the Production of Public Goods through Microfinance: The Case of Water and Sanitation.” *Journal of Infrastructure Development* 3: 153-170.

Mader, P. (2013) “Rise and fall of microfinance in india: The Andhra Pradesh crisis in perspective,” *Strategic Change* 22(1-2): 47–66.

Mader, P. (2015) *The Political Economy of Microfinance: Financialising Poverty*, London: Palgrave.

Mersland, R. and Strom, O. (2010) “Microfinance Mission Drift?,” *World Development* 38(1) 28–36.

Meyer, J. and Rowan, B. (1977) “Institutionalized organizations: Formal structure as myth and ceremony,” *American Journal of Sociology* 83(2): 340–363.

Mixmarket (2012) *MFI Report, Asa*, http://www.mixmarket.org/mfi/asa/report (consulted 23 July, 2013).

Morduch, J. (1999) “The role of subsidies in microfinance: evidence from the Grameen Bank,” *Journal of Development Economics* 60: 229-248.

Morduch, J. (2000) “The microfinance schism,” *World Development* 28(4): 617–629.

OECD, *OECD StatExtracts*, http://stats.oecd.org (consulted 18 December 2014).

Roodman, D. (2012) *Due diligence,* Baltimore, MD: Brookings Institution Press.

Roy, A. (2010) *Poverty capital: Microfinance and the making of development,* London: Routledge.

Sabrow, Mader (2014) „Armutsbekämpfung als Mythos und Zeremonie? Ursachen und Logiken eines Strategiewechsels in der Mikrofinanz," *Zeitschrift für Außen- und Sicherheitspolitik*, 7(2): 175-198.

Schicks, J. (2010) "Microfinance over-indebtedness: Understanding its drivers and challenging the common myths," *CEB Working Paper,* N° 10/48, Universite Libre de Bruxelles: Centre Emile Bernheim.

Schmidt, R. (2006) „Der richtige Preis zur falschen Zeit," *Die Zeit* 26 October.

Schmidt, R. (2010) "Microfinance, commercialization and ethics," *Poverty and public policy, 2*(1): 99–137.

Sinclair, H. (2012) *Confessions of a microfinance heretic: How microlending lost its way and betrayed the poor*, San Francisco, CA: Berrett-Koehler.

Stockhammer, E. (2007) "Some stylized facts on the finance-dominated accumulation regime," *PERI Working Paper Series* 142, University of Massachusetts Amherst.

Suchman, M. (1995) "Managing legitimacy: Strategic and institutional approaches," *The Academy of Management Review* 20(3): 571–610.

Swibel, M. (2007) "Microfinance: The 50 top microfinance institutions," *Forbes Magazine*, 20 December.

Trivelli, C. (2013) "*Social inclusion cannot be achieved without financial inclusion*," *CGAP Blog*, 6.8.2013, http://www.cgap.org/blog/social-inclusion-cannot-be-achieved-without-financial-inclusion (consulted 13 February, 2014).

Walt, V. (2012) "Does Microfinancing Really Work? A New Book Says No", *Time Magazine* 6 January 2012.

Weber, M. (1978) *Economy and Society: An Outline of Interpretive Sociology*, Berkeley and Los Angeles: University of California Press.

Weiss, J. and Montgomery, H. (2005) "Great expectations: microfinance and poverty reduction in Asia and Latin America," *Research Paper Series No. 63*, Asian Development Bank Institute.

Wilson, K. (2007) "The moneylender's dilemma", In T. Dichter and M. Harper (eds.) *What's wrong with microfinance?*, Bourton on Dunsmore: Practical Action Publishing, pp. 97-108.

Woller, G. (2002) "The promise and peril of microfinance commercialization," *Small Enterprise Development* 13(4): 12-21.

Woodworth, W. (2000) “Third world economic empowerment in the new millennium: Microenterprise, microentrepreneurship, and microfinance.,” *S.A.M. Advanced Management Journal* 65(4): 19–27.

Yunus, M. (2008) *Die Armut besiegen*, München: Hanser.

Yunus, M. (2011) “Opening remarks: financial inclusion and the regulation of microfinance,” *Bank for International Settlements Papers* 56(1): 7-9.