

**Women's Use of Microfinance in
Luribay: Citizenship and Social Inclusion
in Bolivia**

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Abstract

This thesis aims to investigate from a feminist perspective whether women in a rural community in Bolivia can use microfinance to negotiate better terms for their citizenship rights. Citizenship frames debates on inclusion and development as Bolivia struggles with the demands of market reform and the imperative to include marginalised citizens. Drawing on participant observation, focus groups and interviews, I consider microfinance as a rural development strategy and examine whether or not access to credit may provide a space for rural Aymaran women to negotiate better terms for their citizenship within a market led development trajectory. My fieldwork took place in the Aymaran-speaking municipality of Luribay, Bolivia, from February to September 2006. I visited 43 credit groups in 11 different localities in the municipality. Of these I focussed on six groups in four different locations. I held two focus groups of nine women in two locations. I then held interviews with 25 women, 12 of whom had also participated in focus group discussions. The uses to which women put credit and their concerns regarding investment and debt shed light on different ideas of citizenship and priorities occurring in the mainstream and rural areas. My analysis highlights the importance of identity, interdependence and the moral economy to market activity. Cooperation and reciprocity, upheld by tradition and community norms and sanctions, make economic activity possible. There is tension between the competitive demands of a liberal market and women's lives in cooperative, land-based, rural communities. Microfinance Institutions' provision of credit may address this tension by recognising 'social collateral' and so, despite being market and production focussed, may be more compatible with the cooperative dynamic of rural areas. However, the competitive entrepreneurial activity encouraged by the MFI could threaten cooperative, reciprocal relations within the community that are vital to economic activity.

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Author's Declaration

All of the research and writing in this thesis is original.

A version of Chapter Three, 'Translation in cross-cultural research: an example from Bolivia' is published in *Development in Practice* 17 (6) (November 2007) pp 784-790

Chapter One: Introduction

THE THEORETICAL INTEREST

My interest in microfinance and citizenship stems mainly from a theoretical curiosity based on the feminist critique of liberalism and literature on women and development. Perhaps microfinance could be part of a solution to the gendered exclusions of liberalism and the gendered impact of development in a neoliberal context. The feminist literature on citizenship identifies a ‘creative tension’ (Lister 1997: 89) in the gendered contradictors of citizenship (e.g. Phillips 1993; Kessler Harris 2003; Higgins 2004; McClain 2004; Okin 2004). I wanted to explore whether microfinance, as a market and production-focussed intervention targeting women, could help overcome women’s exclusion from citizenship without essentialising women in the home and undermining their citizenship with welfare (cf. Molyneux 2002: 181).

In terms of development, the debate around women’s citizenship becomes more complex. The subject of women and development is based upon women losing rights and status in the transition to a liberal modern economy (Boserup 1970). In a context where the productive and reproductive spheres are not clearly demarcated, women’s work is valorised. But, as production becomes more distanced, the public-private divide becomes more entrenched and gendered, and women have increasingly attenuated access to citizenship. Women may be subordinate but the Western feminist analysis of patriarchy and the gendered biases of liberalism may not be an accurate conceptualisation of the problems they face (Young *et al.* 1981). By assuming terms of analysis which may not apply, the Western feminist critique of liberalism could compound women’s disempowerment in development by seeing barriers where there are none and by not recognising the strengths of women’s position.

The institutional context in the developing world also changes an analysis of citizenship. The neoliberal model has coincided with a democratic imperative to include marginalised citizens and recognise difference. The State can no longer be the provider of social rights to level the playing field (Haagh 2002 b). The market and civil society institutions are replacing the state’s role as provider of

social rights (Young 2000: 154). It could be that in this context, microfinance could represent an institutional development that increases women's capacity to negotiate citizenship rights in a neoliberal setting.

I decided to focus on Bolivia for practical as well as theoretical reasons. Bolivia has one of the world's most developed microfinance sectors and is a reference point for the financial sustainability approach to microfinance (Mosley 1996; Rhyne 2001; Robinson 2001). The country underwent one of the harshest adjustment programmes in the 1980s, the negative social impact of which was felt particularly by rural people, indigenous people and women (Godoy *et al.* 1992; Lind 2002: 240). Constitutional reform in 1994 aimed to enhance inclusion of indigenous people and women and declared Bolivia a 'pluriethnic and multicultural nation' (Sachdev *et al.* 2006: 115). In this way microfinance in the Bolivian context seems to unite the factors I wanted to explore. I also wanted to study in a country where I at least spoke one of the official languages, and I speak Spanish after living and working in Spain for three years.

There was one stroke of good fortune without which I think this thesis would have been very different, and I think would have lacked an important dimension. I had submitted my application to the ESRC, specifying that I would look at Aymaran women's use of microfinance in the context of citizenship and social inclusion in Bolivia. Shortly after receiving my acceptance letter, I serendipitously met Florinda Henderson, who sells Bolivian crafts in York's Newgate Market. Florinda immediately started teaching me Aymara, and was very supportive and encouraging of my research. Being able to stay with Florinda's family in Bolivia and discuss my ideas with them brings an invaluable dimension to this piece of work.

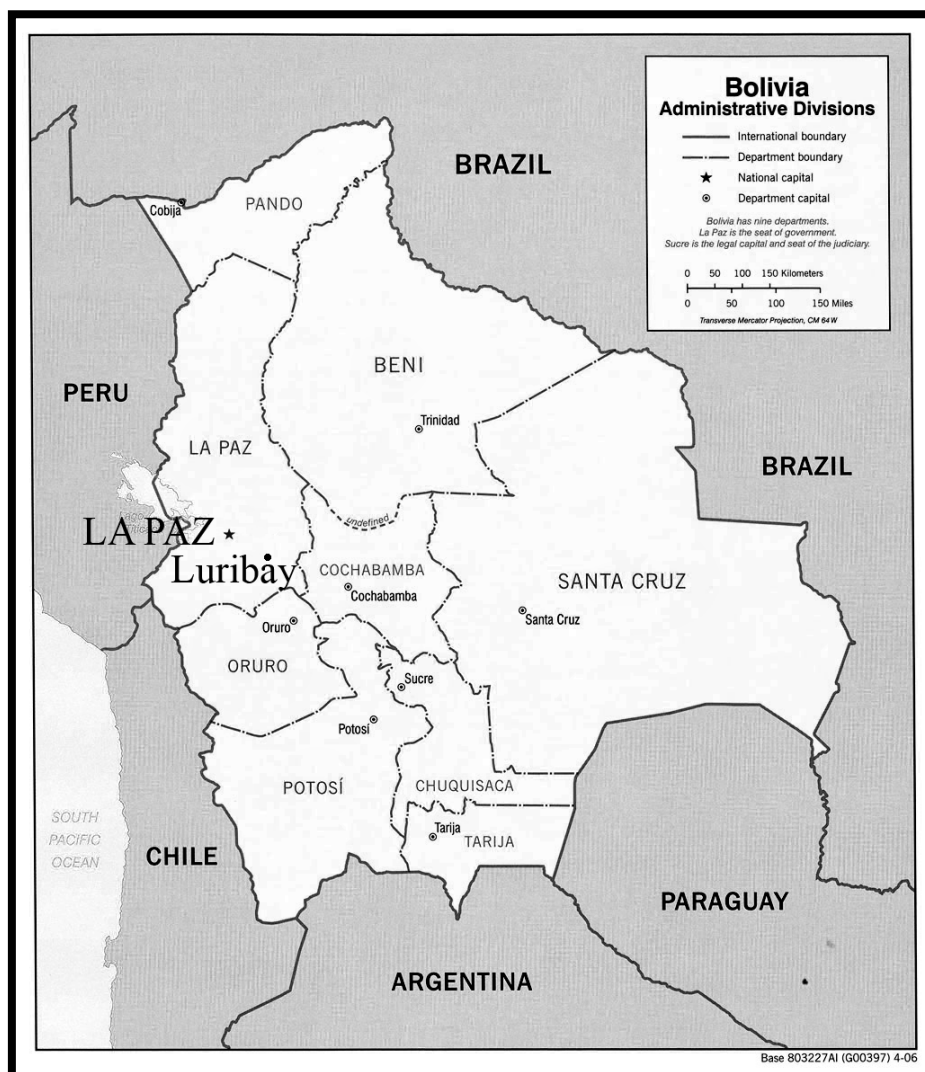
During the first year of my PhD I was contracted by UNA International Service to assist in their annual review of their offices in Mali and Burkina Faso. As part of this visit and with the full agreement and support of IS I was able to visit three microfinance organisations, one in Mali and two in Burkina Faso. After informing staff about my research, I was able to interview three members of staff at three respective organisations and hold interviews with one beneficiary in

Bamako, and three in Ouagadougou. The interviews were based on a structured questionnaire drawn on my provisional exploration on ideas of women's citizenship in development. This study centred around my initial literature review on the feminist critique of citizenship and the development of citizenship in the global South. I used Marshall's triad of civil, political and social rights as a basis for a semi-structured questionnaire about how women used microfinance. Although this study did confirm that the connection between microfinance and women's citizenship was worth exploring, it was clear that my ideas of citizenship did not reflect the beneficiaries' worldview. Although the issues of citizenship and inclusion as well as the nature of the microfinance sector is completely different in West Africa to Latin America, this study did inform my methodology in Bolivia. It demonstrated the extent to which the 'lessons of homework' (Hamilton 1998: 235) did not apply and highlighted the difficulties in effectively discussing issues with participants once introduced as a representative of an International NGO (Non-Governmental Organisation).

This experience also made me revisit my literature review, methodology and approach to analysis, incorporating a post-structuralist feminist and post-colonial theories about language, identity, and representation (Mohanty *et al.* 1991; Riley 1988; Spivak 1992). I found this quite a challenge, as I was constantly forced to interrogate my own premises, categories, and the very language used to express ideas of citizenship and social inclusion. My experience in West Africa made me realise the importance of living and working with research participants in order to be better able to bring my impression of their worldview to bear on political theories. When it came to analysis, I felt that an extensive consideration of the epistemological and political dilemmas in translation was appropriate, given this thesis' feminist aims of foregrounding participants' voices and worldview.

In seeking where to focus on my fieldwork in Bolivia my priority was finding a research area where I could live with microfinance beneficiaries. There was an MFI active in Luribay, Florinda's hometown, and her mother was kind enough to let me stay with her. Luribay is an interesting place to study. Its history and geography, and the way of life of the people there challenge the received

Figure 1 Map of Bolivia



Map of Bolivia Courtesy of University of Texas Libraries, University of Texas at Austin, 2006
The name of my research location, Luribay, has been added and is marked •

mainstream ideas about ‘indigenous people’ and rural communities. There are no published studies about Luribay, although there is one report available online (Garcia Pabon 1994).

I refer to the MFI that was active in Luribay throughout by the pseudonym ‘Prestec’¹. Staff at the organisation were happy to support my work, and expressed an interest in receiving feedback. However, they are a high profile, internationally funded NGO and were concerned to preserve the confidentiality of materials to which I had access. In the spirit of the agreement I have with

¹ ‘Prestec’ is Catalan for loan. I chose this as a pseudonym and it bears no relation to the actual name of the MFI operating in Luribay

them I feel it is more appropriate to maintain anonymity. This study is not about the effectiveness of the specific MFI operating in Luribay. I am not concerned with an evaluation of Prestec, but how a particular set of women in a particular social and economic setting, responded to the practices, advantages and constraints of the credit arrangements offered.

Bolivia was an exciting place to be in 2006. Evo Morales, Latin America's first indigenous president, had just been elected. On May 1st that year, the surprise announcement was issued that the hydrocarbon industry was to be nationalised. This development galvanised the nation's political factions and led to calls for autonomy from the richer, Eastern parts of the country. It was 'a good year for political tourism', a friend of mine quipped, reminding me that I had the luxury of not living with the consequences.

At first I was a bit daunted about going to stay in Luribay. I was warned by people from there who I met in the city that there was minimal infrastructure and the road there was indeed quite dangerous. Prestec, the MFI there, categorises Luribay as 'an area of high difficulty' due to its lack of development. It did take me a while to get used to how water was stored and used, but being able to stay in Luribay allowed me to explore the ideas in this thesis in a way which would have been inconceivable without the welcoming, friendliness and patience of people in Luribay.

CHAPTER SUMMARIES

Chapter Two: In this chapter, I outline how feminism, citizenship and microfinance could interact in the context of neoliberal reforms in Latin America. The feminist critique of citizenship has centred on the gender biases in liberalism, particularly the false neutrality of the abstract individual and the division of the public and private sphere (e.g. Lister 1997; Phillips 1993). I explore the issues involved in applying this critique to neoliberal, multicultural Bolivia. The agenda of Western feminists dealing with gendered exclusion in liberal citizenship may not coincide with the priorities and values of rural

indigenous women in Bolivia. In the development process women's reproductive and community labour become invisible. The social rights to make up for women's labour are not provided in a neoliberal context and women are subsequently over-burdened (Afshar and Dennis 1992; Boserup 1970; Moser 1993). Microfinance may empower women in the development process, as women are targeted for their contribution to production and development in the community. By overcoming gender biases in the financial sector by accepting social collateral, MFIs may facilitate capability for women to take better advantage of the opportunities the market presents to them. However, if microfinance is framed by a liberal definition of citizenship which only values productive labour and which may not fit the social dynamics in rural communities, the gender biases of liberalism could be being replicated.

In this thesis I use the term 'moral economy' to refer to the importance of trust, reciprocity and interdependence to market activity (Sayer 2004), and women's work in maintaining this. Scott's work 'The Moral Economy of the Peasant' (1976) illustrates how community relations provide safety nets in subsistence peasant communities. The maintenance of reciprocity and cooperation includes servicing kinship relationships, and reproducing traditions, culture and enforcing the norms sanctions and expectations which make up morality (Afshar 1989). The time and effort which women invest in maintaining the moral economy, is vital to market activity but invisible on scales which focus solely on income. An analysis in terms of the moral economy can help bring out women's contribution to market activity. However, there are problems with the term 'moral economy' from a feminist perspective, as some uses of the term are gender blind. Nevertheless, this is not to lose sight of the gendered pressures and norms, which may vary due to age or marital status, which take place in communities.

Chapter Three: In this chapter I look at Bolivia's history and political transitions since the Revolution of 1952. I look at how the category 'women' has been constructed in the different ideologies in Bolivia, and the advantages of state socialist and neoliberal policies in terms of women's citizenship. Whilst welfare policies tended to adopt a maternalist attitude, neoliberal policies fail to address the gender biases in formalist economic policies. Women in rural areas

and the informal sector in particular, have taken on further burdens of labour for little reward. In the 1990s multicultural reforms were implemented along with policies to decentralise the state and privatise national industries. Evo Morales' government, inaugurated in 2006, continued with multicultural policies and also had a political mandate to renationalise the industries. This combination of multiculturalism and a return to state socialism presents opportunities and threats in terms of women's negotiation of citizenship.

Later in Chapter Three, I situate my research area, Luribay, in the geographical and political framework of Bolivia in 2006. Not only are *Luribayeña* women caught between the discourses of ethnicity and gender, but the way these ideas are categorised in the mainstream does not have anything in common with the categories used by people in Luribay. Multicultural reforms decentralising power to municipal authorities may not take into account difference and hierarchies in the local area. The configuration of gender, ethnicity and location are overlooked by separate reforms for indigenous inclusion and women's inclusion. Religion and migration also play important roles. Women may have limited capability to make use of multicultural legislation, as the categories framing it may not take into account the imbrication of gender, class, ethnicity and rurality.

Chapter Four: I describe the financial services available to *Luribayeños*, both in Luribay itself and those accessible elsewhere. I also look at the other NGO operations in Luribay, and the market-focussed development policies they are supporting. In this context I describe Prestec's approach to microfinance and the lending technologies used in detail.

Chapter Five: This chapter outlines feminist methodology and epistemology and how these are brought to bear on the present study of microfinance and citizenship rights in Bolivia. Participant observation is the main method used, as well as focus groups and semi-structured interviews. I also look at the process of translation and the importance of a reflexive, transparent approach. The women who participated in my research are native speakers of Aymara, one of Bolivia's indigenous languages, and also speak Spanish. I am a native English speaker,

who speaks Spanish after living in Barcelona. As such, the process of translation in this research traverses several language barriers, both within and between languages. The process of analysis uses categories which may not mean the same in or be relevant to the everyday lives of the women in my research area.

Chapter Six: This chapter seeks to consider whether women in Luribay could use microfinance in terms of their social inclusion. Considering the capacities of different women to engage in the entrepreneurial investment encouraged by the MFI, this chapter highlights the importance of landownership, cooperation, and reciprocity in Luribay. Capability to participate in the market is dependant on cooperation among kin and within the community to provide safety nets and maintain infrastructure. Women are responsible for maintaining cooperation in the community as well as productive and reproductive labour. As such, women are forced to fight on two fronts as they maintain the social networks and bonds which the microfinance organisation uses as collateral, and survive in an increasingly market-focussed development economy. Women in Luribay depend on their communities and so do not enter into competition with people within them. But these same women are active and effective in the market in La Paz, where they sell their produce, and when they sell to outsiders in Luribay. People have varying capability to take advantage of the entrepreneurial opportunities facilitated by microfinance. Those excluded from or independent of the reciprocal dynamics of land-based production may have to be more imaginative with their income generating activities (IGAs). But the aim for many is to be included into the cooperative mainstream, as it is so important to the social safety nets, infrastructure and trust networks that make production and participation in the market possible.

Chapter Seven: The cooperative and reciprocal dynamic in the community is reflected by the ideal of gender complementarity in the household: *chachawarmi*. *Chachawarmi* literally translates as man-woman. The term is widely written about in Andean scholarship and is multidimensional. It broadly refers to the complementarity of gender roles which is an organising principle throughout Andean society (Harris 1978). A gendered complementarity of tasks permeates all spheres of Andean society including agricultural work (Harris

1978). One is only fully an adult citizen in Andean society if one is in a partnership of man and woman. The couple seeks to establish a neolocal unit, normally in the husband's place of origin. *Chachawarmi* is the formation of a social persona of two gendered halves, and complementarity and cooperation within the *chachawarmi* is the ideal. It has been suggested that one translation of *chachawarmi* is 'household' (Harris 1978: 28). The man is said to be the 'social persona' of the partnership (Choque Quispe 1988: 17).

Aymaran feminists point out that the ideal of *chachawarmi* disguises women's subordination within the household (Choque Quispe 1988): 'the woman cooks and the man eats: what lovely complementarity' (Paredes 2006). This view resonates with the feminist suspicions of arguments that gender roles are complementary or natural (Pearson *et al.* 1981: xi). Nevertheless, commentators do not dismiss the possibility that *chachawarmi* could be a more equitable division of the household (Balan 1996, Harris 1978), and comment that the Andes is a 'cultural area traditionally characterised by weak patriarchal features in spite of the social and economic roles played by kinship-based reciprocal exchange systems' (Balan 1996: 84). Harris comments that 'if there are elements in social relations among the *Laymi* [Aymara] which may be considered patriarchal, they are not placed within the domestic unit' (Harris 1978: 32). It may be that in negotiating better terms for citizenship, Aymaran women may be able to harness the strengths and capacities within the *chachawarmi* discourse in the transition from pre-capitalist to capitalist, traditional to modern.

Although the Andes is an area where patriarchy is considered to be weak (Balan 1996: 84; Harris 1978: 32), the household may still be a site of gender subordination. This is particularly visible in terms of women's burden of labour and lack of time, as they are responsible for reproductive labour. Although some women find the situation in the household oppressive, the ideals of reciprocity and cooperation still frame their coping strategies. It may be that the MFI's summation that women need access to credit may not be based on an analysis of women's position in the household on women's own terms. The women who have an extra source of income, from for example a husband or children living in the city, make best use of the credit, implying that it is better suited to a male

breadwinner model of citizenship, and is a remedy to the gendered subordination which that implies. But this is not the situation or the aspiration of most women in Luribay. To meet the demands of repayment, women may have to take up extra activities, and the MFI may in effect exacerbate the principal gendered factor in the household, women's burden of labour.

Chapter Eight: Microfinance is unique in that it recognises 'social collateral', and in this chapter I explore the nature of the relationships which constitute the MFI's guarantee on the loan. This collateral is an excellent guarantee for the bank, as cooperation and reciprocity among people of trust are vital to belonging, subsistence and production in the community. But the nature of the relationships and hierarchies which make up the social collateral may involve tensions and exploitations which could be exacerbated by participation in the credit groups. The institutions of *compadrazgo*, *fiestas* and gossip ensure collaboration among kin and fictive kin. Valuable reputations can be damaged in the credit group, and people can exploit hierarchical relationships to encourage people to join the group possibly against their best interest.

Chapter Nine: In Chapter Nine I look at the advantages and disadvantages of the village banking approach in Luribay and the risks involved in participating. I explore how women from the groups I studied use the credit and how they see the costs and benefits of participation. Whilst the reliability of Prestec as a source of credit is the main reason for joining, the elements of the loan which are decided centrally, in particular the repayment schedule, are stretching women's time. Prestec opens up a space to encourage women's participation in the village bank by allowing them to decide certain elements of how the group is organised. However, they also require that women take on responsibility for running the bank and associated risks. This, coupled with the fact that in some cases the loan repayment schedule imposes extra burdens on women's time, limits Prestec's ability to support women's negotiation of the market.

Chapter Ten: The conclusion summarises the elements of life in Luribay which can be brought to bear on a discussion of women's citizenship: trust, interdependence and the agency which women have in negotiating the conflicting

demands of the city and rural communities. Recognition of diversity and the importance of situating market exchange in the moral economy of culture and kin imply that the idea of the neutral abstract individual has to be re-examined in the light of gender and cultural diversity. Interactions in the market and society are not between radical individuals united by contract, but take place within networks of relationships, traditions and meanings which do not undermine or threaten development, but make market activity possible. I bring these findings to bear on the exploration of citizenship in Chapter Two. I also look at policy implications for Prestec and the Bolivian microfinance sector more broadly.

Chapter Two: Microfinance, Citizenship, and Social Inclusion in Bolivia

This thesis seeks to consider ‘citizenship’ as it is experienced in women’s everyday lives in Luribay and whether the ideas framing microfinance and the spaces and capabilities² (Nussbaum 1995a; 2003; Sen 1995; 1999) facilitated are appropriate to beneficiaries’ understandings of belonging, identity and citizenship. Both citizenship and microfinance are prominent discourses in contemporary Bolivia. Citizenship frames discussions of nationhood and social inclusion (Kohl 2003a; Postero 2006), as Bolivia struggles with the effects of neoliberal structural adjustment in the 1990s and the democratic imperative to include citizens marginalised by race, gender and locality (Sieder 2002a; van Cott 1995a). It has been argued that ‘market citizenship’ (Schild 2002) is developing throughout Latin America, in which the citizen is expected to use the market in order to forge citizenship rights (Haagh 2002b). Women’s unpaid labour is institutionalised in this context (Lind 2002), as they work on two fronts, maintaining reciprocity and cooperation of the ‘moral economy’ (Afshar 1989; Sayer 2004; Scott 1976) as well as participating in the market.

The Microfinance Institutions (MFIs) targeting women and rural areas could be part of a developing institutional framework to include marginalised citizens in a neoliberal context. Participation in the market offers opportunities for women to challenge gendered barriers in the household, and society (Molyneux 2006). It has been argued that microfinance is framed by neoliberal ideas of citizenship (Dagnino 2007; Lazar 2004; Rankin 2001; Schild 2002) In this case MFIs may not fully address the barriers which rural indigenous women face to participating in the market. Microfinance may be adding to women’s burden of labour and overlooking one of the main barriers to rural indigenous women’s citizenship, their paucity of time (Molyneux 2006; Mayoux 2006; Chant 2007).

² Capabilities are defined as ‘the substantive freedoms [a person] enjoys to lead the kind of life he or she has reason to value’ (Sen 1999: 87). I use the term to look at the ability people have to convert rights into entitlements, and avoid the ambiguities caused by the distinction between positive and negative rights (Nussbaum 2003: 233).

Although a source of power and capabilities for women, the moral economy of exchange in peasant communities is also a locus of patriarchal domination which is itself exploiting women's time and labour. The moral economy involves maintaining norms and relationships which in some cases exploit women. Care work, community labour, and the maintenance of reciprocal networks are tasks which tend to be carried out by women (Moser 1993) and represents an inequitable burden on women's time. Elder women can commandeer the labour of younger women (Afshar 1989). Gendered double standards of acceptable behaviour restrict women's options, and they bear an unequal burden of recreating cultural norms (Yuval Davis 1997). The inequitable contributions expected on the grounds of gender are justified in terms of norms, sanctions and discourses which are part of the moral economy and help define community and identity (Sayer 2007: 264). This includes appropriate behaviour for women, in and outside the market, and gendered divisions of labour

Individual success and entrepreneurialism represent a way for women to negotiate better terms for their citizenship within the community itself or offer the possibility of escaping from the gendered pressures, norms and sanctions of community life. Theory of peasant economy emphasises the need for reciprocity and cooperation in terms of infrastructure. Good relations within cooperative and reciprocal networks, however constructed, provide security in an environment in which 'the position of the rural population is that of a man standing permanently up to the neck in water, so that even a ripple is sufficient to drown him' (Scott 1976: 1). In broad studies of peasant economy the gendered implications of this are not made clear (e.g. Scott 1976; Sayer 2004). Individual entrepreneurialism potentially relieves women from these pressures, but as they are vital to capability to achieve in the market, reciprocity and cooperation have to be balanced against individual success.

