
Microcredit, Financialisation and Class Formation: NGO/MFI Employees as New Middle Class

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Résumé

There is growing number of literature about the role of microfinance (mainly microcredit) in marketisation and financialisation (Carroll 2015, Mader 2014, Rankin 2001, Marron 2013, Bateman 2015, Soederberg 2013, Weber 2014). Although microfinance is increasingly replicated in the developed countries as an anti-poverty tool, it is still predominantly a developing world phenomenon. It is probably one rare development technology that was pioneered and ‘perfected’ in the global south and was then taken to the global north. Non-Governmental Organisations (NGOs) doubling or acting as Micro-Finance Institutions (MFIs) are not just financial intermediaries per se, they are also class actors.

Microcredit, still operated as anti-poverty programme deemed to be non-profit has effectively turned into a niche financial industry. If anywhere that is the case in Bangladesh, the pioneering country of microcredit. Semi-commercial microcredit, still off-limits to direct investment of commercial banks and financial institutions, has become the green field for revenue generation and surplus accumulation by NGOs.

Microcredit, as source of revenue and surplus through channelling of multilateral and global financial capital to income generation of the “bottom billion” has also laid hand in class formation. If microcredit is enabling financial accumulation by NGOs and their funders and potentially creating a new proletariat in the form of innumerable borrowers – something observed by Mader (2014) – it is also contributing towards a new middle class formation. This middle class is constitutive of NGO employees large segments of whom are involved in microcredit delivery. In their day-to-day professional functions as Financial Intermediaries (FIs), these NGO/MFI employees are playing distinct political and ideological roles. This middle class formation is the uncharted dimension of the emerging political economy of microcredit.

The paper analyses class formation process of NGO/MFI employees in Bangladesh. It first analyses class role of NGO/MFI employees in terms of their professional role as FI. In doing so, the paper dissects financial intermediation both broadly and down to the level of individual microcredit employees, and its significance in shaping the borrowers as ideal microcredit clientele. Secondly, the paper tries to understand the class identity of NGO/MFI employees by examining them as a professional group. It explains how NGO employees’ professionalisation through indoctrination, training, and bureaucratisation transcend into their distinct social identity.

The paper is based on in-depth interviews of NGO employees and document review. Twelve

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NGO/MFI employees were interviewed from large and medium to small MFIs operating in and around Dhaka and Chittagong, the two major urban centres of Bangladesh. The documents reviewed include strategy papers, organisational reports and training materials. The analytical framework of the paper draws upon Wright's (1985) concept of skill and organisational assets exploitation in conjunction with Poulantzas' (1975) concept of political and ideological roles in a bid to develop a Marx-Weber synthesis (Burris 1987) in class analysis.

Mots-Clés: Microcredit, Class Formation, New Middle Class