

## **Coline Maignan**

Roy, Ananya, *Poverty Capital: Microfinance and the Making of Development*, London : Routledge , 2010 . ISBN 978-0-415-87673-5 (paper), ISBN 978-0-415-87672-8 (cloth) .

*Poverty Capital* by Ananya Roy is a very well documented and beautifully written book that explores the millennial worldviews and paradigms dominating the production of knowledge on poverty and poverty alleviation. In this exercise, Roy focuses on the growing phenomenon of microfinance and how it is inserted in the discourse on development.

Very much aware of the social constructions of the debated concepts such as development and poverty, she spends a large chunk of the book discussing aspects of what she calls *millennial development* and how it is shaped by centres of power of the world order such as Washington DC, powerful institutions like the World Bank and dominant frameworks as the Millennium Development Goals. She argues that the prevailing conceptions of international development are greatly outlined by strategies for poverty alleviation that are turned into a public issue. On one hand, celebrities like Bono seize the subject and become decisive actors in making poverty visible and, on the other hand, ordinary people are encouraged to actively participate in campaigns by giving a few dollars while doing their groceries.

While deconstructing the discourse of the supposedly “kinder development”, she underlines its unavoidable embeddedness in the market economy, as illustrated by the idea of “creative capitalism” that should solve poverty by enlarging the outreach of private capital, of which microfinance is a key example. This is what she frames as *poverty capital*, namely the conversion through microcredit of poverty into capital, creating new subjects of development and new terrains of investments. Following [David Harvey's theory of capitalism's spatial fix](#), one might argue that poverty capital is another of capitalism's fixes.

Moreover, again concerned with the rhetoric underlying millennial microfinance, Roy coins the very useful concept of *neoliberal populism* that encompasses the mobilisation of emotionally charged ideals like economic freedom, self-reliance, entrepreneurship and non-discriminatory access to capital in order to promote the expansion of the financial market.

[Roy seeks out counter discourses on and practices of microfinance](#) and travels from Washington DC to Bangladesh, Egypt and Lebanon for this. Her exploration of the different contexts allows her to illustrate the intricacies between global politics, local norms and microfinance and how they guide the circuit of money. Development agencies like USAID that

fund microfinance, structural adjustment programs that depleted public services and local gendered norms linked to social reputation and class all equally constitute the environment that shape both the provision and reception of microcredits and what might be deemed as the success of the industry: from the autonomy of the microfinance institutions to poverty alleviation.

While one would conclude from the examples detailed in the book that the impact of microfinance is context-dependent and that microfinance practices are diverse, the neoliberal rhetoric remains hegemonic even when deriving from the Grameen Bank. Indeed, despite its self-positioning as a counter-model of poverty alleviation through microfinance, Roy emphasises that the message of the Bangladeshi institution echoes the self-reliant and entrepreneur ideal-type of the *Washington Consensus on poverty*.

It might be important to underline that one should not expect a comparative analysis or report on the impact of microfinance on poverty in the Global South. Roy indeed clarifies in the beginning of the book that she does not study the poor but rather the ones who manage poverty. Thus, her analysis is more focused on the power relations underlying the production of *poverty truths* as well as on the contradictions of the liberal ideology, which, for example, is confronted with the inevitable need to discipline borrowers, than it is on the debates over collateral and interest rates.

Her account of *poverty capital* is also very nuanced and rather neutral which might frustrate the reader who is seeking stronger critiques. It is for instance rather surprising that Roy, whose interests and research have strongly revolved around inequalities, only lightly mentions that the discourse on microfinance totally disregards the origins of inequalities. Indeed, the knowledge production analysed in the book is not concerned with redistributing wealth fairly and equitably but rather ensuring equal opportunities for all. Such meritocratic approach can easily turn into the argument that if everyone has the opportunity to become wealthy then poverty is simply the consequence of individual choices which, in other words, depoliticises poverty.

Roy rather measures her words and documents her arguments with quotes from the numerous interviews she conducted with “poverty managers” from CGAP or the Grameen Foundation. The book is also punctuated with concrete examples and stories that illustrate her arguments and give a very tangible tone to the book that never loses touch with the life realities of the microcredit borrowers.

Finally, the post-colonial approach taken in her analysis is very much welcomed. The study of the North-South power relations, the production of authoritative and universal knowledge and the figure of the Third World Woman, icon of microfinance, are all crucial aspects of millennial development that Roy emphasises. As mentioned, the core of the book is on the dominant knowledge on poverty produced in power centers in the Global North and then applied as “best practices” in the Global South. There, the privileged recipient of microfinance loans are the “Third World Women” who illustrate the [Subaltern, as coined by Spivak](#), who are given a fictitious voice in ads for development agencies - “I am powerful” - but rarely, if not never, actively participate in the design of microfinance practices and workshops.

To conclude, *Poverty Capital* and Roy’s compelling discourse analysis could serve as a reminder that neoliberal capitalism has a rather extraordinary capacity to portray itself in progressive terms: apparently defending the economic empowerment of women or considering the poor as autonomous and equal (as opposed to the supposed paternalistic attitudes of the State or development agencies) and appear as a modern solution to poverty rather than an old cause of global inequalities.