There is tension between the competitive demands of the liberal market and women's lives in cooperative, rural communities. MFIs' provision of credit addresses this tension by using 'social collateral' and group lending techniques (Johnson and Rogaly 1997: 7), which, despite being market and production-focussed, may be more compatible with the cooperative dynamic of rural areas.

Research has suggested that microfinance has the potential to empower women (Kabeer 2001), not only by addressing barriers to credit, essential for market participation, but also by providing a platform and a space which women can use to gain status and develop a political identity (Bhatt 1995). These findings lend themselves to an analysis in terms of citizenship. Microfinance theoretically overcomes gender biases in citizenship as it values the social guarantees as creditworthy and valorises the work women do towards maintaining relationships and social capital³, demonstrating women's role in production and development (Molyneux 2002: 181). In multicultural Bolivia, a participatory approach to microfinance could lead to the development of institutions which support women's work in the market as it is understood and strategised in indigenous communities. However, it is my concern that as institutions are increasingly pressured to meet sustainability targets, the participatory elements of microfinance programmes will be lost and the gender and ethnic biases of liberalism reinforced.

The Bolivian microfinance sector has become one of the most diverse, developed and sustainable in the world (Morduch 1999; Mosley 1999; Navajas *et al.* 2003; Otero and Rhyne 1994; Rhyne 2001; Velasco and Marconi 2004). The majority of research into microfinance in Bolivia prioritises economic factors: the sustainability of institutions (e.g. Otero and Rhyne 1994; Rhyne 2001), contribution to the GDP (e.g. Mosley 1999) and the lending technologies which have allowed MFIs to withstand shocks (e.g. Marconi and Mosley 2006; Navajas *et al.* 2003; Velasco and Marconi 2004;). Research on the social impact of microfinance has tended to presume that the provision of credit is a good in itself and has assessed the value of social impact in terms of its contribution to the institution's financial sustainability and income (Velasco and Marconi 2004). Other studies have suggested that credit alone will not empower women, and that a feminist approach challenging the gender biases in development is needed

³ In the literature on microfinance (e.g. Mayoux 2001) 'social capital' is used to mean the networks of friends, and by extension the traditions and norms which uphold group identity and trust which can be used as collateral by MFIs. This use reflects Ben Fine's (1999) definition of social capital as a third way between state centred and market development in the post Washington consensus era. Fine points out that this definition builds on Putnam's 1994 work on Italy, and that it is different from Bourdieu's use of social capital. Bourdieu uses the term to refer to the cultural and educational traits which create class hierarchies.

(Mayoux 2000; 2002; 2006). There is research from an ethnographic point of view suggesting that local dynamics in the urban area of El Alto are being underestimated by the MFI (Lazar 2004). Reports into NGO interventions with credit have had difficulty adapting the term ‘empowerment’ to the co-operative worldview of indigenous women in the Andes (e.g. MkNelly and McCord 2001). I expand this thread of research by foregrounding the priorities of the moral economy in rural areas and the different ideas of belonging, status and rights in the everyday lived realities of rural Aymaran women, and analysing the MFI’s interventions in those terms. This exploration can be brought to bear on feminist discussions of citizenship and development, as well as explorations of citizenship and the market in Latin America.

CITIZENSHIP

Citizenship and Feminism

In this section, I look at the feminist critique of citizenship, indicating how this too fails to capture the position of women in rural subsistence economies, neoliberal societies, or the complex position of indigenous women. Liberalism fails to recognise the value of women’s work in the household and creates a gendered hierarchy with the postulation of the public-private divide. The result is that women are dependent on male kin for their citizenship rights. In response to this, some Western feminists emphasise the importance of women’s financial independence and social rights to support women’s participation in the labour market (e.g. Lister 1997; Pateman 1988; Siim 2000). These theories have limited use in neoliberal multicultural Bolivia, where the state has reduced capacity to provide social rights, and financial independence may not build on women’s capabilities and status in the moral economy of kin in rural communities. Nevertheless the implicitly gendered assumptions of liberalism continue to frame development interventions in Bolivia,

Citizenship is an emancipatory concept which can be used to demonstrate biases in the mainstream and promote equality. Liberal theorists formulate citizenship in terms of an abstract individual, neutral public sphere and universal rights that underpin and promote equality (e.g. Avineri and de Shalit 1992). Examining people’s access to civil, political and social rights can demonstrate the biases and

barriers which people face, for example by class, and help construct an equitable society. The citizenship discourse has been adopted throughout the world, but the language of liberal citizenship cannot capture the biases and barriers faced by people excluded by gender, ethnicity or locality, particularly in the developing world and neoliberal context. Liberal equality does not allow for diversity, and citizenship needs to be grounded in different worldviews. Institutional development needs to harness the capabilities and values present rather than remedying lacks perceived through a lens of liberalism. A participatory approach is necessary, as a 'one size fits all' formulation of citizenship does not fit the realities of many women's lives.

Citizenship as formulated in the classical liberal tradition fails to show gender biases in the mainstream as it presumes a gendered public private divide. Work in the household is not valued and women's access to citizenship rights is via a breadwinner, generally thought of as male, active in the public sphere (Lister 1997; Pateman 1988; Phillips 1993). Attached to this are the ideas of rights and duties of the citizen and how the citizen should behave. Liberal citizenship is built around a male breadwinner model (Pateman 1988). Correspondingly the values of the public sphere are 'manly', (Fraser 1992: 114), emotions are considered feminine and inferior to the rationality of the public sphere (Nussbaum 1995b), and women's work in the reproductive sector of the economy is naturalised in the private sphere (Elson and Pearson 1981). The institutions based on the male breadwinner as citizen overlook women's contribution to the economy and render them dependent on male relatives for income. Care work and reproductive labour are not valued in themselves, but in their ability to produce male workers (Pateman 1988).

Citizenship is often thought of in terms of social political and civil rights. Social rights are intended to enable citizens to access the political and civil rights, for example the right to vote or the right to free speech. It has been argued (Haagh 2002a) that the sequence of rights has changed in neoliberal Latin America, with political and civil rights coming first with social rights, for example healthcare, education and social security, coming from market participation. State provision of social rights is 'obnoxious to the spirit of the times', and as such other ways of

looking at citizenship are being developed, for instance occupational citizenship and economic citizenship (Haagh 2002a; Pateman 2004). These different ideas of citizenship are intended to suggest other ways of levelling the market playing field by supporting market participation, for example advocating a basic income (Pateman 2004) or an institutional framework which can support a 'productive existence over time' (Haagh 2002a: xxiii). These ideas of citizenship are predicated on market participation being fundamental to accessing citizenship rights.

Liberal citizenship is built on gendered norms, and this is reflected in the institutions, be they of capitalist or socialist persuasion, which characterise democracy and modernity. Whilst social rights are developed in theory so that 'every man can be a gentleman' (Marshall 1992 [1950]; quoted in Haagh 2002a: 10), for women, these rights tend to be given on the basis of their maternity or status as wives, hence undermining their citizenship (Kessler Harris 2003). Not only do social rights based on liberalism essentialise women and confine them to the private sphere, the work that they do there is not deemed worthy of citizenship.

Feminist theorists have criticised and reformulated the concept of the citizen and citizenship to highlight gender biases in the mainstream and to enable institutions and the society based on this analysis to be more equitable (e.g. Kittay 1999; Pateman 2004). Feminists have analysed liberal citizenship in terms of the invisibility of women's labour in the private sphere, the false neutrality of the abstract individual underpinning liberalism and the masculine values which dominate the liberal public sphere (Fraser 1992; Higgins 2004; Kessler Harris 2003; Kittay 1999; Lister 1997; McClain 2004; McLaughlin 2004; Nussbaum 1995b; Okin 2004; Phillips 1993; Siim 2000). The 'black box' approach to the household is criticised for overlooking exploitation and subordination within the home (Chant 2003a: 164).

The Western, liberal feminist analysis of citizenship emphasises the importance of financial independence. Feminism in the West has been characterised in some ways as promoting women's access to income, promoting social rights to allow

women access to the civil and political rights and income to which they have attenuated access in the public sphere (Lister 1997; Pateman 1988; Siim 2000). Such group rights for women essentialise them as mothers and wives, and reinforce the masculine values of citizenship in the public sphere, which in some senses mean that the work and associations with which women engage do not 'count' as citizenship (Friedman 1992; Lister 1997; Phillips 1993). The dilemma of equality and difference, and the tensions between group and individual rights (Kymlicka 1995a; 1995b; Mouffe 1992; Phillips 1993; 1995; Young 1995; 2000) can be reconfigured by questioning whether citizenship is a status or a practice (Lister 1997: 15 quoting Oldfield 1990). Instead of thinking in terms of group rights with the risk of essentialism that this involves, a consideration of the institutional framework for citizenship and the spaces and associations available for citizens' participation highlights the biases and values of the mainstream without essentialising groups.

The liberal idea of independent individuals relating via contract overlooks and devalues interdependence and care work (Kittay 1999: 100; Nussbaum 2003: 51). Some theorists argue that because of the devaluation of care work and interdependence in liberalism 'feminists...shouldn't be liberals' (Higgins 2004: 1629). Developing institutions which value the ethic of care are important to valorising women's work and overturning the liberal preconception that 'it is not in giving life, but in risking it that man is raised above the animal' (Simone de Beauvoir quoted in Yuval Davis 1997: 6). This involves valuing particularist, reciprocal relationships as worthy of citizenship, and the role which family relationships, mutual support and cooperation have always had in production. The ideals of universality and equality based on the idea of the neutral independent actor in the public sphere overlook the moral economy (Afshar 1989; Sayer 2004; Scott 1976). The recognition that the moral economy needs to be reinforced and supported in development coincides with a feminist analysis of citizenship. Work maintaining the relationships and traditions which make economic activity possible is often women's responsibility in the private sphere.

Applying liberal and certain feminist analyses to a development context without taking into account the intersections of ethnicity, class and rural or urban

residence 'others' third world women (Mohanty 1991a: 7; Yuval Davis 1997). In pre-capitalist societies there is not a strict division between the public and private sphere, the lived reality of 'citizenship' is on particularist, reciprocal terms rather than the neutral, universal idea of liberal citizenship relationships. In rural peasant communities, the moral economy of kin which values cooperation, reciprocity and kin relationships means that women's contribution to production is visible. Kin and fictive kin relationships represent capability to participate in the market, as well as community and local politics. Women maintain the relationships and traditions which ensure reciprocity and cooperation in the community. This work makes economic activity possible but becomes invisible on a liberal scale (Tinker 1995). By assuming the barriers women face in liberal societies, interventions targeting women in some cases undermine the capabilities which they have within the community and misconstrue the barriers which they do face to full citizenship.

The moral economy in peasant economies is underpinned by reciprocity and cooperation, which depends on and constructs the social space of the community and kin relations (Scott 1976). Communities are made up of separate social spaces, many of which are gendered. Broader allegiances and spaces also enter into the lives of people in small communities, for example relations between the community and State, and migration to markets (Scott 1976; Brocheux 1983). Reciprocal networks can be constructed on the basis of proximity, territoriality or kin relationships. Interdependence is created by everyone relying on each other within small communities to maintain water supply, roads and socialise risks.

In rural Bolivia, the moral economy involves spaces created by social relations of exchange, reciprocity and cooperation which are related to bilateral kinship ties, the tradition of reciprocity known as *ayni*, and spatial proximity. The social and political relations which create these spaces are historically rooted in the *ayllu*. The *ayllu* is the traditional basis for exchange and reciprocity in rural Bolivia. It is based on relationships of bilateral kinship, as well as territorial and symbolic ties (Isbell 1978). The Andean system of farming was based on vertical exchange (Lehmann 1982; Platt 1982), for example fruit from the valleys and potatoes and corn from the Altiplano (Bastien 1979). The *ayllu* was divided into levels and

marriage tended to take place across two levels, so that families' bilateral land inheritance and exchange could ensure subsistence and production throughout the year (Bastien 1979).

Spanish colonisation gradually wore away the traditional organisation of the community, as the main spatial construct was that of the *hacienda*. Spanish landlords demanded tithes from peasants in exchange for usufruct rights on the land. Although the *hacienda* system dominated and extracted an unfair price from peasants, original forms of organisation such as the *ayllu* authorities and exchanges continued. After the land reform of 1953, Agrarian Unions (AUs) were instituted as the main form of organisation of the peasantry. In many cases the *ayllu* authorities became the AU and the new structure combined harmoniously with the traditional organisation, but there were exceptions to this, notably in Northern Potosi (e.g. Rivera Cusicanqui 1990). This varied according to the extent of penetration of Spanish colonialism and the *hacienda* system.

Women in rural communities are disadvantaged in terms of citizenship by patriarchal structures in the household and the community (Brydon 1989: 47). Although the configuration of these structures and the kinds of discrimination women face are not elucidated by liberal analysis, universal individual rights could be a tool for women to use in negotiating better terms for their citizenship. A framework of universal rights can be used to indicate the subordination and exploitation which the 'normatively gendered conceptual framework' (Kessler Harris 2003: 158) and possible internalised oppression (Nussbaum 1995a: 6) disguise. Particularist, reciprocal relationships counter the notion of universal equality. However, liberal rights are situated in a Western context. It is difficult to find an idea of the good which can be thought of as genuinely universal. But an analysis in terms of capabilities (Nussbaum 1995a; 2003; Sen 1995; 1999) rather than rights elucidates the importance of particularist relationships and the limits of liberal rights discourses.

I will be using the capabilities approach (Nussbaum 1995a; 2003; Sen 1995; 1999) to illustrate the complexity of taking advantage of opportunities, given the way that belonging, success and trust are constructed and the institutional

capabilities, both formal and informal that are present in the community. This approach permits an exploration of the developing institutional framework and the way that the relationship between citizen, civil society and the state is developing. It looks at the freedoms which people have to decide what they want to do and be, and what they are actually able to do and be (Nussbaum 2003: 233; Sen 1999: 88). As it does not impose an idea of the good, which the formulation of rights in liberalism arguably does, the capabilities approach fits with the multicultural questioning of presumed notions of the good. Although the capabilities approach does allow for a more dynamic and culturally sensitive understanding of poverty than liberal rights and duties, if ideas of universal rights are lost sight of, then gendered subordination could be rendered invisible by the capabilities approach (Nussbaum 1995a; 2003).

The capabilities approach allows for a multidimensional analysis of poverty which recognises that poverty is a dynamic process (Chant 2003b). In the context of the present thesis, this permits analysis beyond the microfinance impact studies which often limit themselves to a consideration of income alone, particularly those interventions framed by the financial sustainability approach (see below). Although paucity of income greatly restricts people, an emphasis on income can render invisible subsistence activities and forms of exchange in peasant communities. Adopting a capabilities approach allows me to explore how useful income is in the community and the household. The formal and informal relationships, norms and systems of exchange within the moral economy indicate the capabilities that women have to participate in market exchange. This includes capability to work outside of the household in terms of time and commitments. Depending on the infrastructure and institutions present, assets other than income are equally useful.

Citizenship in Latin America

In the twentieth century, Latin American countries declared independence and overturned the *hacienda* system. Revolutionary governments, including that of Bolivia, adopted state centred socialism and liberal ideals of inclusion and equality based on a *mestizo* ideal (Rivera Cusicanqui 1990; Molyneux 2006). In addition to arguably causing the inflation and corruption which brought about the

economic crises of the 70s and 80s (Gamarra 1994; Medeiros 2001), these policies continued and extended the *criollo/mestizo* dominance of the mainstream and patriarchal norms which discriminated against women. Social rights, including pensions and healthcare, were available to women in their roles as wives and mothers (Molyneux 2006: 5). Pensions were given to the male breadwinner, and women's policies were associated with maternity (Molyneux 2006: 5). State socialism came hand in hand with corporatist populism. This was also premised on gendered assumptions and male dominated unions, and male workers tended to be the beneficiaries (Molyneux 2006: 6).

Since the economic crises and structural adjustment programmes of the 1980s, development in Latin America has been characterised by neoliberalism: the idea that all rights and systems for distributing resources should come from the market. The market is increasingly important to the provision of rights (Haagh 2002b) and could offer opportunities for indigenous people to negotiate inclusion on their own terms (Hale 2002; Postero 2006). Neoliberal, 'market citizens' can negotiate better terms for their citizenship via entrepreneurialism and the development of institutions within the market (Dagnino 2007; Schild 2002). The duty of the citizen is to participate in the market, and rights are dependent on this participation. The effects of structural adjustment in Latin America have resulted in women having to work more in the household and community to provide social rights no longer afforded by the state, as well as participating in IGAs to supplement household income (Chant 2002: 559). The reduction of the public sector, the privatisation of health care, education and pensions, and the deregulation of the market have had disproportionately adverse effects on women (Afshar and Dennis 1992; Elson 1992; Lind 2002; Moser 1992; 1993; Raczynski 1988; Sparr 1994).

The effects of neoliberalism on women in working class, rural or indigenous sectors of society generally have been negative (Afshar and Dennis 1992; Cornia *et al.* 1988; Sparr 1994). Women have been required to make up for shortfalls in social service provision by extending their reproductive labour and participating in community projects (Elson 1992: 49; Moser 1993: 49; Sparr 1994: 1). This labour is unpaid and so invisible in a neoliberal context which only valorises

tradables. Household income has decreased, as controls on the labour market, such as minimum wage or collective bargaining, have been discouraged, as they are seen as market restrictions. Women have had to supplement the household income (Raczynski 1988: 82; Sparr 1994: 1; Waylen 1992). They have taken on unskilled, poorly paid informal sector work and domestic work. Women's work tends to be undervalued, as their skills are deemed 'natural' (Elson and Pearson 1981). The triple duties of reproductive, productive and community management labour overburden women (Moser 1993: 49). Furthermore, this participation, albeit in the private sphere or the informal sector, is not seen as fitting for citizenship.

Time is a principal barrier to women's participation in neoliberal Latin America, not only in the market but also in the political sphere. Women's labour and agricultural burden is increasing, in a neoliberal context (Lind 2002). Women's political participation is arguably limited because legislation encouraging their participation overlooks the fact that the principal barrier they are faced with is a lack of time. An intervention which constitutes an added burden on women's time will be of limited use to women who are already overburdened with labour in the reproductive, community and productive spheres (Moser 1992; Moser 1993).

NGOs and civil society institutions have taken up the role abandoned by the state in Latin America (Craske and Molyneux 2002: 19; Feinberg *et al.* 2006; Medeiros 2001; Young 2000: 154). The relationship between the state and the market underpinning European discussions of citizenship do not directly apply to the Latin American context (Haagh 2002a). The increased importance of non-state actors, such as NGOs and civil society institutions, are an opportunity to design an institutional framework which recognises the importance of reproductive and community labour, and so build the trust and relationships that make economic activity possible. However, development interventions from the state as well as civil society have been criticised for essentialising women as wives and mothers and overlooking their role in production (Boserup 1970; Molyneux 2002: 181; Molyneux 2006; Moser 1993). Microfinance, if it adopts a participatory approach, potentially promotes an institution which reinforces

women's role in the moral economy and production rather than undermining it by imposing a division between the public and private sphere.

Multicultural Citizenship

The construction of the neutral individual underpinning liberal equality depends on cultural identity, beliefs and ideas of the good being bracketed off in the private sphere. This 'false neutrality of the abstract individual' (Phillips 1993: 38) belies the gender and ethnic biases in the ostensibly neutral public sphere. This formulation of liberalism and the institutions built upon it to promote equality have difficulty accommodating ethnic as well as gender difference. Indigenous people are excluded from the mainstream in Bolivia by direct and indirect discrimination such as language, locality and a lack of familiarity with mainstream systems (Pirttijarvi 1999; Wade 2004). The debates around multicultural citizenship turn around the dilemma of equality and difference, and the issue of providing rights which make up for biases in the mainstream without essentialising indigenous people and imposing outside ideas of the good and group identities (Kymlicka 1995a).

Capabilities to turn rights into entitlements⁴ are culturally situated.

Relationships, traditions, institutions and vocabularies determine whether or not a rights discourse is a feasible political strategy. Liberal rights are a Western ideology and the institutional framework to convert rights into entitlements may not be present in the developing world. State socialism in Latin America, framed by liberalism, promoted equality on the basis of a *mestizo* ideal, undermining the validity of 'other' cultures (Rivera Cusicanqui 1990; Molyneux 2006).

Conventions on rights are a culturally situated agenda which does not represent priorities in other areas, despite claims of universality. Although ostensibly neutral, analysis in terms of rights does not reflect the barriers which people face in accessing the mainstream and the indirect discrimination, for example

⁴ Entitlements are the rights that people are able to enjoy and have the capability to access. Unlike entitlements, rights are conceived either negatively or positively, corresponding respectively to lack of restriction from exercising a right or provision of that right. Entitlements are resources and freedoms that a person can access if she chooses to do so. Sen (1999) and Nussbaum (2003) disagree on whether entitlements should be defined by people's preferences (as in Sen 1999) or should be predetermined in a list, to avoid internalised oppression.

unfamiliarity with the system, which attenuate the utility of rights. A multicultural approach to citizenship recognises that rights are not universal and justifies the provision of group rights and the empowerment of local institutions (Kukathas 1995; Kymlicka 1995b). However, this position risks essentialising groups and institutionalising exploitative hierarchies, including gender hierarchies, within them (Okin 1999; Phillips 1995; Young 1995; 2000).

Separate consideration of gender, ethnicity and rurality in Bolivia is unable to capture rural indigenous women's more complicated position (de la Cadena 1995; Paulson 2002; Paulson and Calla 2000; Radcliffe *et al.* 2003).

Multicultural reforms overlook gender difference and power hierarchies in local institutions (Okin 1999). This could be detrimental to women's citizenship, as women are often regarded as the guardians of culture (Yuval Davis 1997: 43). Laws and policies conceived in the mainstream for women's empowerment and greater participation overlook indigenous women's more complex position (Paulson 2002; Paulson and Calla 2000; Richards 2003). The barriers which indigenous women face to participation do not come to light if ethnicity and gender are considered separately (Clisby 2003: 28). Indigenous women may be disempowered by decentralisation to local institutions, as local hierarchies and exclusion of women are not taken into account (Okin 1999; Paulson 2002; Paulson and Calla 2000).

Measures to mitigate the cultural biases in liberal rights, for example decentralising power to local institutions and group rights, may deny women rights which would be available to them in the mainstream, and institutionalise exploitative local hierarchies (Okin 1999). The empowerment of local organisations in order to in this way protect minority cultures can institutionalise exploitative hierarchies at a local level and freeze cultural identity (Young 1995: 165). Multiculturalism tends to impose a mainstream view of what defines a certain culture, and hence not take difference sufficiently into account (Phillips 1995; Young 1995).

Institutions to promote women's empowerment in the mainstream are based on individual rights which assumes an empowered position. But indigenous women

face additional barriers to converting these rights into entitlements, as policies and institutions do not take into account the intersections of gender, ethnicity and rurality (Paulson and Calla 2000). In Bolivia, they face more barriers to individual empowerment than middle-class, urban women (Clisby 2003).

Women in politics represent the upper middle class and do not always represent the views of indigenous women (Richards 2003: 250). Female representatives in parliament aim to improve women's access to individual rights and equality of opportunity without sufficiently changing the terms of the debate or appreciating the complexities of 'equality' for indigenous women. Indigenous women have challenged the understanding of empowerment in terms of individualist rights (Choque Quispe 1988; Mamani 1999) and do not feel represented by the urban women involved in the mainstream gender movement and institutions (Paulson 2002; Paulson and Calla 2000). However, denying indigenous women liberal rights because of cultural group rights risks adversely affecting gender balance within that group.

Multiculturalism and neoliberalism have coincided in Latin America and Bolivia (Albó 1995). It is characteristic of developing countries which underwent structural adjustment in the 80s that the state's power has been reduced and of necessity civil society is playing a larger role (Craske and Molyneux 2002: 19; Feinberg *et al.* 2006; Medeiros 2001; Young 2000: 154). 'Neoliberalism's great innovation is to activate and reinforce organisations of civil society as primary vehicles of subject formation' (Hale 2002: 498). In removing or restricting the development of state support, citizens and local institutions are forced to be more active in development, community and society (Rose 1999: 141). This is arguably development on local, cultural terms. The development of civil society could be consistent with feminist and multicultural visions of development, equated with a proliferation of public spheres (Young 2000: 155) which is consistent with the demands for democratic inclusion and multicultural rights: 'neoliberal multiculturalism' (Hale 2002; Postero 2006). A move away from a welfare state, which neoliberalism represents, could valorise women's active and productive contribution to society, as opposed to essentialising them as wives and mothers.

However, it has been argued that this view romanticises the ‘courage and fortitude’ of people who are forced into hardship by neoliberal policies (Gill 1990: 18). The neoliberal regime has a negative impact on minority institutions, associations and traditions. Cultural identity involves community belonging, trust, traditions and values. Identifying with a certain community and community belonging provides the social safety nets and the trust required to participate in the market, as well as mediating the way the market is understood and which opportunities are perceived (Basu 2006). Extending the mainstream, commercial economy to rural indigenous areas of Bolivia does not constitute inclusion if there are conflicting meanings of market exchange. Extending the market will have limited potential to provide the cultural inclusion called for in multicultural Latin America, unless the way the market is embedded in culture, community and kin is taken into account. Identity and values mediate the way that opportunities in the market are perceived (Basu 2006). The meaning of belonging and status mediates what people consider to be economic priorities and rational investments of time, money and effort. The system of values in rural communities could be at odds with the ideas underpinning the liberal market.

Although people excluded from neoliberal policies are nevertheless making use of the market and the spaces it affords them (Postero 2006), they are far from becoming the market citizens envisaged in neoliberal ideology, and therefore inequalities continue (Chase 2002). Certain people have attenuated access to the market because of structural biases in terms of gender, ethnicity and rurality. They use the autonomy offered by the market but in terms of their culturally situated values and aims, which do not always constitute success or rational investment in terms of the mainstream market (Lagos 1994: 70). This includes the maintenance of community belonging, cooperation and reciprocal relationships which perhaps go against the competitive ethos of neoliberal citizenship.

At the heart of the apparently contradictory collaboration between neoliberalism and multiculturalism is a contested meaning of autonomy (Lagos 1994: 70; Paulson and Calla 2000). A neoliberal understanding of autonomy is market freedom, free of state interference (Haagh 2002a: 6); whereas the autonomy from

the state that is the aim of the indigenous movement indicates a cultural autonomy. Although the market is useful to maintain autonomy from state intervention and the market arguably provides a space for this autonomy to be negotiated (Lagos 1994: 70), there are contradictions between the neoliberal and cultural understanding of autonomy. In a neoliberal context, collective rights and activities are difficult to advocate successfully, as neoliberalism is predicated on a framework of individual property rights and competition in the market (van Cott 2002: 54). Neoliberalism overlooks the capabilities which are provided by the reproduction of cultural traditions, and so indigenous demands for cultural autonomy are deemed regressive when actually they provide the necessary conditions for market activity.

‘Neoliberal multiculturalism’ (Hale 2002; Postero 2006) omits a gender perspective. It is true that the social costs of structural adjustment have meant that community organisations and informal networks have come to the fore. Women’s survival strategies have involved collective organising in community kitchens and mother’s clubs (Lind 2002: 240). This has arguably made the importance of women’s role in market production more visible, and changed women’s ‘traditional’ activities. However, this labour is unpaid and under neoliberalism there is limited state support for these organisations. The individual, competitive ethic of the market may disrupt cooperative dynamics in small communities, and render invisible the reproductive and community labour on which production and market activity rely. People are able to negotiate autonomy within the market, but on their own terms and to meet their own, culturally mediated aims. Nevertheless, the market could be made more commensurate with local dynamics if there were institutions to support their own negotiation of the market and the multiple commitments to kin and community as well as production.

Andean Citizenship

In considering the ways that citizenship, social inclusion and market participation are experienced in everyday life, I draw on and add to ethnological work on how market development is strategised in the Andes (Albó 2004; Guillet 1980; Isbell 1978; Harris 1978; Lagos 1994; Larson and Harris 1995; Radcliffe *et al.* 2003;

Zoomers 2006). The importance of reciprocal exchange, cooperation, and kin and fictive kin networks to economic production and the apparent tension between these systems and the individualist, mercantile system which has been imposed on the Andes since colonial times has inspired a lot of research (e.g. Larson and Harris 1995). The importance of reciprocity and cooperation continues to frame 'politicised Andeanism' as the indigenous movement in Bolivia mobilises against neoliberalism (Zoomers 2006: 1029). I hope the present exploration of women's use of microfinance can add to research looking at the way that people in the Andes strategize market interventions, using the market on their own terms whilst maintaining cultural distinctiveness (Lagos 1994; Larson and Harris 1995; Zoomers 2006).

Women's capability to participate in the market in rural indigenous areas of Bolivia depends on cooperation and reciprocity within the community, kin and fictive kin. The importance of cooperation and reciprocity within the household and community in the Andes to production is well documented in Andean ethnography (Guillet 1980; Harris 1978; Isbell 1978; Lagos 1994; Larson and Harris 1995). However, there are elements of these traditions that attenuate women's citizenship. For those women who are excluded from cultural traditions or who do not live up to those expectations the individual empowerment discourse may be useful.

The Andean principle of cooperation and complementarity within the household is part of the 'politicised Andeanism' which underpins indigenous people's demands for inclusion (Zoomers 2006: 1029). Yet Western feminists warn that ideas of the complementarity of genders tend to disguise exploitation of women within the household (Young *et al.* 1981), and the Andean principle of *chachawarmi* could be an example of this. This does however highlight that the assumptions of feminism developed in Western societies, in particular the emphasis on individual independence, may not have anything in common with value systems in other parts of the world.

This thesis seeks to explore the gendered aspects of the Andean negotiation of the market development encouraged by microfinance, and the different strategies

that women face in seeking to fit their everyday lives into the categories framing the resources offered as part of the policies on indigenous inclusion. The challenge is to highlight the unequal terms on which women from Luribay participate in the market whilst foregrounding their agency in dealing with the competing demands of the moral economy of reciprocity and cooperation and the productive market. In doing so, I problematise the terms and categories framing the liberal, economic and feminist analyses of development. The cooperative structures in the Andes defy these categories, and necessitate a post-structuralist analysis which highlights the heterogeneity and 'in-betweenness' of the everyday lived realities of rural indigenous women (Paulson and Calla 2000; Radcliffe *et al.* 2003).

MICROFINANCE AND CITIZENSHIP

Having looked at the feminist critique of citizenship and how citizenship is developing in neoliberal Latin America, I now turn to the potential for microfinance to support women's own negotiation of the gendered biases which they face in attaining citizenship and participating in the market in Latin America. I want to explore the potential of microfinance to overturn gendered biases in citizenship in four ways. Firstly, the fact that MFIs use social collateral could mean that the independent, abstract individual at the centre of liberal theory and the development of the market is overturned. If women's work maintaining social networks is creditworthy and itself can be used as collateral, then maybe the importance of this work to development is being recognised. Secondly, women face barriers to market participation, including difficulties in accessing credit. If microfinance helps overcome these barriers, then it could support women's own negotiation of the market, increasingly important to citizenship. Thirdly, targeting women with credit could support women's generation of an independent income, making them less dependent on the male breadwinner assumed in liberal analyses of the household. Finally, in neoliberal multicultural Latin America, MFIs could at once promote the extension of the market, and, if local participation is encouraged, reinforce the cultural institutions and norms which are also vital to market participation. In this section, I further explore these three potentialities, and then look at how certain approaches to microfinance and technologies involved influence this potential. I

then go on to look at microfinance in Bolivia and the kind of institutions which are developing there, in view of their potential to enhance women's citizenship.

By valorising social networks as collateral and deeming women's social contribution as worthy of financial investment, microfinance in effect values the social in an economic framework. Women's community labour and the time invested in maintaining community relationships is seen as worthy of credit. This form of microfinance potentially avoids one of the main tenets of the gender bias in citizenship: the invisibility of women's labour. In so doing, microfinance is adopting a more holistic framework of citizenship than the abstract, liberal, *homo economicus*, as social bonds and activities are valued. MFIs have had success in harnessing and encouraging the development of social capital (Johnson and Rogaly 1997: 38). However, tension could be created within the group if some members do not repay as promptly as others or have less profitable IGAs. If MFIs do not support women's unpaid as well as paid labour, and other institutions are not present in rural civil society to alleviate women's triple burden, MFIs may be taking undue advantage of community labour (Bhatt 1997).

Women face barriers to participating in the market, as they are unable to access loans in the formal sector due to lack of collateral, discrimination and distance from the banks (Bhatt 1995; Johnson and Rogaly 1997; Velasco and Marconi 2004). The development of accessible financial services for women could contribute to their capability to negotiate better terms for their citizenship in a neoliberal context. The market offers opportunities for women to break away from patriarchal control and challenge horizontal and vertical gender divisions of labour. But, credit alone may not be sufficient for women to take full advantage of market opportunities.

Access to credit is not the only barrier which women face to full market citizenship. Responsibilities in the household and community, lack of time and gendered norms of acceptable behaviour also restrict women's access. Some MFIs subsidise the loans and conditions of the loan, for example the interest rate and repayment schedule, are set in order to facilitate women's inclusion in the market and respect their social contribution, rather than commercial terms

dictated by market demand for credit (Mayoux 2002: 8). In some cases, MFIs provide additional education, facilitate discussions of gender awareness and women's rights in order to further support women's market participation and a forum from which women can establish an agenda and advocate on issues which are relevant to them (e.g. Bhatt 1995: 88; Rowlands 1998: 29).

As MFIs facilitate credit to women, it could offer an alternative to dependence on male kin for income. There have been examples of microfinance encouraging women to start IGAs, the profits from which can be used to purchase items which they would otherwise have to ask male kin for the money for. In some cases the fact that women bring a new source of income can raise their status within the household. However, there is a risk that the loan could be commandeered by men in the household (Goetz 1996). In this sense the vision of women's empowerment associated with microfinance is related to an independent source of income. Some banks have obligatory savings as well as loans. The idea of savings facilities being a boon for women presumes that financial independence is empowering (Kabeer 2001: 74; Robinson 2001: 117), which is not always appropriate.

Microfinance fits neoliberal civil society in that it aims to turn people into effective economic actors (Lazar 2004). The mainstream market and the formal institutions which are being extended to rural areas are dependent on the pre-existing dynamics and politics at a local level. Microfinance is commensurate with neoliberal multiculturalism and could form part of a rural civil society which supports and builds on women's capabilities in the community, as well as promoting women's work in production. If microfinance provides a participatory space in which the terms of these financial services are negotiated, then the priorities of the local community could be brought to bear on the kind of services offered.

Extending the cash economy to people who have hitherto been excluded opens a door to participation in the wider public sphere. Controlling money and managing a solidarity group are experiences which have lead some to stand for political office (Keeling 2005). This experience could nurture confidence and

knowledge of public debate and encourage public participation. However, if extending the free market becomes microfinance's primary aim, then there is a possible disincentive to group formation: individual loans are administratively more efficient (Johnson and Rogaly 1997: 62).

Approaches to Microfinance

Linda Mayoux (2000; 2002; 2006) categorises microfinance provision into three approaches: the feminist approach, the poverty lending approach, and the financial sustainability approach. The poverty lending (PL) approach, feminist approach and the financial sustainability (FS) approach to microfinance are framed by different ideals of citizenship. These approaches are ideal characterisations; not all MFIs conform strictly to either paradigm, indeed only 3-5% of MFIs worldwide are financially sustainable (Congo 2002: 2). Nevertheless, a transition towards the FS approach is underway (Robinson 2001: 2). The PL approach targets the poorest and lends in order to augment consumption (Mayoux 2000: 5; Robinson 2001: 27). The most well known example of the PL approach is the Grameen Bank (Robinson 2001: 22). The increase in income from PL microfinance allows women to carry out their traditional role without being dependent on male kin for material and liquid assets (Kabeer 2001: 71; O'Laughlin 2003: 3) as their work is valorised and their social networks used as collateral. PL microfinance programmes generally encourage women's participation in groups and education (Robinson 2001: 22) and emphasise the positive correlation between women's income and family welfare (O'Laughlin 2003: 3; Wright 2000: 32). This approach potentially valorises the social guarantees on a monetary scale as they are considered creditworthy and recognises interdependence by using solidarity as collateral and incentivising social capital. The PL approach in this way challenges the gender biases in the free market and liberalism.

MFIs adopting a PL approach provide services along with credit, including literacy, numeracy, healthcare, business planning and gender awareness courses. These programmes recognise that access to credit is not enough to remedy market exclusion and poverty, whilst recognising that experience in dealing with banks and credit is conducive to women's inclusion and citizenship. The content

of this education, if relevant to indigenous women's lives, is potentially empowering. However, if this education is intended to assimilate them into the mainstream culture (Lazar 2004) it might be detrimental to the potential utility of microfinance as a strategy for inclusion.

The feminist approach to microfinance was integral to the initiation of microfinance programmes in the 1970s and started in the global south. Unlike the PL or the FS approach, the *raison d'être* of this approach is to empower women, questioning gender relations throughout society and challenging the structures of the market which undervalue women's contribution to production (Mayoux 2006: 4). These considerations are as integral to the intervention as the financial services. Credit is used as a means to the end of women's economic and social empowerment (Mayoux 2006: 6). This is different from the other approaches that use women's reliability and dependability as a means to community development or to building financially sustainable institutions. Figure 2 below summarises the variation in different approaches to microfinance, as defined by Mayoux 2000, 2002 and 2006.

An early example of the feminist approach is the Self-Employed Women's Association (SEWA), and this approach is supported currently by UNIFEM (Mayoux 2006: 6). Credit is supported by other interventions such as training and gender issues are addressed for example how to deal with your mother-in-law. Beneficiaries participate in the running of the bank in order to have more experience of financial systems and industries (Mayoux 2006: 6). Increasingly, this approach is involving men as well (Mayoux 2006:6).

The FS approach emphasises building sustainable financial institutions which can increase the breadth of outreach of sorely needed financial services, such as savings and loans (Fruman and Paxton 1998: 10). MFIs are sustainable if they can cover their own administration costs and loans by encouraging savings and charging commercial interest rates (Congo 2002: 4). Market forces will theoretically make MFIs more efficient. Banco Sol in Bolivia and Bank Ryat in

Figure 2 Approaches to microfinance

	FEMINIST EMPOWERMENT PARADIGM	POVERTY ALLEVIATION PARADIGM	FINANCIAL SELF-SUSTAINABILITY PARADIGM
Main policy focus	Microfinance as an entry point for women's economic, social and political empowerment	Microfinance as part of an integrated programme for poverty reduction for the poorest households	Financially self-sustainable programmes which increase access to microfinance services for large numbers of poor people
Target group	Poor women, alternative role models	The poorest	The entrepreneurial poor
Reason for targeting women	Gender equality and human rights	<ul style="list-style-type: none"> •Higher levels of female poverty •Women's responsibility for household well-being 	<ul style="list-style-type: none"> •Efficiency due to high female repayment rates •Contribution of women's economic activity to economic growth
Underlying paradigm	Structuralist and socialist feminist critique of capitalism	Interventionist poverty alleviation and community development	Neo-liberal market growth
Main policy instruments	Gender awareness and feminist organisation	<ul style="list-style-type: none"> •The importance of small savings and loan provision •Group formation for community development •Methodologies for poverty targeting and/or operating in remote areas. 	<ul style="list-style-type: none"> •Setting of interest rates to cover costs •Separation of micro-finance from other interventions for separate accounting •Programme expansion to increase outreach and economies of scale •Using groups to decrease costs of delivery
Main focus of gender policy	Gender awareness and feminist organisation	Increasing women's participation in self-help groups	Providing framework for equal access for women
Definition of empowerment	Transformation of power relations throughout society	Increased well-being, community development and self-sufficiency	Economic empowerment, expansion of individual choice and capacities for self-reliance
Underlying assumption	Women's empowerment requires fundamental change in the macrolevel development agenda and explicit support for women to challenge gender subordination at the micro-level	Increased well-being and group formation will automatically enable women to empower themselves.	Increasing women's access to microfinance will automatically lead to economic empowerment without other complementary interventions or change in the macro-economic growth agenda.

Source: Mayoux 2006: 4, Box 1

Indonesia are prominent examples of institutions that use the FS approach (Robinson 2001: 22). The FS approach facilitates the opportunity to invest loans in (IGAs) and so accrue individual assets. These assets give borrowers more choice and agency in their lives and more market opportunities (Morrisson and Jutting 2004: 9; Robinson 2001: 115). With the obstructions to market access removed, individuals can forge their own access to rights such as education and healthcare, and resources in the market.

The potential for microfinance, if not implemented from a feminist approach, to support women's productive contribution to and strategisation of the market depends on the reasons for targeting women and the extent to which women can determine the terms of the provision of financial services. The poverty lending approach emphasises women's contribution to development, such as child health and education (Wright 2000). The PL approach, by recognising the value to family welfare of increasing women's income, valorises women's role. The PL approach is compatible with, but not sufficient for a feminist approach (Bhatt 1995: 89).

The FS approach emphasises women's reliability and commitment to repay the loan. Repayment rates among female borrowers are often as high as 98% (Congo 2002: 3). In criticism of this approach, however, if women are targeted for the sake of the sustainability of the institution, then their own needs and priorities might be overlooked. It has been argued that the FS approach assumes that women's empowerment will come from the provision of credit and ensuing access to market opportunities (Mayoux 2000; 2002; 2006). The FS approach replicates the gender biases inherent in the free market and liberalism, by discouraging the use of credit for consumption and emphasising IGAs. They are using women's community work but making it invisible on an economic scale. In a context where there are no social rights or state provision of welfare to support the reproductive sector of the economy, this arguably overburdens women (Chant 2007; Lind 2002).

Technologies

Microfinance has overturned the received wisdom that the poor were not creditworthy, as they represented a high risk and the small loans they demanded incurred disproportionately high administration costs (Johnson and Rogaly 1997: 62). Microfinance works on the basis of several different loan technologies in order to overcome biases in the credit market. The solidarity group model uses joint liability guarantees, valorising social networks and using peer pressure to ensure repayment. Credit unions encourage savings and then use that capital to lend to members of the group. The village banking model lends to groups on the basis of a solidarity, with the aim to allow beneficiaries themselves to manage the bank.

Various loan technologies are used by institutions adopting the FS, PL and feminist approaches, and there is not a necessary connection between a certain way of administering credit and a particular approach. The credit union model requires beneficiaries to save before they can access credit. This has evolved from informal services such as ROSCAs (Rotating Savings and Credit Associations). Members save together and take turns to use the money. These services are controlled by the group themselves and they are the beneficiaries of profits including interest payments. These models have received attention recently as savings has been called the ‘forgotten half’ of microfinance (Robinson 2001) and is key to the aim of financial sustainability. Encouraging savings is also an important part of community development and the financial independence that forms part of the feminist approach. However, there is evidence that encouraging savings reduces the depth of outreach of microfinance (Fruman and Paxton: 1998).

The solidarity group approach is based on a joint liability guarantee. The group is jointly responsible for the whole amount of money owed to the bank. Peer pressure is hence used to repay the loan, saving the banks’ administration costs. Both the solidarity group and the credit union approach can also use group meetings for training and building social capital. A related method is village banking. The aim here is to build banking institutions which are run by local people and build up funds internally in the bank. This has much in common with

solidarity lending in that the group is responsible for the loan, and there are regular group meetings. The difference is that women set some rules for the bank, and there is an internal account of savings and loans, run in parallel to the principal capital from the bank, which is kept locally.

Village banking is more participatory than the joint liability model or other techniques used in urban areas. Group members can set the interest rates of internal loans and define group 'rules': fines for non-repayment, absence, late attendance or causing conflict. The group can generate profits by charging interest rates on the internal loans, and it is a way of generating liquidity, capital and exchange among the women in the group. The internal loan also cushions shock and acts as a kind of 'quasi insurance' (Marconi and Mosley 2006: 253). In capitalising the beneficiaries these banks are commensurate with the neoliberal trajectory in the same way as financially sustainable banks. Group members cannot set the interest rates or terms of repayment for the principal loan. The educational themes are decided centrally and at least a certain proportion of savings are obligatory. In this way, the bank is more based on the priorities of the mainstream market than the way the market functions in rural communities.

All of these technologies are used throughout the world and fit with the poverty lending and feminist approaches if accompanied by appropriate complementary services. Credit unions, solidarity groups and village banks are commensurate with financial sustainability, as they are mechanisms which allow the extension of financial institutions to those otherwise excluded. There is currently a transition towards the FS approach to microfinance. The World Bank's Campaign Group to Assist the Poorest (CGAP) is entirely dedicated to microfinance interventions (Rogaly 1997: 100) and emphasises the importance of financial sustainability (Mayoux 2000: 17; Mayoux 2001: 436; Robinson 2001: 52; Otero and Rhyne 1994: 11). Impact reports for MFIs are pointing to the need for financial sustainability and recommending policies to that end, for example encouraging savings and lifting the ceiling on interest rates (Congo 2002: 15; Robinson 2001: 11). This transition to the FS approach, in effect, offers incentives to minimise microfinance interventions by cutting extra programmes

in order to reduce administration costs (Mahmud 2003: 580). In the absence of programmes to complement the provision of credit, the FS approach assumes that women will benefit from access to credit alone, possibly indicating a neoliberal idea of citizenship.

It has been argued that a focus on financial sustainability is a disincentive for complementary educational programmes, as they tend to require subsidy (Mahmud 2003: 580). Some MFIs use individual loans, based on more client assessment. Individual loans are preferable in terms of financial sustainability, but there are fears that community impact, poverty reduction and women's empowerment, which have benefited from group interventions may suffer as clients 'graduate' from group schemes (Fruman and Paxton 1998). It is in the bank's interests to offer higher loans to individuals as this incurs lower administration costs, but this could be detrimental to microfinance's potential to empower women.

A broad criticism of all of these technologies is that they overlook local, informal sources of credit, which are implicitly assumed to be exploitative (Johnson and Rogaly 1997). It is perceived that informal services have limited competition and exploit local hierarchies. This, coupled with rising need for credit, as informal market activity is more widespread, means that locally available credit is offered on exploitative terms. However, the definition of usury is credit offered informally and not on market terms. This means that the availability of informal credit is not investigated by MFIs as they seek to increase the breadth of outreach of formal source of credit.

MICROFINANCE IN BOLIVIA

Bolivia has one of the most developed microfinance sectors in the world (Marconi and Mosley 2006; Mosley 1999; Navajas *et al.* 2003; Otero and Rhyne 1994; Rhyne 2001; Velasco and Marconi 2004) and has generally followed the financial sustainability approach to achieve this. There is however a growing concern to recognise the importance of both social and economic factors (Marconi and Mosley 2006; Velasco and Marconi 2004). The growth of Bolivia's microfinance sector took place in the late 80s and early 90s when the

orthodox adjustment policies permitted a ‘creative regulatory framework’ (Velasco and Marconi 2004: 520), and the high unemployment rate, employment insecurity and growth of the informal sector in turn provided the market for microfinance (Navajas *et al.* 2003; Rhyne 2001: 42). There are various technologies employed by MFIs in order to extend the breadth of financial services, including joint liability guarantees, risk assessment of family businesses and the village banking model (Mosley 1999; 2001; Navajas *et al.* 2003; Rhyne 2001; Velasco and Marconi 2004). For a summary of microfinance providers in Bolivia and their respective lending technologies, see Appendix 1.

The challenge for Bolivian microfinance is to extend finance to rural areas and women without needing subsidy. In this way, MFIs in Bolivia are framed by the FS approach to microfinance and reflect the priorities and ideas of development in the mainstream rather than supporting the factors which are making economic production possible in the Andes.

There are several grades of microfinance provider in Bolivia: Banks, *Fundos Financieros Privados*, (FFPs, Private Finance Funds) (Navajas *et al.* 2003), and NGOs. The commercial banking sector in general does not have microfinance services. Banco Sol is the exception. Originally part of Prodem, Banco Sol is a licensed commercial bank which offers microcredit on the basis of solidarity group guarantee, or on an individual basis with collateral (Rhyne 2001: 27). FFPs are formal financial institutions ‘whose minimum capital requirements are lower than those for commercial banks and who are not allowed to provide certain services banks provide’ (Rhyne 2001: 28). The banks and FFPs are overseen by the Bolivian Superintendency of Banks (Rhyne 2001: 27; Velasco and Marconi 2004). The NGOs are regulated by Asofin and Finrural (*La Asociación de Instituciones Financieras para el Desarrollo Rural*) (Navajas 2003, Rhyne 2001; Velasco and Marconi 2004). The government agency FONDESIF (*Fondo de Desarrollo del Sistema Financiero y de Apoyo al Sector Productivo*) channels funding from international donors to NGOs offering microfinance facilities in Bolivia. Its remit is to assist and encourage the extension of sustainable microfinance to rural areas (Rhyne 2001: 174).

The majority of banks and FFPs are aiming at sustainability (Mosley 1999; Rhyne 2001). There is a balance between administration costs, including client screening, loan size and number of beneficiaries. Banco Sol, which is one of the largest and most profitable microfinance banks in the world (Mosley 1999; Navajas et al. 2003: 748), lends to groups on the basis of a joint liability guarantee. *Caja los Andes*, an FFP and one of Banco Sol's main competitors, gives larger, more profitable individual loans but invests more in client screening (Navajas et al. 2003: 750; Rhyne 2001: 165). It has been found that these approaches are sustainable and provide credit to those otherwise excluded from financial services, but they do not reach the poorest of the poor, only the 'entrepreneurial poor' (Navajas et al. 2000). Both of these institutions operate in urban areas and do not aim for any social impact aside from the benefits of the extension of financial services. Nor do they consider social factors in choosing their target groups. The small size of the initial loan, \$100 US (800 Bs.) for Banco Sol, is considered a screening mechanism to target poorer sectors of society (Mosley 1999).

These banks neither extend their programmes to rural areas, due to the higher administration costs this entails, nor do they target women. It is said that rural finance is the biggest challenge facing the Bolivian microfinance sector (Rhyne 2001: 166). Prodem is the only institution aiming at financial sustainability which seeks to provide sustainable microfinance to rural areas. Prodem's solution to the higher administration costs and risks involved is to lend to groups and to help them develop the market and the technologies needed for their enterprises (Rhyne 2001: 164). They also develop knowledge on likely yields of crops and rural commerce, so they can realistically rate the risk involved in the loan (Rhyne 2001: 165). These institutions aim to address the barriers to the market reaching rural areas, but do not seek to support rural people's own negotiation of the market, or support women's work sustaining the social networks and traditions which makes economic activity possible.

The MFIs which prioritise social over financial impact, Crecer and Promujer, use the village banking system, which aims to create a sustainable local bank run by the members of the group. This way of administering microfinance uses the joint

liability guarantee and a system of internal loans (Marconi and Mosley 2006; Rhyne 2001; Velasco and Marconi 2004). As Promujer and Crecer both exist to promote social development, they offer training as part of the package, although the amount of training has been reduced in order to promote efficiency (Rhyne 2001: 83). Promujer and Crecer offer training focused on health and rights.

The institutions adopting a village banking model take subsidies and stress the importance of the social impact of development (Velasco and Marconi 2004). Nevertheless the environment of the Bolivian microfinance sector and the attitudes of international financial institutions and donors necessitate a move towards financial sustainability (Rhyne 2001: 9). Both Promujer and Crecer, charge interest rates to cover their costs and strive to get away from the type of 'welfare thinking' (Rhyne 2001: 83) that has characterised NGO programmes and arguably promoted dependence. They have both reduced costs, and Promujer became financially sustainable in 1998 (Rhyne 2001: 84). Both institutions stress the importance of the social element in microfinance, not only to development but also to financial sustainability. Promujer was one of the MFIs least affected by the financial crisis which hit Bolivia in 1999 (Marconi and Mosley 2006: 242; Velasco and Marconi 2004: 521). Crecer is dedicated to demonstrating that the village banking model is 'financially viable' (Rhyne 2001: 87).

MFIs in Bolivia aim to extend the breadth of financial services. Bolivia is the reference point for financially sustainable microfinance (Rhyne 2001: 2) and the majority of research explores the techniques used to achieve financial sustainability. Research into microfinance in Bolivia has focussed on how the country has achieved such a diverse and to a great extent sustainable sector (Marconi and Mosley 2006; Mosley 1999; Navajas *et al.* 2003; Otero and Rhyne 1994; Rhyne 2001; Velasco and Marconi 2004). Research has to a large extent been framed by the twin aims of financial sustainability and poverty reduction, including contribution to GDP and increases in income. Although there is an increasing body of work which does problematise the empowering potential of microfinance to women, and how microfinance imposes exogenous views of citizenship (Lazar 2004; Molyneux 2002), there is no investigation into

microfinance in Bolivia from a feminist perspective. The subject of market development in the Andes and the impact on traditional markets has generated much anthropological research (Larsson and Harris 1995; Lagos 1994; Platt 1982). However, explorations of how microfinance fits in to rural areas where land is the priority has focussed on the challenge of extending sustainable institutions to those areas, without problematising the impact that may have (e.g. Rhyne 2001). This research attempts to fill those gaps. Research looking at the impact on women from a feminist perspective, foregrounding an exploration of microfinance's potential to empower women, is notable in its absence (Mayoux 2006).

CONCLUSION

This review of citizenship literature has shown that liberal ideas of citizenship disguise gender, ethnic and urban biases. Liberal ideas of citizenship mediated by microfinance, although ostensibly neutral may impose ideas that continue the gender, ethnic and urban biases of the mainstream. The main gender biases are the false division between the public and private sphere and the invisibility of women's reproductive labour. Studies which focus on income, IGAs or sustainability of any intervention including microfinance do not take adequate account of the households and community labour, and the vital contribution they make to capabilities to convert rights into entitlements and participate in the market. If inclusion and citizenship are promoted on liberal terms, and institutions are built on liberal ideas of development, then key elements of indigenous culture, the importance of land and community, could be shorn away as equality is conceived on the basis of a neutral individual.

Microfinance has the potential to change the liberal precepts of the citizen as it lends money on the basis of a group guarantee. As it is a market-focussed intervention aimed at women which values their community labour and IGAs, the creation of MFIs for women offers a way round the gendered inequalities of liberal development: it does not essentialise women in the private sphere, and it does bolster their ability to participate in the market by addressing gendered barriers to credit. By accepting 'social collateral', MFIs could valorise community networks and the relationships of the moral economy, forming a

bridge between the community bonds vital to subsistence and a capitalism, and retaining the value that reproductive labour clearly has in subsistence communities in the transition to capitalism.

In Bolivia, the development of the microfinance sector coincided with neoliberal reform in the 1980s. Although in some senses market liberalisation offered women the opportunity to challenge gendered divisions of labour, crystallised in the maternalist policies of state socialism, the gendered impact of neoliberal reform was generally negative for women. Although microfinance supports women's market activity, in a context where their household and community labour is replacing state provided social rights, women are also being overburdened. The overburdening of women continues to be an issue, as multicultural discourses become a more central part of development in Bolivia. The extension of rural civil society in order to promote diversity and local management of development could pressurise women as the 'guardians of culture'. Given the gendered pressures of neoliberal multiculturalism, the amount of dependence on women's community labour, microfinance's use of social collateral may be encouraging women to risk an asset that is more valuable than the loan.

Whilst originally microfinance focussed on women for reasons of community development and women's empowerment, the emphasis has shifted to promoting financial sustainability and the breadth of outreach of formal financial services. Institutions in the very varied Bolivian microfinance sector use a number of lending techniques in order to meet their own objectives in terms of poverty alleviation and sustainability. Women are being targeted by certain institutions, but this is for reasons of poverty alleviation and sustainability as much as women's empowerment. This suggests that although microfinance has the potential to overturn gender biases in citizenship, it is continuing the neoliberal trend of using women's labour to make up for shortfalls in social rights and the capital market, rather than valorising it per se.

An inclusive approach to development in terms of gender and ethnicity requires that liberal premises be challenged. From a feminist perspective, assumptions

about the worth of work carried out in the public and private sphere, and the value system underpinning what is seen as worthy of citizenship needs to be question. Development strategies conceived on the basis of ideas of the good developed in the urban mainstream disadvantage rural indigenous people in the Bolivian context. In a transition to capitalism, informal structures in the household and the community are vital capabilities to access rights and resources, but they tend to be overlooked by mainstream development discourses and practices. Considering microfinance from the point of view of citizenship allows an exploration of how mainstream ideas of development and inclusion are playing out in rural ‘indigenous’ areas of Bolivia. Attempting to prioritise beneficiaries’ view of microfinance will hopefully illustrate that market citizenship in Latin America overlooks capability to participate in the market and so access rights and entitlements. By challenging the premises of liberalism, I hope that this analysis can challenge the ‘macro-level development agenda’ (Mayoux 2006: 4) and illustrate more precisely the changes needed in microfinance provision to more effectively include rural indigenous women in Bolivia.

Research Questions

My first principal research question is whether microfinance overcomes the main biases in liberal theory by using social collateral. In the transition to capitalism, the division between public and private sphere, and reproductive and productive labour becomes sharper (Harris 1981). As a result, women have to face the gendered paradoxes of liberal citizenship as illustrated above. By putting a monetary value on the strength and importance of women’s networks in the community, microfinance could make the fact that women’s work in the household is essential to capability to participate in the market explicit, even on the economic reductionism scales generally used in development. Implied by this principal research question are the following ‘mini’ research questions (Mason 2002: 29). How, if at all, are the biases of liberal theory embodied or institutionalised in my research area? What spaces present in my research area relate to the public and private spheres formulated in feminist critiques of liberalism? Do women there enter the market with ‘one hand tied behind their back’? The practical questions related to these are: what constitutes ‘social

collateral'? How are the credit groups formed? Is the MFI supporting women's household and community labour? Are the practical needs of women who need to supplement their income by participating in the informal sector being met? Is attendance at the MFI a way of forming new social contacts? Does attendance at the MFI and use of credit impose an extra burden on women, and if so, do they get any increased status or sense of belonging in return? How do women balance the emancipatory potential of entrepreneurial success with the importance of cultural belonging in rural areas?

My second main research question is whether microfinance addresses the barriers to women's and indigenous peoples' participation in the market? The premise of credit as a promoter of 'economic democracy' (Rhyne 2001) is that credit is an important right to access rights and resources in the market. But the barriers to the market may be more complicated than that. Related to this question are the following mini research questions: What are the barriers to women's and indigenous people's inclusion? How does market participation lead to gender citizenship/social inclusion? The following practical questions relate to this: How does the market function in Luribay? What are the gendered aspects of this? How important is a formal source of credit? What IGAs are people engaged in? What is the gendered division of labour? How is inclusion in Luribay gendered? Does microfinance compounds or alleviates the gendered inequalities in the household?

Is an independent source of credit for women helpful in terms of women's citizenship in a development trajectory led by a male breadwinner model? The feminist critique of liberal citizenship shows that as a result of biases in liberalism women are more likely to be dependent on a male breadwinner. Microfinance could address this by encouraging women's IGAs. Related to this question are the following: Is the male breadwinner model currently the household norm in Luribay? Is the development trajectory led by a male breadwinner model? How does financial independence relate to the breakdown

position⁵ within the household? To explore these issues, I address the following questions: How do women use the microfinance loan? How do they spend profits from investment of the credit, if there are any? What do male kin think of women's participation in the MFI? How does the structure of the family influence participation and rights?

What contribution to women's citizenship and inclusion does the MFI make to rural civil society in neoliberal, multicultural Bolivia? Multiculturalism and neoliberalism have coincided in Bolivia in the 1990s. With multiculturalism and the importance of production still at the fore of political discourse, MFIs targeting rural, predominantly indigenous, areas could be an example of an institution which promotes indigenous people's negotiation of citizenship in Bolivia. Related to this question are the following mini questions: How does gender intersect with neoliberal multiculturalism? What barriers to participation in rural civil society exist on the basis of gender or ethnicity? The practical issues involved in exploring these questions include: What kind of institution does the MFI represent in Luribay? Could the extension of formal financial services for women constitute an addition to their capability to negotiate the market on their own terms? What community institutions and associations constitute spaces for the negotiation of citizenship on citizens' own terms? How participatory is the MFI? Does it reflect local priorities or those of the mainstream microfinance sector?

In summary, this thesis examines the interplay between microfinance and citizenship in indigenous women's lives in Bolivia. Indigenous women's experience of microfinance is central and grounds the theoretical framework of citizenship used in the analysis. Difference within and between the groups and the communities is an important factor in indicating the parameters of citizenship and belonging. In the following chapters, I hope to show that microfinance is

⁵ The breakdown position is used in analyses of the household to examine how far people can actually bargain if they are dependent on these relationships for survival/happiness. This can take into account factors such as income, earning power in the market and women's ability to return to their native home in the case of virilocal marriage (Kabeer 1997). Sen (1990) uses a 'cooperative conflict' model of the analysis of the household to include aspects of the breakdown position not normally considered, for example perceived contribution to the household.

being used on beneficiaries' own terms, and in some cases women are able to negotiate better status and citizenship rights by engaging in the commercial activities promoted and facilitated by microfinance. However, the prevailing ideas of citizenship and belonging in the community demonstrate that the liberal market itself is culturally situated and may not suit rural land-based production. Provision of financial services alone does not support women's labour, as it does not address women's dual responsibility of maintaining tradition and the household, while making a living in the capitalism.

The question of citizenship in Bolivia is a contemporary concern as the country forges an institutional framework that can include marginalised citizens in a neoliberal context. Participation in the market is becoming more important in terms of citizenship, and the market may be a chance for rural communities to negotiate development on their own terms. But the market is embedded in the moral economy and it may be that the entrepreneurial, competitive commerce promoted by microfinance in Bolivia does not suit the dynamics, priorities and belonging of rural, indigenous communities. If microfinance is implemented in such a way that women can negotiate the terms and use credit to meet their own priorities, then microfinance could facilitate a capability which could be used to negotiate citizenship in the market on their own terms.

Chapter Three: Identity and Citizenship in Bolivia: Situating Luribay

My research area of Luribay and the *Luribayeña* women who took part in my research do not fit the categories and discourses used in discussions of citizenship and inclusion in Bolivia and Latin America. Luribay falls between the categories of ethnicity, rurality and class, and the categories used to describe difference in Luribay do not sit well with the discourses developed in the mainstream. Whilst it is considered an Aymaran area and most people do speak Aymara as their first language, many people are of European descent and have inherited some of the privileges of the *hacienda* era. Although clearly a rural area, it is an inter-Andean valley which differs significantly in mode of production, geography and history from the Altiplano and jungle areas, which are equally considered 'indigenous' and 'rural'. There are degrees of rurality within Luribay itself, as the Town has more commerce than the 'more rural' agricultural hamlets, which are considered 'more indigenous'. People in Luribay often have residences in El Alto, the satellite city of La Paz, and frequently make the seven-hour journey to the city. This fluidity is overlooked by the term 'rural'. Differences of gender, age and religion in Luribay are overlooked by legislation which empowers local authorities, but these authorities may exclude women.

Difference and exclusion have been conceptualised along the lines of ethnicity, rurality and class, and there are arguments that these categories overlap substantially in Bolivia (Postero 2006; Wade 2004). Prevailing political movements after the 1952 revolution conceptualised difference according to class and inclusion along the lines of a *mestizo* ideal (Sieder 2002b: 5). Multicultural discourses emphasise the exclusion of indigenous peoples caused by colonialism, the socialist *mestizo* ideal, and the uneven impact of neoliberalism.

The language of class and ethnicity is useful in pointing out social inclusion and the privilege of the white, urban, *criollo* class. Multicultural legislation in Bolivia passed in 1994 decentralised power to *Organizaciones Territoriales de Base* (OTBs), in order to recognise the pluricultural, multiethnic character of the

Bolivian nation (Stavenhagen 2002: 32). Whilst this legislation strengthens civil society, recognising diversity and the inability of a centralised state to provide institutional support, it overlooks difference in two ways. Firstly, the intersections of and differences within ethnicity, rurality and class are glossed, local hierarchies are rendered invisible, and other categories, such as gender, age and religion are ignored. Secondly, the way difference is conceptualised from the margins and by those who are excluded, is ignored.

The conceptualisation of difference is politically significant as the institutions of civil society developed on the basis of the mainstream analysis of difference may not be equally accessible to all. Those who are excluded by local hierarchies may not be able to access institutions intended for their benefit. Women in Luribay are in this situation. They fall between the categories of gender, rurality, class and ethnicity, and in a rapidly modernising context have to fulfil expectations of tradition while shouldering the responsibilities of market production. They are fighting on several fronts whilst the strengthening of local institutions designed to increase inclusion of ‘the rural’ and ‘the indigenous’ exclude women on grounds of gender.

In emphasising difference, I do not want to lose sight of the strategic importance of broad terms and the political importance of being able to have a language which can communicate exclusion. This is particularly relevant in the context of neoliberalism. The post-structuralists’ emphasis on difference could be confounded with the neoliberals’ definition of freedom and equality in terms of fragmentation (Phillips 1993: 2; Rose 1999: 66). The conundrum of this analysis is to be able to emphasise difference whilst at the same time being able to highlight the material and political biases in the reality where these everyday lives are lived (Paulson and Calla 2000: 136). I want to recognise the strategic relevance of the formal identities underpinning political mobilisation and multicultural reforms, and indicate the inadequacy of these terms to describe the everyday lives of *Luribayeños* and the women who participated in this study. Equality, conceptualised as individuals having equal opportunity to compete in a market, is itself culturally situated and people have varying capabilities to participate in the market according to their identity. This is because trust and

capabilities to participate in the market are mediated by cultural sanctions, traditions, norms and mores. Without this 'moral economy' production and participation in the market are impossible (Sayer 2004).

The question I am addressing in this thesis is whether the kind of market promoted by the microfinance sector in Bolivia is really promoting a space that can unify the aims of both multiculturalism and neoliberalism by promoting 'economic democracy' (Rhyne 2001 ch 4). The promotion of values of market production categorises rural producers as backward and women as unproductive and overlooks the way that traditional communities support and strategize market interaction (Larson 1995; Rivera Cusicanqui 1990). In emphasising the differences between indigenous culture and modernisation, often equated with Western culture, indigenous politicians and intellectuals emphasise the traditions which distinguish indigenous culture from 'Western' materialism and the capitalist market, particularly the importance of reciprocity (Felipe Quispe, quoted in Canessa 2006: 259). Thus the vision of the 'Indian' promoted by both the neoliberals and some indigenous activists is 'poor and anti market' (Larson 1995: 36). This essentialism masks the market activity undertaken by women and indigenous people, and hence misconstrues the biases in the market, (e.g. Patrinos 1994), which I argue are best analysed in terms of capabilities. Although these same terms may have strategic political effectiveness, to 'talk of the disruption of traditional identities, of the need to cope with the schizophrenia induced by the dramatic conflict between traditional and modern identities, is wholly to misunderstand the situation' (Pieterse and Parekh 1995: 2).

IDENTITY AND INCLUSION IN BOLIVIA

Bolivian society is marked by Spanish colonialism, the idea of the *mestizo* nation, the social costs of military dictatorships, the hyperinflation characteristic of state socialism throughout the continent, and most recently the social inequalities and injustices resulting from orthodox adjustment policies. This history results in a struggle for national identity, as demands for recognition of difference from indigenous peoples, for autonomy from the richer Eastern parts of the country and Evo Morales' democratic mandate for the nationalisation of natural resources are taking place in a neoliberal context. The institutions which

provide the rights associated with citizenship need to meet the demands of multiculturalism, recognition of different priorities and cultures, and the neoliberal demands that they cannot come directly from the state, but preferably from the market. In this section I will outline the way the history of Bolivia has created current conflicts and the imbrication and 'in-between-ness' of the identities, categories and discourses framing Bolivian politics

Bolivia is divided by altitude into geographical sections: Altiplano, valley, jungle, and tropical areas. These zones are also useful in describing the country in terms of ethnicity, agriculture, language and history. Nation-wide institutions have offices according to altitude rather than state or region. In a country as mountainous as Bolivia it is easy to see why this came about, and the way certain ethnicities or groups are conceptualised often has attached to it a certain area at a certain altitude. The Altiplano is associated with the Aymara and Quechua, the valleys are *mestizo* and the tropical jungle is indigenous (Mallon 1992: 38). These groups do not necessarily feel any sense of unity (Strobele Gregor 1996). This means that the political indigenism in Bolivia excludes women and 'other' indigenous groups, particularly those in the jungle (Postero 2006). The official indigenous languages, Aymara, Quechua and Guarani, exclude the thirty other linguistic groups in Bolivia (Albó 2004: 17).

The urban centres are predominantly white/*criollo*, and Spanish speaking. This reflects the colonial domination of seats of power and the institutions defining nationhood and development. There is also a broad division between the East and West of the country, colloquially known as *Cambas* and *Collas*. The difference between these groups and the markedly distinct accents are the brunt of several well-known national jokes. This division between East and West has historical significance. The country's mineral wealth lies in the West, whilst the tropical East of the country tended to be divided into *latifundios*: large ranches of land used for speculation. Now that the mines of the West are no longer used the country's wealth lies in the oil fields in the East. With the *Movimiento Al Socialismo* (MAS), the government's planned nationalisation, the Eastern provinces which have benefited more from investment throughout and since the colonial period, are pushing for autonomy.

Although urban culture is most closely associated with ‘whiteness’, both in terms of ethnicity and culture, the *hacienda* system spread throughout the country and in rural areas there are vestiges of Spanish colonialism. Some *haciendas* remain in the countryside and in some areas the power dynamics of ethnicity, language and dress continue to affect access to resources and capabilities. There is a continuum from rural to urban in the countryside as well. Crandon Malamud argues that some people in the country have taken on a ‘*mestizo* identity’ as they deny their ‘indigenesness’ and rurality, and part of that is involvement in commerce (1993: 576). These differences may be overlooked by policies and institutions predicated on categories such as ‘peasants’ or ‘indigenous people’. The imbrication of race and culture is shown by the race/cultural terms which are used in Bolivia in and also in Luribay, shown in Figure 3, below.

Figure 3 Race/cultural categories in Bolivia

<i>criollo</i>	White, urban
<i>gringo/a</i>	White foreigner, especially North American or British
<i>mestizo</i>	A person of mixed racial heritage
<i>colla</i>	A person from the West of Bolivia
<i>camba</i>	A person from the East of Bolivia
<i>de vestido</i>	A woman who wears western dress and identifies as white
<i>de pollera</i>	A woman who wears traditional dress and identifies as indigenous
<i>cholo/a</i>	A person of indigenous descent who has taken on urban culture
<i>cholita</i>	Unmarried woman of indigenous descent wearing traditional dress
<i>vecino</i>	Literally ‘neighbour’, implications of urban, white culture
<i>residente</i>	A person who lives in the city but maintains contact with the rural community from which they originate

Some people living in the countryside may not feel represented by the AU and emphasise their European heritage, even though they would be identified as rural and indigenous in the city. There are ethnic and class differences in the countryside as well, which may be hidden by the label ‘indigenous people’. These differences mean that people have varying capabilities to participate in the market and take advantage of multicultural legislation. This may explain the findings in a 1995 World Bank study that ‘in rural areas, poverty actually increased for indigenous peoples from 65 percent to 72 percent while decreasing slightly for non-indigenous people’ (Postero 2006: 3).

Census data has tended to categorise people by ethnicity, language spoken and urban or rural locality. But many people live their lives between properties in the country and the city (Sachdev *et al.* 2006: 111). People producing on land in the countryside come to the city to sell their produce. There is often another family residence in the city. This is particularly true in the satellite city of La Paz, El Alto. The lives of people in Bolivia are not captured by the rural/urban distinction: they are in between the two. El Alto, has become home to *cholo* citizens (Albó 2004: 21; Gill 2000: 6; Lazar 2003) whose 'in-between-ness' has itself become a type. The association of rural with indigenous hence overlooks migration and the city of El Alto which has been the backdrop to many of the demonstrations, arguably because of its connections with the countryside and the city (Albó 2004: 33; Postero 2006: 4). The symbolic capital of El Alto is constituting the creation of an indigenous identity which is key to the mobilisations in Bolivia (Strobele Gregor *et al.* 1994). But the reification of this in-between-ness, the *cholo*, still omits the rural indigenous and indigenous women. There is an urban indigenous cultural capital which is acceptable in the mainstream. For example people in the *Zona Sur* 'challa' their apartment: bless it with offerings of alcohol to the *Pachamama* (Mother Earth) (Canessa 2006: 244). But the rural indigenous and the poor indigenous are still treated as a problem, for instance by the Ministry of Ethnic Affairs. They are considered a problem because they are perceived as ineffective economic actors (Paulson and Calla 2000: 117).

The Category 'Indigenous'

Multiculturalism has changed the ideal of nation building in Bolivia. Whereas *mestizaje* promoted inclusion of the marginalised in the *criollo* urban mainstream, multiculturalism argues for a space in which different cultures can be equally valued and participate on equal terms. There have been various problems with this in practice. Multiculturalism hides many differences with respect to naming the groups considered different, and the diversity within the groups named. Multicultural reforms, including education and the Sub-Ministry of Development, Ethnic and Gender Affairs, may be blind to differences on the

ground, rendering the reforms inadequate (Paulson 2002; Paulson and Calla 2000; Sachdev et al. 2006).

It is argued that the indigenous movements in Bolivia are underpinned by a politicised Andeanism and the government multicultural reforms by an 'intellectual Andeanism' (Zoomers 2006: 1029), neither of which reflect the everyday lives of Andean people (Sachdev et al. 2006) or take into account intersections of indigenous identity with class, rurality and gender. 'The naming of difference is itself a political battlefield' (Paulson 2002: 144). The postulation of the category 'indigenous' is itself problematic, not least of all due to years of colonisation, *mestizaje* and increasing urbanisation. Race, language, culture and rurality cluster around the term 'indigenous', but neither one is definitive (Wade 2004). Many people do not identify primarily as indigenous, particularly within their own communities (Canessa 2006: 243). They become indigenous when they go temporarily to the cities to sell, as they appear rural, but this is an ascribed identity, not a chosen one, and based on an etic category. Although indigenous traditions may be being exoticised in the cities (Canessa 2006: 244), people who experience the everyday 'lived Andeanism' (Zoomers 2006: 1030) of rural poverty in Bolivia are still looked down upon.

As well as overlooking gender differences, the postulation of the category 'indigenous' itself hides a lot of difference, as indigenous tends to be defined in opposition to the white urban *criollo* mainstream. Language and cultural differences are overlooked and so are local hierarchies. And institutions are different and have different functions and meanings in different areas. In political terms, the inadequacy of the analysis underpinning multicultural reform may mean that the institutions developed on that basis may not reflect people's priorities. Those who fall 'in-between' the categories have to strategize institutions and capabilities which may not entirely fit their priorities or help them in their everyday lives.

Gender in Bolivia

Discussions of ethnicity and class overlook gender. This is problematic as these categories have framed policy and resistance since the revolution of 1952. As a

result women have tended to be marginalised by mainstream discourses, policies and institutions. Equally, discussions of gender in Latin America may oversimplify differences of class, locality, ethnicity and religion. However, given the history of women's marginalisation in Latin America, political arguments emphasising women's common exclusion have the advantage of highlighting and potentially overcoming patriarchy (Chant with Craske 2003). This approach in a country as diverse and rapidly changing as Bolivia is insufficient to take into account the multiple spaces and structures which construct gender (Rivera Cusicanqui 1996: 25). There are nevertheless, broad generalisations which can shed light on the common barriers which women face to citizenship *qua* women, and which indicate why the impact of development policies since the revolution, although mediated by class, ethnicity, age and locality, has been harsh for women.

Two words are broadly associated with gender in Latin America: *machismo* and *marianismo*. The former refers to the patriarchal culture which gives men control over women and possibly excuses male abuse of power. The latter, *marianismo*, reflects the glorification of motherhood throughout the continent, and come from the Catholic Church's veneration of the Virgin Mary (Chant with Craske 2003). While *machismo* and *marianismo* are extremely broad stereotypes which cannot do justice to the diversity of Latin American cultures, they have historically underpinned gender policy on the continent and the gendered imagination which allows for double standards in what is socially acceptable and the law itself. In Bolivia motherhood is glorified and venerated by the huge celebrations and national holiday of Mothers Day. This takes place in rural areas as much as urban. State policies towards women have proffered them rights in virtue of their status of wives and mothers. Social policies have had a maternalist attitude to women who have been the target of policies and welfare systems that essentialise women and define them as wives or mothers. This has perhaps implicitly continued under liberal development policies which are based on an idea of the male breadwinner household (Rivera Cusicanqui 1996: 41).

The veneration of motherhood in Latin America does serve as a platform from which women can demand rights and gender equality, for example the 'Mothers

of the Disappeared' and the *clubs de madres* which help soften the blow of adjustment packages in the 80s (Lind 2002). However, with the emphasis on multiculturalism in the 1990s, the problems of a homogenised women's movement predicated on the rejection of patriarchy came to the fore. The differential impact of development policies on women from indigenous and rural backgrounds and the suggestion that the agenda of middle class feminists did not reflect the gender structures of 'other' cultures and areas underscored the need to highlight difference (Rivera Cusicanqui 1996: 44). Although the gender biases in development policies, be they state or market centred, disadvantage women in general, middle class, predominantly white women in Bolivia have the capability to overcome this by hiring domestic labour, a sector dominated by indigenous women (Rivera Cusicanqui 1996: 44). The exploitation of indigenous' women's labour allows middle class feminists and women to take advantage of individualist opportunities and equality legislation which they prioritise (Rivera Cusicanqui 1996: 43).

In emphasising cultural difference, and the predominance which preserving indigenous cultures and traditions has in multiculturalism in Bolivia, women may be disadvantaged if they become the 'faces of culture' (Rivera Cusicanqui 1996: 41). This would undermine their citizenship and rights to participate in modernity. Indigenous women defy categories as they move through definitions of rurality and urbanity in Bolivia (Paulson 1996). They lack a mirror to reflect their situation in mainstream discourse and are consequently disadvantaged by the policies and institutions based on those discourses (Rivera Cusicanqui 1996: 24).

Religion

There is anecdotal evidence implying that the number of converts to Protestantism is increasing in Bolivia (Canessa 2006: 255). The 2006 International Religious Freedom Report, based on the INE (*Instituto Nacional de Estadísticas*) survey of 2001, states that 78% of Bolivia's population defines itself as Catholic and 16% Protestant or Evangelical. In rural areas, the percentage of Protestants is higher, at 20.5% (International Religious Freedom Report 2007). This reflects the trend in Latin America, where the Protestant

population is increasing at an accelerating rate (Martin 1990; Stoll 1990). Explanations for the growth of Protestantism vary. Some see its rise as people being duped as part of a US backed neo-colonialism (Canessa 2000), or as the rejection of the Catholic Church by indigenous people (Canessa 2000), a reaction to the feeling of isolation experienced by migrants to cities (Gill 1990), and a strategy for women to curb abusive male behaviour (Gill 1990). It has been suggested that Protestantism is an anti-community project which espouses a more individualist, capitalist ethic (Lagos 1994: 99). This would follow the way that Protestantism and capitalism intersect in European history (Gill 1990: 709).

Both Catholicism and Protestantism are grafted onto indigenous religion, beliefs and structures in Bolivia. People identify as Catholic, but at the same time see the Catholic Church as part of Spanish colonisation. Folk dances, particularly *La Diablada*, (the 'devil's dance') evoke the Catholic Church's belief that indigenous people were devils who needed saving. Protestantism is a more recent arrival in Bolivia. The Protestant Church explicitly rejects some aspects of indigenous culture, for example *fiestas* and saints, but church leaders are local and the sermons are delivered and hymns sung in the local language.

POLITICAL TRANSITIONS IN BOLIVIA SINCE 1952

The revolution tried to overturn the polarisation of the country under colonialism. Although this Marxist revolution was conducted in the name of the peasant class and brought emancipation in terms of a universal right to vote and land reform, the class, urban and gender discrimination continued. Progressive movements of society were repressed under military rule (1964-82), which, despite being populist, discriminated against rural areas, indigenous people and women, in terms of investment and social policy. The inflation and damage to the economy caused by populist policies, giving way to wage demands and unwise and inefficient investment, gave rise to the need for a harsh orthodox adjustment policy. These policies caused hardship throughout Bolivia, but rural areas, the working class and women were hardest hit (Godoy and de Franco 1992; Lind 2002; Schroeder 2000). Whilst the social costs of adjustment were recognised and Emergency Social Funds put in place, some of the hardest hit sectors of society and women could not access these funds (Whitehead 1995).

The identities framing each stage of the reforms have been inadequate to remedy the multiple discrimination faced in terms of rurality, ethnicity and gender under the colonial regime. Discrimination along these lines continues to underpin ideas of modernisation, progress and development, political hierarchies and institutions in Bolivia. For rural indigenous people particularly, the emancipation of the peasantry in the 1952 revolution did not fully address the barriers they faced to empowerment and citizenship rights on their own terms. Whilst the ethnic and gender biases of the mainstream policies of the past have been taken into account, the institutions put in place to encourage social inclusion have not fully addressed the discrimination and barriers to participation faced by indigenous women. Evo Morales' government, elected in 2006, seeks to reverse the class and ethnic discrimination in the country and has a vision of development which explicitly includes representation of Bolivia's various ethnic groups and women. However, whether this socialist, union led government has sufficiently addressed issues of gender and development is in doubt (Galindo 2006).

In this section, I describe the history of Bolivia since 1952 with the aim of showing how the dynamics of race, rurality, class and gender, and the intersections and alliances between them have related to mainstream policies. I summarise the reforming and populist policies of the revolutionary government and subsequent military coups, demonstrating that indigenous people, rural people and women were disadvantaged by the economic trajectory taken and the suppression of social movements. I discuss the two waves of neoliberal policies, the first in 1985 and the second in 1994. The second wave of neoliberal reforms was accompanied by a '*Plan de Todos*' (Plan for Everybody) which coupled decentralisation with policies for multicultural and gender inclusion. The inadequacies of these policies to address rural indigenous women's position are discussed, before exploring what the election of Evo Morales' MAS party could mean for that group. A timeline of major political events in Bolivia, 1952-2006 can be found in Appendix 2.

The Revolution

In 1952 the *Movimiento Nacional Revolucionario* (MNR) led a revolution against the *ancien regime* (the 'old regime') consisting of landed *criollo* oligarchy and tin mine owners (Eckstein 1983: 106). The revolution was underpinned by a Marxist ideology, but it has been argued that despite its ideological commitments it was a mainly bourgeois institution and framed by an idea of assimilating citizens into the nation state along the lines of a *mestizo* ideal (Rivera Cusicanqui 1990). This *ancien regime* had lost authority and legitimacy after the Chaco War of the 1930s which divided the loyalties of the armed forces (Garcia Arganas 1992: 44). Although the revolution overturned colonial domination in that universal suffrage was available to all, it set out on policies which were based around the liberal ideal and were limited in their ability to recognise or remedy the cultural domination which had been faced by indigenous people (Rivera Cusicanqui 1990). Furthermore the populist policies, for example building roads, hospitals, nationalising the mines and industries and being concessionary to union demand set the scene for the economic problems in the 1980s (Eckstein 1983: 115).

The revolution was based on the assertion of Bolivia as a nation against the colonial power, and thus national unity was an important discourse. However, the way that exclusion was understood led to continued discrimination against indigenous people, rural people and women. Under the rule of the MNR the leaders of the 1952 revolution, the indigenous peoples were associated with peasants. National integration was conceptualised on a *mestizo* ideal, to give everyone the opportunity to become like the *criollo* urban elite (Albro 2005: 434). The ideas adopted of 'civilisation' and 'modernisation' allowed the elite to continue their cultural hegemony (Strobele Gregor et al. 1994: 108).

The revolution created a state model of government which remained until the crisis of the 1980s when hyperinflation reduced the state's power in Bolivia, arguably creating a power vacuum (Strobele Gregor 1996: 110). The MNR governments in the 1950s nationalised the mines, and the ideology behind the revolution was a centralised state model. The state was the only legitimate political actor, and Bolivian national identity was unified with a socially

integrated *mestizaje*, despite the urban and ethnic biases in this term (Crandon Malamud 1993: 577; Harris 1995: 351; Rivera Cusicanqui: 1987; Sieder 2002b: 5). The socialist state provided social rights, such as education and healthcare, and extended suffrage, although individual and political rights were lacking (Kohl 2003a: 339).

An essential part of the revolution was the land reform of 1953, which was implemented to overturn the *hacienda* system. The Agrarian Reform law of 1953 declared that all Bolivian farmers, men and women over the age of 18 were entitled to land (Lastarria-Cornhiel: 5). This converted usufruct to ownership and did not increase the size of land holdings or production (Eckstein 1983: 108). Despite the law explicitly stating that land was to be redistributed regardless of sex, in reality the only women to benefit were those perceived as heads of households, mostly widows with children (Deere and León 1997 :5; Lastarria-Cornhiel: 5). The land reform of 1953 tended to disadvantage women, as men were presumed to be the household heads (Deere and León 1997: 5).

Although the land reform overturned the *hacienda* model, the AUs, which were instituted as community authorities, were based on Western union organisations. They did however incorporate Andean organisational structures, for example the community's right to divide communal land and communal organisational structures. The new hamlets were based on *ayllus* (Strobele Gregor 1996: 77) and the cargo system (Rivera Cusicanqui 1990 and Rivera Cusicanqui quoted in Strobele Gregor 1996). Apart from the area of Potosi (Rivera Cusicanqui 1990) there is generally a good merging of Andean traditional organisations and AUs in the Altiplano (Strobele Gregor 1996: 84).

The focus on unions was problematic for women, as unions are generally male institutions and women who later became involved in the women's peasant movement in Bolivia (see below) cite the *machismo* of the peasant union movements as grounds for the need for separate organisation (Leon 1990: 149). Union meetings and activities were incompatible with women's schedule of labour, and made no attempt to engage 'private sphere' concerns in politics (Leon 1990: 135).

The peasant movement was bound to the MNR party due to their collaboration in the revolution, but they still faced discrimination on many levels, and the ideas of assimilating peasants into the *criollo* culture (Strobele Gregor 1994: 108). It has been argued that the MNR was really a bourgeois organisation, which eventually led to the peasants distancing themselves from the party that led the revolution (Eckstein 1983: 105; Garcia Arganaras 1992: 44). Government policies soon ceased to favour the poor (Eckstein 1983: 105). Rural areas, other than the large scale farms in the East, were discriminated against in economic policy and investment. Initially the revolutionary government invested in agriculture. Two-thirds of the population were in agriculture but that represented only 31% of GDP (Eckstein 1983: 107). The MNR's support for the peasantry and land reform was part of dismantling the *hacienda* system. For political reasons the post 1952 governments had to seem to support the peasantry, but for economic reasons their fiscal policies favoured the middle classes and Eastern areas (Eckstein 1982: 116). Favouring the middle classes and eastern areas was related to the state's need to enlarge its tax revenue (Eckstein 1983: 121).

The prioritisation of large landowners in the East corresponded to the priorities of international funders (Eckstein 1983: 125). The aim of international funders and the state was to increase a capitalist sector (Eckstein 1983: 126). There was also a presumption on the part of international lenders that large farms were better credit risks (Eckstein 1983: 131). In addition, an IMF stabilisation programme of 1956 discriminated against workers and peasants (Eckstein 1983: 106). Credit was available to improve output from the state founded Bolivian agricultural bank but increasingly these loans were allocated to lowlands and producers for export (Eckstein 1983: 110). The political consequence of this economic bias was that the peasant groups which supported the revolution deserted the MNR and in 1964 General Rene Barrientos staged a military coup and gained support of the peasants (Eckstein 1983: 106).

Military Rule 1964- 1982

In 1964 a military *junta* overthrew the leader of the revolution, Paz Estenssoro, commencing 20 years of populist, authoritarian and state centric military rule

(Conaghan *et al.* 1990: 4). General Barrientos ‘skilfully manipulated’ the Peasant-Military Pact in order to stop a coalition between the left and the peasant organisations (Strobele Gregor 1996: 75). His claims to be the true representative of the peasantry did not materialise and his government restricted the Ministry of Peasant and Indian Affairs (Eckstein 1983: 116).

By the 1970s, the counter-hegemonic Katarista union movement had grown in response to the exclusions of *mestizaje* and in response to the Peasant-Military Pact (Mallon 1992: 50). The Katarista Movement was formed by young Aymaran migrants and agrarian leaders who aimed to revive the legacy of Tupac Katari, an Aymaran leader who sieged La Paz in 1781 (Gray Molina 2007: 15). The Katarista movement unified indigenous with class issues (Albó 1995: 55), and challenged the ideological bases of the revolution (Rivera Cusicanqui 1990: 107). The Katarista movement defined itself more as an indigenous organisation than a left wing one, although there was a trade unionist tendency within it, such as the CSUTCB (*Confederación Sindical Única de Trabajadores Campesinos de Bolivia*) (Strobele Gregor 1996: 76). Liberal ideas of the individual economic actor underpinned the 1952 revolution and the neoliberal policies of the 1980s. It has been argued that in this way both the MNR government of the revolution and the structural adjustment which Bolivia underwent in 1985 both undermined the way that the market is strategised in the Andes (Rivera Cusicanqui 1990).

As was the case during the revolution, the growing strength of the Katarista movement and the transformation of unions from peasant-based organisations to ethnicity-based organisations, disguised gender discrimination. Male-dominated political movements initially marginalised women’s concerns and discouraged their participation. However, as the Katarista movement developed, the need for women’s organisation was recognised, and a sister organisation, the Bartolina Sisa Federation of Peasant Women was formed. It is generally held that this organisation continued to be a minor sibling, dominated by male concerns until the 80s, when feminist organisations developed more organically (Arnold and Spedding 2005; Leon 1990). However, the unions remain male dominated and spearheaded by male concerns.

Military rule from 1964-1982 under Barrientos, Banzer and military leaders in various coups, was characteristically authoritarian and repressive. Unions were repressed, political opposition disappeared, universities were closed and civil protest was dealt with harshly. This authoritarianism continued the legacy of state-centred government which the MNR had initiated in 1952. While authoritarian and oppressive, military rule in Bolivia was at the same time clientelistic and populist. Populist measures increased, particularly in 1973 when the Banzer government benefited from the liquidity produced by the oil crisis, incurring a sizeable national debt (Eckstein 1983: 130).

As under the MNR government, the economic priorities of the state and the international community continued to benefit large landowners and the East of the country (Eckstein 1983: 127). Large exporters continued to benefit and protests by valley and Altiplano peasants in 1972 were violently quashed. Banzer's state centric policies directly benefited capitalists in the south and businesses in Santa Cruz prospered because of a construction boom (Conaghan *et al.* 1990 5).

In this sense Banzer was pro-business, but mining companies had the highest taxes in the world at this point (Conaghan *et al.* 1990: 5). There was also extreme insecurity in investment conditions exacerbated by the succession of military coups and civilian governments (8 in all) between 1978 and 1982 (Conaghan *et al.* 1990 7). The economic consequence of state centric policies, populism, unwise investment in infrastructure and mounting debt was the hyperinflation crisis which Bolivia suffered in the 1980s, and which created a political consensus in favour of neoliberal structural adjustment.

The 'First Wave' of Neoliberalism: Structural Adjustment 1985

State managed socialism, which focussed on redistribution rather than production, coupled with a high level of political instability and corruption, led to a failing economy, culminating in the mid eighties with a hyperinflation rate of over 26,000% per annum (Gamarra 1994: 105; Medeiros 2001: 406; Morales 1994: 134). The civil unrest of the Banzer regime resulted in strong union demands for wage increases. When Siles Suazo got in he gave in to these

demands, raising wages and increasing public sector employment (Godoy and de Franco 1992: 619). As a result agricultural prices rose because of increased demand, and so the price of real wages fell (Godoy and de Franco: 1992: 619). In the period 1982-1985, transport was subsidised by the government, reducing the costs for agriculture, but with adjustment the price of gasoline stabilised to world levels (Godoy and de Franco 1992: 621). The drought of 1983 caused agricultural prices to rise further, as agricultural producers hoarded more goods for consumption. Suazo also stopped servicing debt (Godoy and de Franco 1992: 623). This, coupled with a fall in mineral prices and a weak export sector, threw the economy into a major downward spiral, with inflation reaching astronomic proportions. Bolivia's economic crisis was the worst in South America. At this point, business leaders began to advocate a neoliberal agenda for change. Ronald Maclean, a Banzer supporter, suggested a technocratic style of government to implement an orthodox adjustment programme. To this end he organised a seminar at Harvard which politicians including Banzer attended. The result was that Sanchez de Lozada and Jeffrey Sachs became directly involved in structural adjustment in Bolivia (Conaghan et al. 1990).

Banzer won a plurality of the vote in 1985 but the MNR and MIR (*Movimiento de la Izquierda Revolucionaria*) formed a coalition, and Paz Estenssoro assumed the presidency. Despite Estenssoro being the president who had led the socialist revolution of 1952, the mood in favour of neoliberal reform could not be ignored. People favoured reform both because of the failing economy and dissatisfaction with state corruption and incompetence. Coupled with rampant hyperinflation, a collapse in tin prices and mounting unrest at the failing economy, this induced Paz Estenssoro to impose neoliberal reform. Juan Cariago, Sanchez de Lozada and Jeffrey Sachs were brought on board as the technocrats behind the reform. Given the state of the economy, all of the reforms were instigated at once through Presidential Decree 21060 (Conaghan et al. 1990).

Bolivia's was the harshest adjustment package in Latin America, reflecting the severity of its crisis. The programme was not only economic, but according to Sanchez de Lozada, it was also a political plan to reduce the size of the cumbersome state in which people had lost faith (Conaghan et al. 1990 18).

Decree 21060 included a reduction in the public sector, restructuring public enterprises, a tight wage policy and import tariff reductions (Conaghan *et al.* 1990: 3). These were implemented all at once. This caused political problems at several levels, but politicians gave their support in return for patronage (Conaghan *et al.* 1990). There was widespread civil unrest and strikes as the unions were fiercely repressed, but the technocratic wing of the government was isolated from this. Neoliberalism was not challenged. The agricultural sector, which had been prospering also suffered as demand for food dropped with income (Godoy and de Franco 1992: 629).

The adjustment policy succeeded in curbing hyperinflation, which dropped to 10% by 1986 (Gamarra 1994: 105) eventually stimulating growth in the economy. Public sector job losses represented a major impact, as after years of state socialism, Bolivia's public services had long been important employers. Although social spending was initially cut since 1988 there have been increases in spending on health and education (Morales 1994: 139). Nevertheless, the social costs of structural adjustment were felt particularly by the poor, the working class, people in rural areas and women (Godoy and de Franco 1992; Lind 2002: 240). Differences in wealth between the urban, *criollo* upper class and the rural indigenous poor was exaggerated, exacerbating existing racial differences (Postero 2006: 4). Although adjustment curbed inflation, the Bolivian economy did not respond by growing (Schroeder 2000; Godoy and de Franco 1992). Between 1990 and 1997 Bolivian economy annual growth rates were 3.8% (Schroeder 2000).

As in other parts of Latin America, the working class, women and peasants took the brunt of the reforms in Bolivia (Leon 1990: 138; Godoy *et al.* 1992; Lind 2002). After the adjustment, women's labour force participation increased, from 33% in 1980 to 43% in 1995, but this tended to be in low paid jobs (World Bank Group, no date). The increase in women's household labour necessitated by shortages of basic supplies is also not taken into account in official statistics. As well as an intensification of 'domestic time', in rural areas women are responsible for selling in the market, an activity which also incurred fewer profits after neoliberal reform (Leon 1990: 138).

Although incomes in urban areas increased slightly in the period after the initial adjustment, the little existing data on rural areas suggests that incomes there fell (Thiele 2003). The policy makers did not take rural areas into account in their policies, and the lack of infrastructure and investment there meant that they fared worse. The informal sector grew as public sector workers, factory workers, and miners were laid off (Strobele Gregor 1996: 111). Unions were repressed, with an emphasis on establishing a good business climate (Schroeder 2000: 194). The informal sector grew during this period, with some people using severance pay to escape factory life and set up business (Conaghan *et al.* 1990).

In Bolivia, as elsewhere in Latin America, women took on the burden of making up for the shortfall in public provision and poverty resulting from the belt tightening of 1985 (Schroeder 2000: 191). It was mainly men who lost their jobs, as the majority of Bolivia's public sector was made up of the male-dominated mining industry (Baden 1993, quoting Horton *et al.* 1991: 50-51). The resulting reduction in household income meant that women's participation in the labour market increased, but at a low paid level, often in the informal sector (Schroeder 2000; Lind 2002). Statistics on women working in rural areas tend not to take into account women's contribution and time spent in subsistence production, household and community labour (*Viceministerio de la Mujer* 2003). Community labour in the form of 'mothers clubs' and 'communal kitchens' were organised, mostly relying on women's voluntary unpaid labour, in order to socialise the risks and negative impact of market liberalisation (Lind 2002). Rather than suggesting women's emancipation, this statistic illustrates a 'feminisation of responsibility and obligation' (Chant 2007: 333).

With the dismantling of the developmental state and reduction in the public sector, civil society institutions took on a more prominent role in the provision of social rights. Bolivia introduced an Emergency Social Fund (ESF) in 1987 which was largely administered via NGOs, before the World Bank recognised the need to do this in 1990 (Cornia 2001: 2). A proliferation of NGOs took responsibility for social welfare (Whitehead 1995: 57; Kohl 2002: 458). But these ESFs were very much 'add-ons' (Whitehead 1995: 57) and could not

redress the biases and uneven outcome of adjustment policies. The impact on women was generally negligible (Cornia 2001: 14), despite ESFs being more successful in Bolivia than elsewhere (Cornia 2001: 18). Only 1% of participants in these programmes were women (Cornia 2001: 22). The poorest of the poor were the least capable of making their demands heard (Whitehead 1995: 55).

The ‘Second Wave’ of Neoliberalism: Constitutional Reform 1994

The Banzer regime was voted out in 1989, and Paz Zamorra, a moderate left-winger from the MIR came into government as leader of a broad coalition. He continued neoliberal reforms as a pragmatist (Strobele Gregor 1996). Resistance to neoliberalism took on the banner of multiculturalism, partly because a class-based rhetoric was impossible in a neoliberal context (Albro 2005: 438). This was due to the 1992 protests, including the March for Territory and Dignity, and the 1993 UN decade for indigenous peoples, as well as changes in international law in favour of indigenous rights and recognition of diversity (Canessa 2006; Sieder 2002a; Van Cott 1995b).

The changing political landscape, from Marxist, peasant and union resistance to multicultural demands, recast neoliberal policies when Sanchez de Lozada took power in 1993. The neoliberal programme was continued in the form of a capitalisation programme, selling off remaining state enterprises, and a law aimed at decentralising power, the Law of Popular Participation (LPP). In 1994 the architect of neoliberal reform, then president Sanchez de Lozada, and his Aymara vice president Victor Hugo Cardenas, implemented a series of reforms which at once promoted the liberalisation of the market and decentralised power to local authorities (Albó 2002: 79; Kohl 2003b).

The Law of Capitalisation

As a continuation of the neoliberal reforms which Sanchez de Lozada had helped mastermind in 1985, President Lozada initiated a ‘Law of Capitalisation’ in 1994. This law permitted the privatisation of the largest state owned companies. In return for investment in infrastructure and a delayed payment of the ownership price, the Bolivian government would sell a 50% share in the gas, oil, telecommunications, airlines, electricity and railroads (Kohl 2002: 456). The

substantial loss in revenue - 60% of the government's total - would be compensated for in growth in GDP and jobs (Kohl 2002: 456).

However, the jobs did not materialise. Of those workers laid off by the newly privatised companies, 50% are now working in the informal sector and 25% have gone to Argentina in search of work (Kohl 2002: 459). The prices of key fuels and water rose, incurring a much higher household budget (Kohl 2002: 460). As in 1985, the gendered impact of this reform was to increase women's participation in the work force but primarily in poorly paid jobs (*Viceministerio de la Mujer* 2003). Migration increased and women had to shoulder more of the responsibility for household income and care work (Schroeder 2000).

The Plan de Todos and Law of Popular Participation (LPP)

The *Plan de Todos* included measures to take gender into consideration and recognise ethnic difference by introducing educational and legal pluralism. A new constitution was agreed upon which recognised the multicultural, multiethnic nature of the nation and aimed to deepen the recently instated democracy (Kohl 2003a: 341). Specific legislation included the LPP, which decentralised government and created over 300 new municipalities. The LPP makes explicit provision for the representation of women and indigenous people. A Ministry of Human Development, and a Secretariat of Ethnic, Gender and Generational Affairs with respective sub-ministries were instituted (Paulson and Calla 2000: 116; Van Cott 2002: 54). Quotas were also introduced for female representatives in the national legislature. Multicultural reforms included the National Institute of Agrarian Reform, via which indigenous peoples could have collective ownership of ancestral land, the introduction of bilingual education and legal pluralism, giving indigenous people the right to use traditional law if all parties agree (Van Cott 2000).

The LPP was passed in 1994 to create a 'more just distribution and better administration of public resources' and guarantee 'equality of opportunity in terms of representation of women and men' (Clisby 2003: 24). It created 300 new municipalities and devolved 20% of national tax revenue to the local level (Clisby 2003: 24). Municipalities were given decision making power over local

health and education services (Kohl 2002: 457). Communities within these municipalities were represented by Territorial Base Organisations (OTBs). The OTBs tended to be based on pre-existing community organisations. Their role is to act as the interface between local organisations and the municipalities. The LPP makes provision for women's representation at every level (Clisby 2003: 25). Oversight Committees were established and given veto power over municipal budgets and decisions (Kohl 2002: 457).

The association of Ethnicity, Gender and Generation under one secretariat is an advance on policies and institutions which more explicitly problematised and essentialised minorities (Paulson and Calla 2000: 117). However, gender, generation and ethnicity are considered separately by their respective sub-ministries. The target of activities of these sub-ministries are women, indigenous people and old people, and the activities of these sub-ministries indicate that social relations are not being questioned (Paulson and Calla 2000: 117). Gender is being 'inscribed on the bodies of women' and the ministry tends to provide traditional social assistance for women, defining them as wives and mothers (Paulson 2002: 138). The intersections of gender and ethnicity are unaccounted for. It has been argued that there was tension between the agendas of urban feminist intellectuals running the sub-ministry of gender, who promoted women's individual empowerment, and indigenous agendas that promoted the preservation of indigenous rights (Paulson 2002; Paulson and Calla 2000).

Another aspect of the 1994 reform was the initiation of bilingual education. For example, multicultural and multilingual education is now available, and materials made by the indigenous peoples are available and used (Lazar 2004: 301). The official languages in Bolivia are Spanish, Quechua, Aymara and Guarani. The idea is that the whole country is multilingual and multilingual education should be a part of all education. The failure of this reform (Sachdev *et al.* 2006: 111) indicates the problem inherent in multiculturalism: essentialising identities from an outside position. The materials and training accompanying bilingual education reflected neither the actual Aymara spoken, nor parents' wishes for their children to succeed in the mainstream, which requires a Spanish education.

Bilingual education did not take off in the mainstream Spanish schools, so the exclusionary nature of the mainstream was not addressed.

There is also provision for legal pluralism in the 1994 constitution. Indigenous peoples are given the power to operate their own administration and forms of justice 'as long as they do not conflict with the constitution and other laws' (Kohl 2003a: 341). This has meant that indigenous peoples have a dual legal system which can be applied in certain areas (Van Cott 2000: 207). The two systems are distinguished by the phrases 'community justice' and 'ordinary justice'. This is the quintessential multicultural reform which could be construed as 'bad for women' (Okin 1999). Not only are the local authorities male dominated, but also cultural traditions may be projected on to women as the 'guardians of culture' (Yuval Davis 1997: 43). This may perhaps deny women rights which are available to them in the mainstream but racism and gender discrimination in the mainstream system may mean that women can use 'community justice' more effectively. They may lack the information and cultural capital to effectively make their case heard in the mainstream but their proximity to and knowledge of the community may mean that community justice is a more effective platform for rural indigenous women.

Despite the legal provision made by the LPP to increase women's political participation, there has actually been a decline in the number of women representatives since the introduction of the law. There are two broad explanations for this decline. Firstly, although the law provides a legal basis for women's political participation, it does not provide for the de facto exclusion of women from politics (Clisby 2003: 28). Secondly, the LPP may institutionalise women's unpaid community management labour rather than valorise it. As well as creating more layers of government to increase local political participation, the responsibilities of government were also devolved to the local level. Women's organisations tend to make up for the shortfall in welfare provision, and so women may have less time to participate in formal politics (Lind 2002: 245).

Their lack of time, the under-valorisation of their community participation and their position in the private sphere all restrict women's opportunities to

participate. There are more women participants in urban areas, such as Cochabamba than in rural areas (Clisby 2003: 25), implying that women in rural areas face more barriers to political participation, for example illiteracy in Spanish, lack of confidence, or lack of time. It also suggests that middle class, urban women are more likely to be able to take advantage of decentralised power, whereas rural or working class women face more *de facto* barriers to political participation (Lind 2002: 245). In rural areas, the OTBs are dominated by men, while organisations which provide care or welfare, such as mothers clubs or soup kitchens, are mostly staffed by women whose work is unpaid. As participation in the OTBs has been formalised, it has been argued that more men have come forward as representatives and have perhaps displaced women's informal political power (Lind 2002)

Lind (2002) argues that as decentralisation to municipalities and OTBs went hand in hand with neoliberalism, women have in fact lost political and economic power, and the mainstream culture has imposed itself on local communities. Women's organisations may have lost out on funding as they are now formalised and have to compete for funding in the market. As there is a perception that women's reproductive role is natural, it is assumed that women's organisations will provide community welfare as part of their natural role. Involvement in these organisations may increase women's community participation, but it is at the expense of their time and reflects their increased hardship (Lind 2002: 240).

Individual empowerment might not be commensurate with the rural way of life, and feminism is seen as bourgeois and Western (Radcliffe 2002: 158). If liberal individualism is presumed to be the norm, the importance of identity may be overlooked. In a context where the community is the source of social rights and safety nets this is a grave omission. NGOs tend to be managed by urban, middle class women who can fit agendas to the concerns of international agencies and funders (Lind 2004: 66). The Western gender and development model does not fit (Paulson and Calla 2000: 128). The quotas have failed to increase women's participation, possibly because of an agenda mismatch (Lind 2004: 70). The intersections of race and gender are overlooked and women are essentialised as mothers and in the family (Afshar and Maynard 1994; Chant 1997: 34; Lind

2004; Paulson 2002). Ethnicity is situated with the indigenous population and gender with women (Paulson and Calla 2000), and the everyday lives of indigenous women do not fit these categories.

Social Unrest and Evo Morales' Election

The impact of the privatisation of key companies and the insufficiencies of the palliative inclusionary measures which accompanied them dissolved into civil unrest which eventually overturned the neoliberal hegemony which had framed policy since 1985. In 2000 the high price of water sparked protests in Cochabamba known as 'water wars'. Water rates had increased by 100% (Kohl 2002: 460). The protesters were joined by other sections of society unsatisfied with privatisation and the neoliberal trajectory. These protests were quelled violently by the now civilly re-elected Banzer. Nevertheless, the protesters were successful in their aims and water was returned to state control (Kohl 2002: 460).

Whether or not this development was good in terms of Bolivia's long term development is in debate. The investments in infrastructure from international companies which privatisation invited would have provided the poorer parts of Cochabamba with a mains water supply (Laurie *et al.* 2002). The union organised protests were not representative of all sectors of Bolivian society.

A year later, there were further protests in Bolivia as coca growers, unionists and peasant organisations marched on La Paz in the 'March for Life and Sovereignty'. The motives for this movement were wide ranging, from changing policies on coca eradication to demanding a reversal of neoliberal reforms. The 'gas wars' of 2003 involved strikes and blockades throughout the nation. These social movements were spearheaded by the AUs who organised blockades in the name of rural and indigenous identity. Women often suffered as subsistence production was reduced and they again had to make up for the shortfall. Women's participation in these marches was visible and women's unions were involved in the organisation. Nevertheless it has been argued that women's presence in these protests was exploited. Male organisers made them march in the front to deter police violence (Arnold and Spedding 2005). Local AUs fined affiliated households who did not send a representative. Women tended to

represent their households, giving up precious time to blockade and march, but did not tend to know why they were there (Arnold and Spedding 2005).

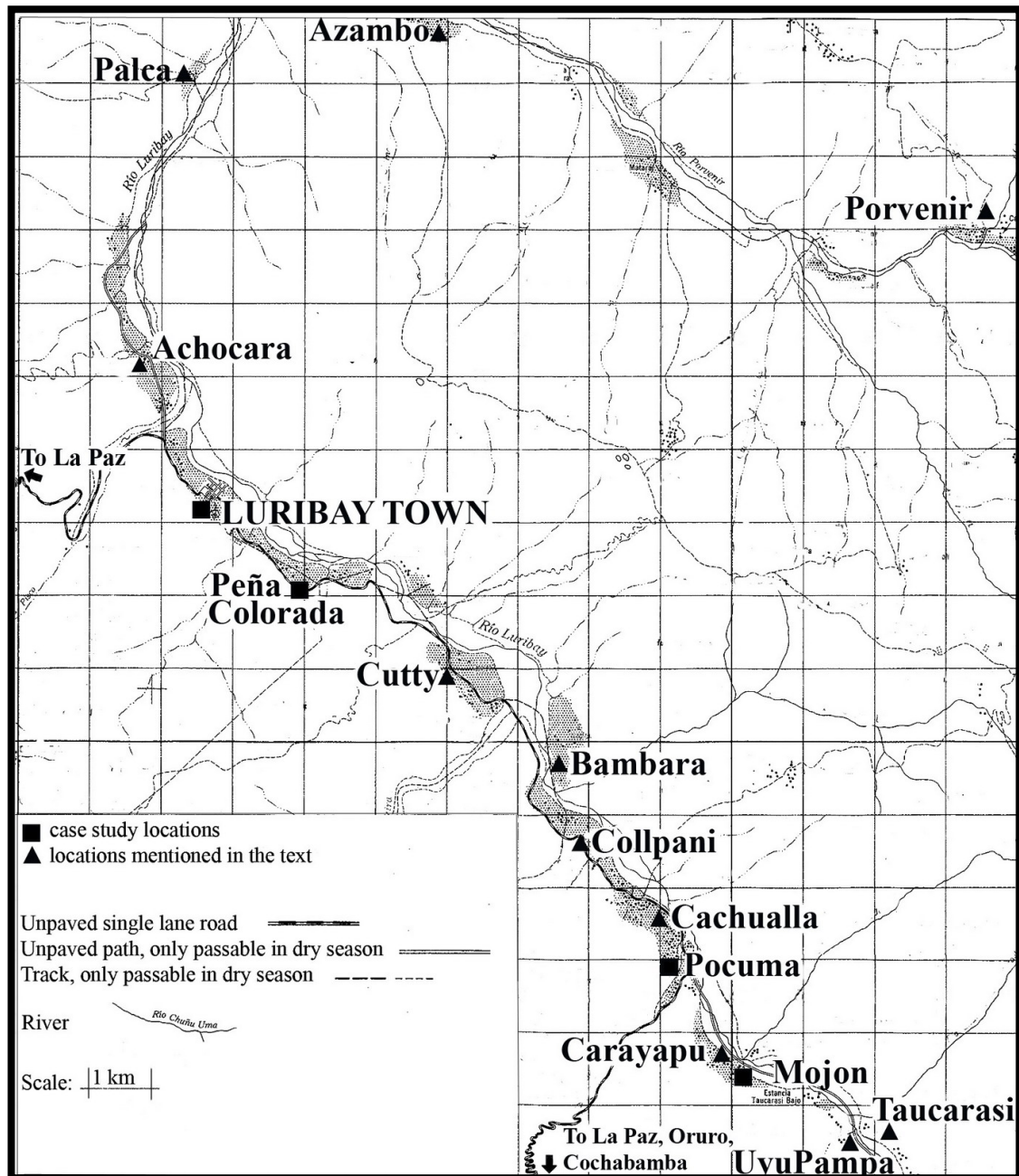
These disruptions, along with Banzer's resignation in 2001 due to ill health triggered a quick succession of increasingly unstable and short lived governments. The country was ready for change and Evo Morales' Movimiento Al Socialismo (MAS) party won an unprecedented majority in the 2005 elections. Evo Morales' election promises included the Constituent Assembly and the nationalisation of resources. Both of these were initiated in 2006.

The Constituent Assembly has provision for a gender quota, as well as quotas for other sectors of society. However feminists fear that Morales' election could mean a return to the maternalist policies of past state centred governments, particularly as the focus on indigenous culture may have an adverse effect on women. As La Paz feminist Maria Galindo concludes from the symbolism, rhetoric and agendas of the MAS campaign, 'Eva may not come from Evo's rib' (Galindo 2006). Morales' union past and the history of socialism in the country suggest that women may be the aim of maternalist policies, and the barriers to their participation in citizenship and development may not be addressed. Multiculturalism and decentralisation may have brought power closer to the local level, but exclusion on the grounds of gender may not be being sufficiently addressed by the Morales government.

LURIBAY

The municipality of Luribay is the *primera sección* (principal section) of the Loayza Province, Department of La Paz. The municipality is divided into 6 cantons, Luribay, Taucarasi, Poroma, Porvenir, Anchallani and Colliri. Each canton is divided into Sub-Central administrative areas and then hamlets. The 'capital' of the municipality is Luribay Town, (which is referred to locally as *El Pueblo*, and from now on in this text as the Town). The municipality extends from the valley at 2400m altitude to the Altiplano at 4200m. Each canton is divided into hamlets. My study focuses on the Town and hamlets in the valley area which border the Luribay river running through the valley. A map of the area is shown below, Figure 4.

Figure 4 Map of Luribay



Source: *Instituto Geográfico Militar* 1955. This map has been altered to show case study locations and locations mentioned in the text, as indicated in the legend. Contour lines and irrelevant place names have been erased.

Luribay is a fruit-producing valley about seven hours from La Paz by bus or truck. Aymara and Spanish are spoken. It is situated in the province of Loayza which is divided into five municipalities: Luribay (population 9,004), Sapahaqui (population 11,790) Yaco (population 7,866), Malla (population 3,733) and Cairoma (population 11,338) (source: PDM 2005, taken from INE census 2001).

Each Municipality is divided administratively into cantons and then hamlets. The administrative divisions in Luribay are shown in Figure 5 below.

Figure 5 Administrative divisions in the Municipality of Luribay

CANTON	SUB-CENTRAL	HAMLET
ANCHALLANI	Anchallani	Anchallani, Sanucachi, Thumi, Queroma, Cochini, Totora
COLLIRI	Colliri	Khupi, Huichuraya, Suqui, Ojellani, Colliri.
POROMA	Condado	Ajata, Poroma, Choquepampa, Capinota, Condado, Villa Huancane
TAUCARASI	Taucarasi	Mojon, Peña Taucarasi, Taucarasi, Llapallapani, Uyu Pampa Alto, Rincón Uyupampa
	Rancho Grande	Altos Suyo, Ancharate, Chapichapini. Rancho Grande
	Carayapu	Carayapu Bajo Carayapu Alto, Mulincate, Villa Florida, Pucuma
LURIBAY	Cachualla	Cachualla, Cahualla Alto, Collpani, Pinani, Huancane
	Cutty	Bambaru, Callaviri, Cuty Rincon ,Cuty Pampa Molinopampa, Catavi. Alto Collpani
	Ahocara	San Pedro, Ahocara Alto, Ahocara Bajo, Luribay, Calvario, Peña Colorada, Aucamarca
	Anquioma	Samaca, Anquioma, Bajo, Anquioma Alto,Bravo Alto, Bravo Salviani, Vilacora, Bravillo, Alto Rosariani
	Azambo	Palca, Azambo, Chinchá, Ahocara
PORVENIR	Porvenir	Chirimaya, Matara, Oquepampa, Villa San Juan, Cotaña, Luquiri Choquesa, Porvenir, Villa Granada
	Sub-central Murmuntani	Murmuntani, Murmuntani Alto, Murmuntani Bajo, Cala Cala

Source: PDM/2005

In the centre of the valley is Luribay Town, the capital of the municipality, where the municipal government has its offices, as well as the NGOs which work in the valley. The Town is surrounded by 78 hamlets some in the valley area and others in the Altiplano. There are two roads leading to the main highway between La Paz and Cochabamba. The original road winds tightly and climbs 2000 metres from the hamlet of Pocuma. A better, slightly straighter road was subsequently built from the Town. There is a market fair in the Town every Tuesday, where people come from La Paz to sell items otherwise only available in the cities, for example clothes, kitchen equipment and school books.

In terms of demographic indicators, the province of Loayza and the municipality of Luribay in particular are low level. According to the Municipality's Development Plan (PDM - *Plan de Desarrollo Municipal* 2005), which does not always disaggregate data by gender, the average life expectancy in the Province of Loayza is 57, and in the Municipality of Luribay it is 54. There is a 26.7% illiteracy rate in Luribay, which compares unfavourably with 17.4% for the department of La Paz as a whole. There is a high level of school abandonment, mostly by girls. Basic services are lacking in Luribay. Most areas, including the Town have no water supply at all or an unstable one, there is no sanitation system and there are only 2 health centres and 3 health posts for the whole municipality. None of the roads is asphalted, neither those to La Paz nor the one road extending the length of the valley. Public transport to the city is scheduled to be twice daily, but these services are unreliable (PDM 2005).

Figure 6 shows the population of Luribay by cantons. Of the cantons in Luribay, Luribay, Taucarasi, Poroma and Porvenir are in the valley, and Anchallani and Colliri are in the Altiplano. Of my case study locations, the Town, and Peña Colorada are in the canton of Luribay, Luribay, and Pocuma and Mojon are in the canton of Taucarasi, Luribay. The number of families in the Luribay municipality units ranged from 5-120, males from 9-300 and females from 11-250 and total populations from 20-550 (see Appendix 3).

Figure 6 Population of Luribay by cantons

Cantons of Luribay	Families	Persons		
		Male	Female	TOTAL
Luribay	1092	2367	2258	4625
Taucarasi	204	385	372	757
Poroma	280	606	618	1224
Porvenir	626	1281	1223	2504
Anchallani	334	825	824	1649
Colliri	144	321	325	646
Total	2680	5785	5620	11405

Source: PDM/2005

The Municipality of Luribay is divided into two agricultural zones, the valley and the Altiplano. In the valley the main production is fruit, potatoes and peas, whilst in the Altiplano it is potatoes, cereals and livestock. The present study focuses on the valley areas. Land-based production since the 1953 land reform has been based on family units producing on the land which became their property during the reform. Land has either been inherited or in some cases bought. The size of family property varies according to zones. In the valley, the extension of cultivatable land is small, averaging between 0.5 and 1 Ha per family, the maximum is 4 Has and the minimum 0.25 (PDM 2005).

Production in Luribay is seasonal: fruit is harvested in the winter, and when the river is low during the dry winter season, land on the river bed is divided up among members of the respective communities, and the land is used to grow peas. Production is often prejudiced by natural disasters. There are frequent landslides, even in the dry season, and in the summer heavy rains can cause landslides, *mazamorras*, to come down between the hills forming the valley with a force strong enough to destroy houses, trees and land. When the river is high it is extremely hazardous, but people living on the other side of the river from the road have to cross it at that time in order to sell their produce in the city.

The everyday lives of *Luribayeños* and the women who participated in my study do not fall neatly into the categories in which Bolivia is analysed in prominent discourses of inclusion of cultural minorities and women. The categories used within Luribay do not reflect the categories of ethnicity used in the mainstream. The configuration of rurality/urbanity, race, religion and culture is glossed by the terms underpinning the arguments for inclusion. This has implications for market participation. The identities that *Luribayeños* ascribe to themselves differ from the way in which they are identified when in the city. The fact that the descriptive categories fail people in Luribay and do not take account of difference means that they may not have the capabilities to take advantage of mainstream interventions, including microfinance.

Women in Luribay fall between the categories of 'gender' and 'ethnicity'. The empowerment offered women in the mainstream is predicated on independence,

which does not suit the values or agenda of women in Luribay. Nevertheless, the vision of gender complementarity in Luribay may favour men, attenuate women's citizenship and add to the pressure on them to conform to cultural expectations. Women in Luribay have to negotiate the tensions between cultural identity and belonging, and the independence which is the conceptualisation of empowerment in the mainstream.

Identity in Luribay

The dynamics of rurality, urbanity and ethnicity are present in Luribay itself, but are glossed by generalisations made about indigenous culture in the mainstream. The valley itself would be classed as 'rural' or 'Aymara' in the city, but this overlooks the ethnic tensions which remain from the *hacienda* era, and are related to land-based production and commerce. There are racial differences between the Town and the hamlets in Luribay which reflect the continuum from rural to urban, and from land-based production to commerce. Migration to La Paz and other Bolivian, Argentinean and Brazilian cities also changes the way people are seen and see themselves. In Luribay, people who live in the Town are thought of as white, but these people are seen as indigenous or *mestizo* when they are in the cities. The boundaries between 'white' and 'indigenous', 'urban' and 'rural' are fluid. People's self-identified ethnicity does not correspond to their ascribed ethnic identity, and these perceptions change according to context.

The way *Luribayenos* draw the distinction between the Town and the hamlets in Luribay indicates how the difference between rural and urban is entwined with ethnic identity in Luribay. People in the hamlets are primarily landowners, whilst those in the Town tend to have business activities as well as land. In the hamlets Aymara is spoken predominantly; younger people tend to have a passive understanding of Aymara but speak only in Spanish. The surnames in the hamlet are of Aymaran origin. By contrast, people in the Town are of Spanish descent and speak Spanish with each other, although as in the hamlets most are actually bilingual. Those in the Town refer to themselves in urban terms, for example by having a Neighbours' Assembly rather than an AU. 'Neighbours' Assembly' has elitist implications and is negatively perceived by those in the hamlets to be

indicative of *mestizos* distancing themselves to appear more ‘white’ and ‘urbane’ (Crandon-Malamud 1993: 577).

The term ‘neighbour’ used in the Town, coupled with their tendency to dress in Western clothes, speak Spanish and their involvement in commerce constitutes a ‘white’ ethnic identity, regardless of ancestry. These same people would nevertheless be identified as ‘rural’ ‘indigenous’ or ‘*mestizo*’ when they are in the city.

‘In the hamlets, they’re country people. They’re Aymara, and they carry on the tradition of the pollera. Whilst here [in the Town] we’re neighbours. You’ve seen how we dress, trousers and that, and we’re not Aymara, that’s why they call us neighbours. Neighbours means white people, who don’t work on the land, who do more commerce, and mostly speak Spanish. We’re not white, but we speak Spanish, that’s why we’re called neighbours.’ (Doña Carol, 50, Town 3)

There is a distinction drawn in Luribay between people in land-based production (*productores*) and people who are ‘in commerce’ (*comerciantes*). In a sense this distinction is misleading, as people in land-based production are also responsible for selling their produce in the city. Land-based producers are distinguished from those who live from retail or service provision, for example hostels or transport. Although there is an association of agricultural production with indigenous identity, and commerce with whiteness or *mestizaje*, all of the women who participated in my research are involved in commercial activity, either taking advantage of opportunities in *fiestas* and markets in the Town, or in selling their produce in La Paz. To essentialise ‘indigenous people’ by associating them with land-based production underestimates the effective participation of these people in commerce, and the bargaining and entrepreneurial skills they exhibit. However, on another level it does seem valid to point out that the market, in being urban and commerce biased, is perpetuating indigenous people’s exclusion. There are rational reasons why people in Luribay prioritise land, including belonging and status in the community which makes income generation possible in the context of Luribay. The exclusion from the market is not based on an essential identity that can only be fulfilled by

agricultural production, but rather on capability to participate in the market on their own terms.

Because of the importance of land, belonging and status in the community, women in the hamlets are limited in their capacity to take up the opportunities offered by gender inclusion legislation. They have to fulfil their duties as members of Aymara speaking communities at the same time as being effective in the Spanish-speaking cities and formal institutions. They need to be linguistically and culturally bilingual and fight on two fronts to maintain status in the community and access the mainstream. Taking advantage of the opportunities which could be of benefit but do not fit their worldview could constitute an extra burden of labour.

The fact that the majority of people in Luribay travel on a weekly basis to nearby cities, and may have family properties in El Alto, also belies the categories 'rural' and 'indigenous'. There is also a lot of migration for work, for example to Argentina or Buenos Aires. Whereas within Luribay itself there are clear distinctions between people who live in the Town or the hamlets, people who engage in land-based production or commerce, and people of European descent, these differences in the city are subsumed under the words 'indigenous' or 'peasant'. Migration is affecting the family structure and ideas of development in Luribay are influenced by people who have spent a long time in the city and then return. People from Luribay have fluid identities as they move from rural communities to urban areas and manage the different priorities and identities occurring in the mainstream.

Another group in Luribay's population is '*Residentes*'. *Residentes* are people who were born in or have family in Luribay but who live in the city, mostly La Paz, but also other Bolivian cities such as Oruro and Cochabamba, as well as foreign cities, mostly Sao Paolo and Buenos Aires. *Residentes* come to the Town for its *fiesta* on the 16th of July, the Town's patron saint day. Some *Residentes* have second homes or even businesses in the Town and some attend the credit meetings. There is a continued connection between Luribay and *Residentes*. There is a *Residentes* association in La Paz which raises money for Luribay.

They emphasise their indigenous roots and come back to Luribay for *fiestas* in which they dance traditional Aymaran folkloric dances. *Residentes* may be in a better position to take advantage of the opportunities offered by legislation and interventions aimed at women's and indigenous people's inclusion. They are fluent in Spanish, are educated, and have the safety net of property in La Paz to allow them to take up opportunities in the developing free market in the valley. Some *Residentes* own businesses in La Paz and divide half of their time between the city and Luribay. There is also a hamlet which has new brick-built houses with showers and bathrooms especially for *Residentes* who want to have property in Luribay, but it is rare that *Residentes* own land in Luribay or engage in commercial production.

There are two religions in Luribay: Catholic and Protestant. People throughout the valley of Luribay define themselves as either Protestant or Catholic, although many question Christian images of God with reference to the indigenous beliefs in *Pachamama* and animism. Of the population of the municipality of Luribay, 67% define as Catholic, and 24% as Protestant. The imposition of Christianity, both Catholicism and Protestantism, is sometimes given as an example of the oppression of indigenous people in Luribay. The Catholic Church in Luribay is an example of the way that Catholicism fits in with local traditions, and is an important part of life in the valley, but is still seen as Spanish colonialism. There is one Catholic Priest in Luribay, appointed by the Catholic Church and he is always someone from outside the valley. The priest is hired for weddings, baptisms and ceremonies throughout the valley. Catholic masses coincide with *fiestas* in the Town and the hamlets, which are held on saint days. The sermon is in Spanish. People in Luribay who identify as Catholic nevertheless continue Aymaran traditions and belief in the *Pachamama* (Mother Earth), and see their Catholicism as a fusion of two different cultures.

The way that religion is celebrated in the Protestant Churches in Luribay suggests that an indigenous identity is also compatible with the Protestant religion. Protestant masses are held in Aymara by local pastors. The hymnbook is in Aymara and hymns are played on traditional instruments. Protestants in Luribay join in with public works for example cleaning the irrigation canal and

maintaining the roads. They prioritise land and participate in the union. They also engage in *compadrazgo*, and not necessarily all the family converts, so some of their kin network is Catholic. They go to *fiestas* and organise *fiestas* of their own, although they do not drink or dance.

The clearest sign of Protestants' difference is that they do not drink or dance. Drinking alcohol is significant in Aymaran culture (Arnold *et al.* 1992). Alcohol is a gift whenever a request is made and is used to bless the start of any new venture by offering alcohol to the *Pachamama*. Alcohol is used to toast family and friends who are no longer present. Sharing alcohol in *fiestas* is a way of extending and reconfirming friendship. Several people insisted that they teach me how to drink the Bolivian way which involved buying a bottle and taking a glass around the group of people you're with. Not to drink could be seen as an explicit rejection of Aymaran culture, and could imply being excluded from exchanges of various kinds of capital.

Government in Luribay

The Municipality

The Municipality is based in the town hall and represents the whole of the valley of Luribay. There is a mayor and five councillors elected as representatives from national political parties. The mayor represents the political party *Unidad Nacional* and the councillors are from other parties, MAS, *Movimiento Bolivar*, Podemos and CONDEPA (*Conciencia de la Patria*). According to the LPP, 20% of the national budget is devolved to the Municipality (Kohl 2003b). Two of the five councillors have to be women according to LPP quota legislation and there is a locally elected oversight committee. Every three months the Municipality holds an all-day meeting to report to the OTBs and the oversight committee on the previous quarter's activities.

This meeting is attended by all of the municipal staff. Union representation to the Municipality of Luribay is the Central AU, which is made up of thirteen Sub-Central unions. These unions are associated with the CSUTCB (*Confederación Sindical Única de Trabajadores Campesinos de Bolivia*), and the COB (*Central Obrera Boliviana*) at national level. As per the LPP, members of the Sub-

Central participate in Municipal decisions.. Every three months there is a meeting between the Municipality and representatives of the Sub-Central. The cantons are split into Sub-Central Unions, which are in turn split into AUs which represent the hamlets (see Figure 5 above).

Staff in the Municipality wear Western dress, have graduated from city universities and several have permanent homes in La Paz. The offices are based in the Town of Luribay, where the majority of the meetings are held. The activities of the staff are predominantly bureaucratic. There is hence an urban bias in the kind of skills needed to work at the town hall. The women who work in the mayor's office at the time of my research were young, single, childless and have an urban education, suggesting that work in the mayor's office is perhaps not commensurate with women of Luribay's schedule, based as it is on land.

Demands for action and complaints are put to the AU and Neighbours' Assembly, and many people expressed confidence in their effectiveness. But people living in both the Town and the hamlets of Luribay seemed suspicious of the people working in the mayor's office and of the relevance of the political parties to their lives. It was often said that the mayor '*está de turista por aquí*' (he's just a tourist here). Corruption was less alleged than assumed: several people told me that the main aim of political office was to siphon off enough cash to buy oneself a house in Cochabamba.

Organisaciones Territorias de Base: Agrarian Unions and Neighbours' Assembly

Each locality is represented individually in the hamlets by an AU, and in the Town by a *Junta Vecinal*, or 'Neighbours Assembly'. These organisations were created after the land reform of 1953 did away with the *hacienda* system. Neighbours Assembly is the term used in urban areas and the cities, whilst AUs are in rural areas. These organisations were imposed upon the indigenous organisations, the *ayllu*. In some places in the Altiplano, particularly in Northern of Potosi, the development of AUs was a mainstream imposition on indigenous culture (Rivera Cusicanqui 1990). However, in Luribay this does not appear to be the case. This is because in valley areas Spanish colonisation was more

widespread, and by the time of the land reform there had already been a break with the tradition of the *ayllu*. As the 2004 Municipal report states: ‘ The presence of the *ayllu* in the valley area [of the municipality of Luribay] is almost nil and in the Altiplano the tradition continues but is merely symbolic...In the Municipality of Luribay the dominant organisations and the organisation which most represents the population is the AU.’ (PDM 2005: 144)

Although women have limited participation in the community AUs, it is not an absolute rule that women cannot take positions of authority. AU heads are elected on a voluntary basis, and it is often the case that no one wants to volunteer because they cannot commit the time. There is one community where the head of the Sub Central is a woman. This woman is older, widowed and her children work in the city. It may be more difficult for women who have to devote time to their husband and family to be able to participate in the AUs at a high level.

However, the AU is headed by people from the community with land and family in the hamlet. This means that women have influence with the AU, albeit informally. Community discussions and concerns, or land disputes and complaints will reach the ears of those in charge because they are living and working in the same space and to some extent share their priorities. In this way the AU is a more accessible institution to rural women than the Municipality, which is geographically and culturally distant.

The Neighbours’ Assembly has a similar role to the AU. There are people responsible for disseminating information from the Municipality and people responsible for maintaining the infrastructure, as in the AUs. However, the Neighbours’ Assembly also has a more commercial role. The Town hosted several district wide events while I was there, including a celebration on the occasion of the anniversary of the department of Loayza and a car race. For these events the neighbour’s assembly organised the people in the Town to provide enough food. People in the Town also took this opportunity on an individual basis to sell food.

The same term, 'Neighbours' Assembly' is used for the equivalent organisation in the cities. There were also political elements to the distinction. The AUs at a national level organise blockades and demonstrations against modernising reforms which they see as threatening their rural livelihood, that is work on the land. Those in the Town, where the economy is still based on land but has more commerce, perhaps wanted to disassociate themselves from this and so decided to call themselves 'neighbourhood' assembly.

Justice Institutions

There is a dual justice system in Bolivia: community justice and ordinary justice. The formal state institutions administer ordinary justice and the local authority administers community justice. The institutional framework is significantly different in the Town and hamlets. The Municipality has a quota for women councillors, and the meetings held to communicate Municipality activity to representatives from the Neighbour's Assembly and AUs are held in the Town. The Oversight Committee, to whom the Municipality is accountable, is also based in the Town. In the city, there are more institutions developed on the basis of defending people rights, including a Defender of Children and Adolescents and a Women's Defender. The policeman and the public notary told me that there was very little crime in Luribay and they spent most of their time sorting out land and property disputes. Serious crimes are handled by the Municipality but the AUs want to take over this responsibility. The professionals administering ordinary justice are based in the Town, whereas community justice is administered by the AUs.

These systems co-exist and people can use both of them, but there are barriers, particularly on the grounds of ethnicity. Ordinary Justice is associated with the *criollo* mainstream and community justice with indigenous culture. There are barriers for indigenous people in accessing ordinary justice. Successfully making a complaint involves negotiation with people one knows, and with whom one has influence. To people from the hamlets, staff in the Municipality are seen as less trustworthy than members of the AU. As outsiders they could not be held to account by those in the community in the same way. There is an unsolved

murder case in the valley, which several people cited as an example of corruption in the ordinary legal system.

The gendered barriers in the justice systems depend on ethnicity. Crimes against women do not receive the attention they deserve in either the ordinary or the community justice system. Whilst it is acknowledged that domestic violence is widespread, it is not seen as a crime (Harris 1978). One attempt to bring a harassment case against male staff in the municipality resulted in the plaintiff losing her job. General opinion was that this case would have been more successful if she had got a male relative to intervene rather than using the law. For indigenous women formal laws and rights may be less accessible than ordinary justice due to the discrimination they face and the dependency on personal connections to make an effective complaint. Women have more influence in the community and more faith in justice there.

Nevertheless, there is an explicit codification of gendered crimes in the Ordinary Justice system which does not exist in Community Justice. Domestic violence, sexual harassment, abandonment and rape are formally illegal, and there is theoretical concern that women will not be able to access these rights in countries which have legal pluralism (Okin 1999; van Cott 2000). According to the LPP there should be a Women's Defender permanently in Luribay. This was not always the case, for example during my fieldwork period the women's defender was only there during the last week. Several of the people I knew in Luribay had complained to the women's defender about their husband's violence, and had said she was effective.

CONCLUSION

In this chapter, I have discussed gender and ethnicity in Latin American in general and specifically in Bolivia since the revolution of 1952. I highlighted the importance of the intersections of gender, ethnicity, class and rurality in an area as diverse and stratified as Latin America, and explored how the various political movements in Bolivia have overlooked these intersections. Women have tended to be constructed as wives and mothers, and have been given social assistance on that basis. Union and state socialism obstructed women's participation in the

political sphere. Market liberalisation has increased women's household burden of labour in the household and the community, as they have made up for the shortfall in social rights. However, it also offered women opportunities, their market participation increased, as did political mobilisation and women's activity in NGOs.

Political movements in Bolivia since the revolution have been based severally on class and ethnicity. The Marxist revolution was based on class, but the peasants' growing dissatisfaction with the *mestizo* basis of successive governments led to the Katarista movement based on demands for recognition of indigenous culture and rights. Women participated throughout this process, but were marginalised as both the revolution and Katarista movement were spearheaded by male dominated unions. The 1994 *Plan de Todos* ensures women's participation as well as decentralisation to rural areas and recognition of the pluricultural nature of Bolivia. However, the different barriers to participation faced by women are not taken into account. Whilst middle class, urban women may be in a position to take up these opportunities, rural women may not. The existing barriers are mainly women's time for participation, as rural women have a double and triple burden of labour, and that decentralisation may bolster local, patriarchal hierarchies.

The purpose of this discussion of Bolivian history and political movements has been to better situate Luribay and the dynamics and categories which are found there in the broader discussions of social inclusion and citizenship in Bolivia. As Luribay is a valley, it is not as politicised as the Aymaran Altiplano. The differential impact of colonialism on the valley means that ethnically and culturally there are differences within Luribay itself, along the lines of rurality and urbanity, and European and indigenous culture. These differences mean that the predominant discourses of indigenous inclusion, which overlook differences of rurality and urbanity, and religion, will have a differential impact within the valley itself. Furthermore, people travel constantly between the valley and the city and so cannot be neatly categorised as rural.

These differences are not only cultural but also institutional. The differences in infrastructure between the Town and the hamlets means that access to and trust in mainstream institutions may be more common in the Town than in the hamlets. The Neighbours Assembly represents the Town, while AUs represent the hamlets, indicating cultural and political differences, as well as ethnic implications as rurality is associated with indigenous culture.

How the market and development are strategised in Luribay will form the context of the present exploration of women's use of microfinance in Luribay. In the next chapter I will look at development NGOs working in Luribay and how they are trying to engender sustainable, market-focussed development. I will look at the financial services available to *Luribayeños*, and in that context examine in more detail the MFI functioning in the municipality, Prestec.

Chapter Four: The Financial Institutions and Microfinance in Luribay

People in Luribay mainly need credit because of the seasonal nature of their work. Whilst in summer people have money from selling their produce, in winter there is need for investment, for example in seeds to plant the next year's crops, and money is in short supply. Stories of people being in debt and how they overcame the associated problems were quite common. There were also stories of how borrowing money from banks allowed people to move forward. On the other hand, everyone had a tale of someone they knew who had lost their land or their house because of the amount of debt they were in. Prestec had been working in Luribay for six years at the time of my research. One of my research questions addresses how the MFI fits into the institutional framework in Luribay, and I will go on to explore whether Prestec is addressing or compounding the problems of liquidity and credit and debt in Luribay. This involves examining the options and variables which differentiate the financial services on offer in Luribay.

There are several ways for *Luribayenos* to access financial services. The only public financial institution operating in Luribay is Prestec, but there are other formal lending institutions accessible in El Alto, La Paz, and other large towns on the La Paz-Oruro highway. These include banks and other MFIs. These are accessible, as people in Luribay travel often, sometimes on a weekly basis. Money lending between private parties in the valley is often formalised with a contract stipulating interest rates and manner of repayment. The local authority, either the AU or the Neighbour's Assembly, oversees this contract. Besides formal sources of credit there is lending within and between families. There are also forms of lending known as *arriendo* (land lease) and *anticresis* (credit in exchange for use of land) notarised by the AU, which are traditional in the Andes. These informal sources of credit vary in terms of interest, schedule of repayments and amount of credit offered.

The idea behind microfinance in terms of development is that people have a 'human right to credit' (Robinson 2001: 25) and where there are no formal

financial services people are liable to be exploited by usurers (Robinson 2001). This may be presumptuous, as other forms of credit tend not to be analysed by MF institutions (Johnson and Rogaly 1997). Indeed, the presence of various informal sources of credit has been taken to explain the relatively rare occurrence of usury in the Andes (Lagos 1994).

In this chapter I will outline the financial institutions, formal and informal which are accessible to people in Luribay. I will also describe the other NGOs in Luribay and the relation they have to people's need for credit and the development of rural civil society. I will then describe Prestec in this context and explain the kind of structure it has, its aims, funding, and lending and training methodologies. As I explained in Chapter One, this study is not intended to be an impact report of Prestec's interventions, but an examination of how women in Luribay use and reflect upon the microfinance facilities available to them. The MFI in Luribay by happenstance is one that uses the village banking approach to microfinance. I am giving details of the institution in order to provide context for the way the women in Luribay participating in Prestec's credit groups are using the financial facilities offered and how they are reacting to the particular lending technologies used and the joint social and economic aims of the village banking approach⁶.

Luribay itself is quite isolated from formal financial institutions and there are no public financial institutions with offices in Luribay itself. However, as *Luribayenos* travel frequently, public financial institutions including banks, MFIs and NGOs offering credit are available to them. These institutions have offices in El Alto, La Paz, and two towns on the way from Luribay to the city of La Paz: Patacamaya and La Huaxaca. In choosing which institution to use, the variables considered by people in Luribay generally include interest rate, required collateral, repayment term, distance to travel, group meetings and training.

⁶ Giving details about the MFI raises dilemmas regarding the anonymity of the institution. Prestec is a pseudonym. My main concern, as this is not an impact report, is that the people involved in Prestec are not identifiable, so I refer to them by role terms. Please see Chapter Five for further explanation of confidentiality and anonymity

PUBLIC FINANCIAL INSTITUTIONS IN LA PAZ AND SURROUNDING AREA

Commercial Banks

Banks in the city operate on traditional banking principles of savings and loans facilities funded by savings held, shareholders, and stock market activity. The banks in the city have favourable interest rates, starting as low as 7% pa, which is far lower than Prestec's rate of 24%. However, the banks demand different guarantees for loans, most often deeds to property. There is great risk involved in securing loans against property, and there is an association of debtors in La Paz fighting against the banks' power to repossess property (Rivera Cusicanqui 1996).

Banks and other institutions in the city may discriminate in terms of gender, ethnicity and rurality. The banks tend to presume that the man owns the land. However, the collateral required, normally deeds to property, discourages some and excludes those without property in their own name. Due to the gender biases in land reform this systematically excludes some women. It is also the case that some people do not have official deeds to their land as they live quite far from the cities where this paperwork has to be carried out, and/or are excluded by rurality and language. Some people also find bureaucratic procedures frustrating. Others find the forms and paperwork they are required to fill out confusing. Some banks offer loans in dollars rather than Bolivianos. Although this has the advantage of being in a hard currency, if repayments also have to be made in dollars then people earning bolivianos in the informal market may lose on the exchange rate. These direct and indirect forms of discrimination are experienced disproportionately by rural people, indigenous people and women. They put this down to the fact that they are *de pollera* and appear rural (cf Gill 2000: 148).

One bank, Banco Sol, does have the alleviation of poverty as an objective. Banco Sol split from the NGO Prodem, becoming a commercial bank. It is now a sizeable institution which takes voluntary savings. It charges an interest rate of 7% pa. Although Banco Sol operates as a commercial bank, it targets people who are considered too high risk by other banks, reflecting its poverty targeting aims. Banco Sol has moved on to lending to individuals and offering house and car

credit. It still offers small loans to groups of three or four microentrepreneurs, with the aim of building up credit-worthiness (Banco Sol, no date). Its impact on poverty has been assessed by Mosley (1996; 1999) and Navajas et al. (1998;2000). It has been argued (Navajas et al. 2000) that Banco Sol only reaches the ‘entrepreneurial poor’, and that depth of outreach has been sacrificed for sustainability.

There are people in Luribay who do access and use formal banking services in the cities. They have sufficient land to be able to offer the deeds as collateral against a loan. People would often talk about the bank loans which allowed them to build houses in El Alto. For example, Don Nestor told me about how his father had taken out a loan from the bank to build his house in El Alto. By working on his land he was able to pay back the bank little by little over a period of ten years, and now the house is finished and the extended family live there. This loan was obtainable because Don Nestor’s father put up the deeds to his land as collateral. The interest rate in this case was 1% per month, a rate lower than that accessible to women through Prestec.

Other MFIs

Prestec is one of several MFIs in the area but before describing it in detail, I will first provide a brief account of the others. The MFIs accessible to people in Luribay in the nearby towns of Patacamaya and La Huaxaca are FADES (Foundation for Alternatives in Development) and Prodem. These institutions have different lending models which make them accessible to different sectors of the population. Prestec sees these institutions as competition and make reference to the other institutions’ terms in their sale’s pitches to group meetings of prospective beneficiaries.

FADES, specialises in providing loans to microenterprises and associations, but has also diversified into lending to groups and individuals. Group loans are made to groups of 3-5 families and both these loans and individual loans are given on the basis of material or hypothecary guarantees. The interest rate is lower than that of Prestec: in 2000 it was 1.8% per month (Zoom Microfinance

2000), but the loan is given on a compound interest rate. FADES does not offer training, and beneficiaries have to travel to the branch to make repayments.

Prodem is an FFP (Private Finance Fund) which, after creating the commercial bank Banco Sol, decided to specialise in rural areas (Rhyne 2001: 116).

Although other MFIs work in rural areas, for example FADES, Sartawi, Crecer and ANED (Rhyne 2001: 163), Prodem is unique in that it seeks to provide sustainable microfinance to rural areas; the other institutions rely on donations. Prodem's solution to the challenge of rural finance is to lend to groups and to help them develop the market and the technologies needed for their enterprises (Rhyne 2001 : 164). They also develop knowledge on likely yields of crops and rural commerce, so they can realistically rate the risk involved in the loan. (Rhyne 2001: 165).

However, FADES and Prodem are only available for those prepared to offer a material guarantee. FADES does not focus on women and the percentage of female participants was 37.2% in 2006 (Mixmarket, no date, a). Prodem does not target women either, but has a higher percentage of female participation, at 50.5% (Mixmarket, no date, b). Both institutions offer larger amounts of money than those available from Prestec to individual microentrepreneurs. The average loan for FADES in 2007 was \$989 (7912 Bs.) (Mixmarket, no date, a) and \$1737 (13,896 Bs.) for Prodem (Mixmarket, no date, b). These institutions both assess the viability of the business as well as the individual's credit-worthiness. It may be that for women, who tend not to own deeds to land, there are systematic barriers to accessing loans from FADES and Prodem.

The disadvantages of taking loans from FADES and Prodem, according to Prestec, are that people have to travel to these banks to borrow and make repayments and they ask for deeds. However, women weigh up the advantages and disadvantages of going to the MFIs outside of Luribay and some find that they are more suitable than Prestec. Firstly, they are travelling to and from the city to sell anyway, often on a weekly basis, and can easily stop off in the towns of Patacamaya or La Huaxaca to make repayments or borrow money. Some prefer these banks because the interest rates are lower. Prestec highlights that the

advantages it has over FADES is that it offers training and personally visits its clients. The fact that there are no group meetings with FADES is seen by some Luribayños as an advantage, as they hence save time. If people are obliged to travel anyway, a local bank may not be seen as sufficiently more convenient to warrant the higher interest rate.

LENDING SERVICES IN LURIBAY ITSELF

There is a lack of sustainable industry in Luribay which means that a lot of the MFIs which focus on rural areas are not there, for example Prodem or Agro Capital. There are however other ways to access credit in the valley. In this section I will describe the other financial services in Luribay, before looking at other NGO interventions and then exploring Prestec's operations in more detail.

Private Lending Arrangements

As well as borrowing from friends and family, the AU can formalise private lending from moneylenders via a notarised contract. This means that the AU and the community justice system can be called upon to enforce collection of the debt. There are traditions of *arriendo* and *anticretico*. *Arriendo* is a land lease and *anticretico* refers to credit in exchange for usufruct rights to land (Lagos 1994: 90). These forms of lending can also be notarised by the AU.

Arriendo is a temporary land lease (Lagos 1994: 90). Land is given over a specific period of time and rent is paid in produce or the profits from the produce. People without land in Luribay are obliged to rent land as otherwise they cannot produce crops either for subsistence or sale. The aim is always to buy land, and people are prepared to emigrate to do this. Those without land tend to lease land from relatives or *Luribayños* who have emigrated to the city and no longer live from the land. The riverbed, which is dry in winter, is considered communal land and is divided up among families who are affiliated to the AU. This land is used to grow peas. Only landowners are affiliated to the AU. Some people choose to rent their section of the riverbed to people who do not have land, under the terms of *arriendo*.

Anticresis is ‘property given in usufruct against a loan’ (Lagos 1994: 90). This is interest-free, but if the person who owns the land cannot pay back the loan, they forfeit their land. This could be exploitative, as the value of the land is worth more than the loan, but the fact that there is no charge associated with the loan, and its flexible repayment schedule mean that some people still prefer this form of lending to formal sources of credit. Nevertheless, the risk involved is in some cases disproportionate.

Although it is said that these informal forms of lending are not necessarily exploitative, credit relations do create tension and reflect power dynamics which have existed in the valley since colonial times. Credit tends to be given by people in the Town who generally have more liquidity than those working the land in the hamlets. This means that when people ask for credit they are recreating the power dynamic between urban and rural, white and indigenous that existed in the *hacienda* era. It has been argued that credit relations, predicated on power hierarchies of the *hacienda* era, are creating class differentiation, as capital markets extend in the Andes (Lagos 1994).

NGOS IN LURIBAY

The NGOs functioning in Luribay are Sallimi, Save the Children, Promarena and OMAK (*Organización de Mujeres Aymaras de Kollasuyo*). Most of these are working towards market-focussed development and food security. Their projects to some extent overlap. Food security programmes promote market sustainability and support food production for the market, in order to stabilise income over the year and promote liquidity. Promarena, Sallimi and Save the Children offer programmes which increase production and food security. Their staff members are agronomists. They work with ‘productive communities’ in each hamlet, holding meetings to give training on pruning, and they sell fertiliser and pesticides. They run training courses, oversee management of the orchards and also organise trade fairs in La Paz. The training courses are run via the AU. As with AU meetings, each household affiliated to the AU wishing to participate in the project has to send one member to the NGO meetings. This would traditionally be the male ‘social face’ of the household, but due to out-migration

many women attend. Quite a few NGO professionals emphasise the importance of targeting women, citing the phrase ‘he proposes and she disposes’.

Save the Children is involved in marketing initiatives, including peach trade fairs in La Paz and Santa Cruz, and contacting and negotiating with supermarkets to enable producers to sell to them directly. They employ two agronomists, one for each side of the valley, and two marketing experts. They established a peach fair in La Paz to market the fruit directly and so cut out the middleman, allowing producers to earn more. There was talk of the possibility of a supermarket based in La Paz investing in a road to the city from Luribay in order to ensure better delivery of the product. Part of the agronomists’ job is to promote market sustainability and market-focussed production. Making the valley sustainable has been a challenge ever since a disease entered one half of the valley and destroyed the grapes there in the mid 1990s. The NGO agronomists are also looking to support production during the winter. To this end they promote growing peas in the dry riverbed which necessitates the purchase of fertiliser and other chemicals for the plants.

Save the Children runs health programmes for mothers and infants and there is a fulltime nurse in the valley advising mothers on child nutrition and health. Although this is focussed on mothers, the nurse emphasised to me the importance of involving men in the programme. Save the Children also works in collaboration with the municipality to improve infrastructure in the valley. Save the Children secured funding to lay a water pipe from Taucarasi to the Town. This was provided on condition that the municipality pay a proportion of the costs. During my fieldwork, a topographer was doing preliminary work on this pipeline.

Two other organisations were working on market-focussed projects in Luribay during my research period. Sallimi, an NGO based in La Paz, also employs an agronomist and is working on behalf of FDTA *de los Valles*. The FDTA (*Fundación para el Desarrollo Tecnológico Agropecuario*) is a national institution responsible for increasing the Bolivian export sector. Its report on Luribay examines the possibilities of expanding peach production for export. To

this end, the agronomist from Sallimi oversees production and runs courses on fruit production.

Promarena (*Proyecto de Manejo de los Recursos Naturales*) is supported by the Ministry of Human Development and encourages particular projects to increase market activity. During my research period they were promoting flower production to sell in markets in La Paz. Promarena's objective is to improve the management of natural resources in the Chaco area and the Interandean Valleys. This involves capacity building of local organisations. The local organisations have to pay 10% of Promarena's costs. The interventions involve training courses and competitions, including a competition for building the best kitchen, and land and water management.

OMAK targets women and runs courses on political awareness, identity cards, and, legal pluralism, among others. They have also acquired funding to support members building a women's centre in the Town. Although OMAK runs microfinance projects in other parts of the country they have not yet introduced microfinance in Luribay, citing lack of funds. They initiated a project to make jam for women in the valley the year prior to my arrival. This project was also exposed to the whims of the market. The women involved in it explained to me that the previous year the price of sugar had shot up and they had lost money. Despite the marketing efforts of the NGOs and the peach fairs in La Paz, the jam had not sold well enough to make back the money spent on ingredients.

People in Luribay have experience with the possible failings of the market and are cautious about entering entrepreneurial NGO projects. Two NGO projects to produce and sell peach jam the year previous to my fieldwork had gone awry, and people in the communities were reluctant to take on the risk again. People's priority is their own land for subsistence and production. Communal projects take second place to the essential activities of working on the family's own land. In order to reach an agreement with the supermarkets, the members of the cooperative would have to register as a legal entity. This is a very time consuming exercise and some people do not think it is worth the investment of time and effort for a project which has no guarantee of success.

All of these projects incur costs, including treatments and fertilisers which are sold by the NGOs at cost. Given the lack of liquidity, beneficiaries in Luribay are reluctant to invest any more than is necessary, and resist for example purchasing more expensive but more eco-friendly fertiliser. These market-focussed projects do not offer credit as part of the package. It is part of the free market ethos of the FS approach to microfinance that the credit should not be directly connected to an activity.

Group meetings from NGOs are a big part of the schedule in Luribay, and it is often women who attend, either because of maternalist targeting or male out-migration. Given that all of the NGO interventions are market-focussed, the institutions to support risk and alleviate women's burden are limited. In a context where all the NGOs and government agencies are focussing on production, the safety nets and social rights to support market activity are lacking. Women may not have the time to invest in communal projects, as they are involved in household and community labour to make production possible. People in Luribay also may be reluctant to shoulder the risk of entrepreneurial activities, and there may be insufficient socialisation of risk.

PRESTEC⁷

Background/history

The only formal MFI in Luribay is Prestec, which specialises in credit to rural areas and to the poor. The vast majority of its clientele are women but widowers can also join. It started projects in Luribay in 2000. In 2006 there were 26 groups in the valley, with a minimum of nine members in each. The first time Prestec came to Luribay was in 2000 when a promoter visited people with shops in the Town and hamlets near the road, and suggested that they might be interested in an NGO which aimed to set up banks for women. During my

⁷ Prestec has been assessed by Finrural, which does impact assessments on the whole NGO MFI sector, internal reports, Ohio State University which has assessed many MFIs in Bolivia, and researchers looking at the MF sector as a whole. There have also been qualitative investigations from beneficiaries' point of view. There is no feminist assessment, although elements of the other assessments coincide with this agenda. Due to confidentiality agreements, I am only using material which is available in the public domain.

research period, there were 26 credit groups in the hamlets on both sides of the Town and in the Town itself. The promoter in 2006 had a target of 30 groups.

Prestec is a national institution which targets women and rural areas. It has 90,000 women beneficiaries in 7 provinces: La Paz, Oruro, Cochabamba, Chuquisaca and Potosi, Tarija, Beni, Santa Cruz. The head office is in La Paz. Its operations are targeted to rural and peri-urban areas, with 70% of its interventions in rural areas. Originally, Prestec was sponsored by its parent organisation, a large international organisation based in the USA. Prestec became independent in 1999. Currently, it is evaluated on both the economic and social effects which credit has on the well-being of women and the household, as well as the sustainability of the institution.

Prestec has grown from being an NGO with credit programmes to one of the most successful village banking institutions in the world. Prestec was originally sponsored by a large international aid organisation but is now an independent entity. Its main sources of funding are from overseas charities and governmental aid agencies, and grants and soft loans. Most of the external funding is designated for outreach operations, but some is used for educational programmes. Its client base has increased steadily since its inception and its holistic approach to microfinance helped it to withstand the Bolivian economic crisis of 2001 and ensure client loyalty (Velasco and Marconi 2004). It has been able to reduce interest rates, as its sources of funding and access to soft loans have grown with its reputation.

Prestec's Aims and Philosophy/Approach

Prestec has a 'double bottom line' of financial sustainability and social impact, and has won awards for its innovations in making these two elements compatible. It aims to capitalise beneficiaries and empower women with access to financial services and training. It lends to groups of women, based on a solidarity group guarantee, and members pay back at biweekly or monthly meetings. In this way, Prestec aims to create a village bank run to a certain extent by the beneficiaries themselves with minimal supervision from and dependence on the bank. Prestec recognises the importance of training and

subsidising credit whilst the bank develops. Prestec's social vision of development includes community development and women's empowerment via belonging to a social group, increased business acumen and social mobility. With a village bank methodology that combines financial services with education, Prestec aims to build sustainable institutions which can be administered to a large extent by members, and so also achieve its social goals of poverty alleviation and women's empowerment.

Type of Services and Loans

Prestec offers its beneficiaries credit, savings facilities and training. Loans are given on the basis of a group guarantee. The loans are between 500- 8000 Bs. (\$62.5- \$1000 US)⁸. There is a certain amount of obligatory savings as well as the facility to save voluntarily. The initial loans are 500 Bs. (\$62.5 US), and these can be increased gradually each cycle. Repayments are made in biweekly and monthly meetings. The cycles are 6 months or 8 months, and the meetings are either biweekly or monthly. The first cycle must be six months with meetings every two weeks. If deemed appropriate by the promoter and requested by the group, they can subsequently move to an eight-month cycle with monthly meetings. The treasurer in the group keeps the money until Prestec collects repayments in meetings 6, 9 and 11 of a 12 meeting cycle.

Prestec Loan Terms

Loans are given on the basis of a joint liability guarantee. The capital is given by Prestec to the entire group. Individual loans are given from that capital, but the group on the basis of the agreement of two guarantors. Individual creditors are also asked to name objects as collateral, but no papers are given and the loan is enforced by peer pressure. In case of default, the guarantors have to pay, although they can use the defaulter's savings. Whether or not they attempt to recover the named collateral is up to the guarantors.

⁸ The Price is given in Bolivianos (Bs) at the time of my research the exchange rate was 8 Bs. to the \$US. People in Bolivia are fluent with both currencies and tended to refer to \$ US when talking about large amounts, over for example 200 Bs. (\$25 US).

The loan needs to be paid back gradually over 6 months at bimonthly meetings. As well as the credit, the MFI has compulsory savings and internal loans in order to build up the internal fund of the village bank, which the beneficiaries administer during the cycle and from which internal loans are taken. In order to access the loan, there are obligatory savings of approximately 10-15% of the loan amount. The quota to be paid back in meetings consists of repayment on the loan, interest and obligatory savings.

Figure 7 below shows how the amount to be paid at each meeting (referred to as 'quotas'), are calculated, using the examples of 500 Bs. (\$62.50 US) and 1000 Bs. (\$125 US). At each meeting, either biweekly or monthly, the quota has to be paid. The quota is made up of obligatory savings, which will total at the end of the cycle approximately 30% of the loan amount⁹. The interest rate was 2% a month during my fieldwork. Those paying back at biweekly meetings pay back 1% of the loan every meeting (which is equal to 2% a month). Those taking the loan out over 8 months pay more interest overall, as they have the loan over an 8 month period, but they have fewer meetings.

Figure 7 How the quota is calculated

Amount borrowed		500 Bs. \$62.50 US		1000 Bs. \$125 US	
Length of cycle		6 months/12 meetings	8 months/8 meetings	6 months/12 meetings	8 months/8 meetings
QUOTA PAID PER MEETING	Obligatory savings	13 Bs. \$1.63 US	28 Bs. \$2.25 US	26 Bs. \$3.25 US	50 Bs. \$4.38 US
	Interest 2% month	5 Bs. \$0.63 US	10 Bs. \$1.25 US	10 Bs. \$1.25 US	20 Bs. \$2.50 US
	Repayment of capital	42 Bs. \$5.25 US	62 Bs. \$7.75 US	84 Bs. \$10.50 US	125 Bs. \$15.63 US
	Total quota paid each meeting	60 Bs. \$7.50 US	100 Bs. \$11.25 US	120 Bs. \$15 US	195 \$22.50 US
Total paid in quotas over whole cycle		720 Bs. \$90 US	800 Bs. \$100 US	1440 Bs. \$180 US	1560 Bs. \$195 US

⁹ The savings amount is approximate to make the quota a round number.

Figure 8 below shows the total amount paid over the course of the cycle, using the same examples as above. The interest rate is 2% a month, and so the total amount of interest paid depends on the length of the cycle. The obligatory savings, including amounts paid initially and as part of each quota, are paid back to the beneficiaries at the end of the cycle.

Figure 8 Total amount paid over the whole cycle

Amount borrowed	500 Bs. \$62.50 US		1000 Bs. \$125 US	
	6 months/12 meetings	8 months/8 meetings	6 months/12 meetings	8 months/8 meetings
Total interest paid 2% month	60 Bs. \$7.50 US	80 Bs. \$10 US	120 Bs. \$15 US	160 Bs. \$20 US
Total paid to Prestec (loan + interest)	560 Bs. \$70 US	580 Bs. \$72.50	1120 Bs. \$140 US	1160 Bs. \$145 US

Internal Loans

Members can take out ‘internal loans’ from the capital which accumulates in between repayments to Prestec. The availability of the internal loan comes from the capital accumulated in the group through the repayments made during the cycle. These loans are intended to cover shocks, consumption needs and promote liquidity. Smaller sums can be taken out at an interest rate set by the group and repaid within three months. The internal loans also act as insurance in case of shocks or to cover consumption costs in winter. The idea here is that profit is thus generated within the group, which builds up the fund, alongside the savings. Borrowers are charged at an interest rate determined by the group. This is essential to the village banking technique and crucial to the long term aim of building independent banks. Internal loans require two personal guarantees and the loans have to be paid back before the next repayment to the bank.

The promoter encourages group members to set the internal loan interest rate higher than the interest for the original loan (24% pa). This capital is kept by the treasurer of the group and brought to each group meeting. The promoter takes back the capital at intervals during the cycle, and internal loans have to be repaid

by that date. The women set the amount of interest for the internal loan, and are encouraged to set the rate higher than that for the principal capital in order to generate profits. This is part of the village banking approach to microfinance that encourages the development of financial institutions with women's own capital.

Training

Training sessions are integral to the poverty lending approach and the community development commitment of Prestec. Training is considered of equal importance to the financial services. The training takes the form of 'educational themes' which are approximately 30 minute discussions led by the promoter. Originally the themes were related to health issues. More recently they have addressed the issue of women's rights. Prestec does not offer training courses in specific IGAs. These sessions generally take the form of a ten to thirty minutes 'discussion' (*una charla*), led by the promoter. The topics for the educational themes are decided centrally, with reference to surveys on their effectiveness conducted by promoters. As a result of these surveys, materials are prepared and the promoter implements them and adapts them according to necessity, for example translating Spanish materials into the local language. In some sessions these educational themes are also carried out via collaborations with other institutions, for example those looking at women's health.

Prestec provides training on healthcare and rights, emphasising that women have been denied their right to education and a voice in politics. Prestec does not consider itself a feminist organisation, but does run courses targeting women. The topics of the educational themes vary from courses on women's and children's nutrition and health, sometimes run in collaboration with specialist providers, to courses on women's rights, emphasising that women have been denied their right to education and a voice in politics. In Prestec meetings that I attended in Luribay the focus of the educational sessions was on women's rights. The sessions included 'self-esteem' 'human rights' 'women's rights' and 'violence against women'. Participating in the MFI itself is seen by some as a kind of training in managing money, which many women identify as a need. Despite evidence that there is a demand for training on IGAs and management of

money, Prestec does not see itself as a specialist in giving specific training and so limits its educational themes to discussions.

Establishment and Support of Groups and Group Cycle

Prestec targets rural and periurban areas which are isolated from financial services. It offers incentives to its promoters to extend the number of groups. Groups are established either by request from beneficiaries or from the promoter approaching people in the area. Promoters are encouraged to target rural areas near roads so that accessibility is not impossible for the promoter. The promoter approaches people who have businesses and encourages them to get a group together. This can be done at any time of year. It is up to the women themselves to select people they want in the group. They are encouraged to look for responsible people who they know will pay back. The fact that groups are self-selecting reduces Prestec's administration costs because they do not have to do prior assessments. Prestec does not research the impact of credit before starting up in a particular area. Promoters have incentives and targets to form new groups and members themselves form the groups.

Groups are self-selecting, and the IGAs of beneficiaries are not assessed by Prestec, although there is a stipulation that the activities are legal. Although the terms of the loan and the savings are not negotiable, beneficiaries can determine some elements of the credit provision. Members decide on the amount to charge in fines and interest on the internal loans. They also decide what should be bought communally with the profits made from fines and interest at the end of the cycle. There are also fines to promote liquidity, the amounts of which are set by the members on infractions determined by Prestec. These are: tardiness, absence, non-payment of quota, causing conflict. The idea of setting fines in general is to have more 'profits' to share among group members at the end of the cycle.

Those who were interested in the credit form banks of a minimum of nine people in order to access the credit. Once the group is established there is a '*promoción*' in which the promoter explains the terms of the loan and the advantages that Prestec has over other sources of credit: proximity, training, and loans in

bolivianos rather than dollars. If members agree they provide an identity card and a signature . The promoter also explains the joining fee and obligatory savings. Once initial savings and joining fees have been paid, the date of the opening session is decided and the promoter brings the total quantity of capital which has been requested by the group. Figure 9 below summarises who decides variables in the administration of Prestec’s loans, the group members communally, the individual members or Prestec centrally.

Figure 9 Decision making power in Prestec’s village bank

	Group	Individual Members	Prestec
Loan amount		X	
Interest rate on capital			X
Internal loans		X	
Interest rate on internal loans	X		
Initial savings			X
Voluntary savings		X	
Obligatory savings			X
Frequency of meetings			X
Time of meetings			X
Repayment schedule			X
Educational themes			X
Types of infraction			X
Fine amounts	X		
Board members	X		
Membership	X		
Membership fee	X		

At the opening session, the initial capital is distributed and the group votes on who to appoint to the board of directors. The money is sometimes blessed with ritual libations of alcohol, and the promoter advises women to invest the money in a productive activity. The board of directors is comprised of a president, treasurer, secretary, spokesperson and head of education. They represent the group to the promoter and are responsible for keeping money and filling out forms. The treasurer looks after the money in between collections from the bank; the secretary does the paperwork, collects loan payments, fills out books; the president is meant to oversee the meetings until the promoter gets there and can

take the initiative in some cases in approaching the promoter with complaints or comments from members. The spokesperson communicates bank decisions and the contents of meetings to members who missed the session. The head of education communicates the educational themes to members who are absent and sums up these themes before each meeting.

Meetings start with the president taking a register of who is present. Latecomers, absences without permission and those without the quota are fined. At each meeting a quota is payable, made up of the amount of capital to be repaid, a proportion of the interest and obligatory savings. The secretary counts the money and updates members' books and the paperwork for the bank. The treasurer safeguards the money collected between collections from the bank. Ideally the group members are able to complete these tasks, and the promoter's role is to supervise and check the paperwork.

At the end of the cycle, savings are returned to the individual members and profits from internal loan interest and fines are returned to the group. This occasion in some groups is celebrated with a roast. The profits are invested communally in, for example, cooking oil or sugar which are then divided by the group. Alternatively the groups buy something useful for the place where they hold their meetings, such as a clock.

CONCLUSION

In this chapter I have outlined the financial options available to women in Luribay and the way that Prestec fits in. Prestec is the only MFI functioning in Luribay but there are other financial services available to *Luribayenos*. Prestec's interest rate and repayment terms are unfavourable compared to formal banks in the city but, unlike the banks, they do not ask for material collateral. Their interest rate is lower than that of the moneylenders in Luribay who operate through the AU, but the repayment schedule does not suit the rhythm of production. Land lease is a more important institution, as it is needed for subsistence. *Anticresis* is interest-free, but requires people to stake their land. This situation is more complicated than that implied by proponents of the FS

approach to microfinance, who argue that extension of formal financial services will reduce usury (Robinson 2001; Rhyne 2001).

Prestec incorporates elements of both the FS and the PL approach to microfinance. Its social aims include community development and women's empowerment. It targets women for FS and PI reasons, and asserts that women's empowerment will come from increased market activity and income, supported by credit and training sessions on health and rights. Prestec's combines social impact with financial impact, and although is not sustainable at present, it has the potential to become so. Although Prestec's dual aims of economic and social impact preclude it from being entirely financially sustainable, there are elements to its intervention which promote the aims of financial sustainability. There is a very low default on loan payments and the internal loans act as a kind of quasi insurance.

Prestec has been assessed in terms of its social and economic impact and its potential to become sustainable. These reports have included quantitative and qualitative investigations and are carried out from different perspectives. Impact reports, documents illustrating the lending technology of the institutions, audit reports and internal impact reports on Prestec are publicly available. With a view to promote transparency in the MF sector, lending technologies and financial reports are available on line.

NGOs operating in Luribay are building capacity for the fruit producing valley to be more sustainable in terms of market participation. This market-focussed development strategy indicates that market participation is crucial to citizenship in Bolivia and is moulding rural civil society. Provision of credit and the need for liquidity is also a need. In the chapters that follow, I will explore the ways in which women participate in the market, and the way they use Prestec's facilities in this context.

Chapter Five: Methodology and Methods

This thesis has two axes: Aymaran women's ideas of citizenship and inclusion, and Aymaran women's use of microfinance. My research is premised on the idea that dominant theories of citizenship may not allow analysis of Aymaran women's views and may place them in a position of alterity with regards to citizenship norms (Jelin 2003: 310). I follow a feminist methodology which prioritises women's realities and participants' voices (Franks 2002; Haraway 1988; Harding 1991; Ling Lee 2001; Stanley 1990a). 'Theory is not placed in an imperial relationship to life' (Franks 2002: 3 quoting Stanley and Wise 1983: 204), but grounded in the worldview of participants. Research is a dynamic process wherein the aim is not to reveal objective truth or discover generalisable findings but to investigate participants' standpoints and everyday reality. The researcher's influence on this process is made explicit with the aim of making responsible, accountable knowledge claims (Haraway 1988: 583)

This research is cross-cultural, posing challenges to its feminist aims of allowing Aymaran women's voices to come to the fore, and exacerbating the ethical dilemmas present in feminist methodology. As a Western, Anglophone outsider, my worldview differs from Aymaran women's and is influenced by liberal and Western feminist discourses which may well 'other' Aymaran women. My knowledge of the Aymaran language is limited and I mainly communicated in Spanish, the colonial language. As my thesis is written in English, there is a problem of cultural as well as linguistic translation and thus of accountability. In addition, my presence as a white European associated with an international NGO may be compromised by the unequal power relationship between the researcher and the researched.

In this chapter, I outline feminist debates regarding epistemology and the ethics of research, how I incorporate these points, and theoretically and practically address the ethical issues raised in my methodology, and what effect my access and outsider status has on the research process. The standpoint (Haraway 1988) and positionality (Franks 2002) of both the participants and myself are important aspects of my research, as is a reflexive attitude to the research process (Stanley

1990b: 4). At each stage of the process my identity as an outsider was apparent and could never be entirely compensated for either at a theoretical or practical level. I describe the methods I use to understand Aymaran women's perspective on citizenship and how they use microfinance, and how Aymaran women's accounts and observations inform the theoretical frameworks used in analysis. Participant observation is essential in terms of grounding my theory, establishing rapport and overcoming language and cultural barriers. The experience and understanding from participant observation enabled me to carry out the 'conversation with a purpose' (Mason 2002: 66), as the qualitative interview has been defined, in a way which made sense to the participants and myself. I would not have been able to do this had I used interviews alone and not had experience, albeit as an outsider, of participants' lived realities and their language. However, my outsider status is still a barrier and I remain aware of this in the analysis. I elaborate on this further in a consideration of issues of linguistic and cultural translation.

EPISTEMOLOGY

Feminist and post-modern challenges to objective knowledge and positivism underpin feminist methodology and methods. The importance of the researcher's subjectivity, her standpoint and influence on the research process and the importance of revealing women's everyday realities are crucial to feminist research (Harding 2003a: 6). Positivist theories and methods established on the presumption of an accessible, objective reality have been rejected by feminist and post-modern critics as the categories and terms of positivist research reflect the worldview of the hegemonic group (Marchand and Parpart 1995b: 3; Mohanty 1991b: 54). Positivist research adopts hegemonic terms as neutral, objective norms. By categorising minority experiences in hegemonic terms, minority groups are 'othered' and placed in an inferior position to the majority (Mohanty 1991a: 6). An example of this would be categorising people from an oral culture as 'illiterate' (Carmen 1994: 64). Following the post-modern critique of positivism and the knowledge and categories which discourses of objectivity produce, feminist research is committed to resisting the binary terms which result from positivism, in order to put 'the politically marginalised on the cognitive map' (Ling Lee 2001: 39).

Feminism's political commitment to privilege women's accounts does not solve the epistemological issue of relativism and subjectivism, of which feminist methodology could be accused. Feminist researchers have examined epistemological frameworks which are neither objective in the positivist sense nor wholly relative (Haraway 1988; Harding 2003a; Ling Lee 2001; Marchand and Parpart 1995a; Young 2002). Feminism also has to engage with post-modern criticism of essentialist groups and categories. Postmodernists argue that groups are established in alterity to the norm, and so any categorisation is in effect oppression (Marchand and Parpart 1995b: 1; Mohanty 1991a: 4). Feminist epistemology needs to be consistent with feminism's remit for political activism; a framework which denies categories and limits knowledge claims to relativist descriptions and myriad particular experiences will not satisfy feminism's political aims (Maynard 1994: 21). Standpoint theory (Haraway 1988) and middle range theory, which 'emphasises grounded generalisations and pattern perception, rather than universal statements,' (Maynard 1995: 277) may provide frameworks which can accommodate feminism's critique of objectivity with its commitment to justify political action.

Post-modern theory has debunked the enlightenment myth of the 'view from nowhere': that the truth of the 'thing in itself' can be accessed or divorced from the researcher's gaze. 'Objectivity' has in effect been a denial of the researcher's subjectivity rather than neutral truth: a 'god trick' (Haraway 1988: 582). The alternative to the view from nowhere is to make one's gaze and standpoint a visible element in the research process, and situate knowledge as coming from a particular perspective rather than exactly and neutrally reflecting reality (Harding 2003b: 128). Standpoint is important to allowing the assessment of knowledge claims and consideration of the influence of the researcher (Haraway 1988: 583). The researcher needs to consider her own standpoint and the influence she is having on the research process and participants in order to make accountable knowledge claims (Haraway 1988: 583). Important considerations during my analysis are the relationship I developed with the participants in my research, and the judgements made about the processes I witnessed. I think it is impossible to eliminate my own 'outsider' conceptual scheme. I endeavoured to achieve this

by using participant observation, grounding theory and by remaining reflexive in the analysis.

Presumptions of categories including 'woman' 'third world woman' (Mohanty 1991a: 2) or in the case of this thesis 'Aymaran women' are themselves an othering imposition on the research process, as confirmed by my experiences in Luribay. Post-modern theory has highlighted that social categories emerge through politically motivated norms and dichotomies: the public/private sphere, civilisation/nature, objectivity/compassion, productive/reproductive. The postulation of any dyadic description is necessarily hierarchical (Marchand and Parpart 1995b: 3). Groups are defined on the terms of the hegemonic group, thus 'different' groups are necessarily not in authority. Categories understood as essential universals mask internal differences that are more important in the local context, freeze identities and are constructed by the more powerful. Feminist theory and practice has been accused of being based on white women's experience, hence 'othering' the experience of women from other racial groups (Maynard 1995: 265; Mohanty 1991a: 7).

The post-modern emphasis on diversity allows an exploration of difference (Gunew and Yeatman 1993: xiii). However, to be politically effective, commonalities, patterns and generalisations need to be found, rather than endless descriptions of infinite variety (Maynard 1994: 21). The biological and material commonalities in women's experience underpin such generalisations, even though they need not be asserted as universal (Maynard 1995: 273; Young 2002: 415). In order to do justice to diversity, strategic categories (Mohanty 1991a: 4; Riley 1988: 112), generalisations, and patterns implying social structures need to be grounded in experience (Maynard 1995: 277). Theory should be induced from the research process rather than used as a hypothesis to frame the research process. Historically, minority groups have been othered by established theory and conceptual frameworks. To presume such theories is to perpetuate the exclusion of othered groups. 'Despite the fact that black feminist writers have challengingly drawn attention to the racist and exclusionary nature of much feminist theory and practice, the frameworks employed to describe theory remain couched in white, Western assumptions and concerns' (Maynard 1995: 265).

The challenge for my research is to make generalisations and postulate structures based on my experience rather than theory. Women in Luribay use their own structures and generalised terms, for example they differentiate between Town and hamlets and the level of importance in which they hold religion, family and community cooperation. I would not have been able to access the structures and categories operating in Luribay had I not made language an important aspect of my investigation. I have nevertheless merely attenuated access to the categories operating there, as I do not speak Aymara, and am inevitably operating to a certain extent through my own conceptual framework.

METHODOLOGY AND ETHICS

As this is cross-cultural research, I am an ‘outsider’ (Maynard 1995; Naples 1996; Patai 1991; Stacey 1991). This position has advantages and disadvantages. As a European researcher in a post-colonial country, I have with me, albeit unwillingly, the baggage of the Western investigator writing back from the field (Hale 1991: 124). As I am neither Spanish nor a Bolivian of European descent, my research may have fewer colonial overtones. The two routes of access, via Florinda’s family and via the MFI, complicate my outsider position. In addition, my position as an outsider raises epistemological and ethical challenges and underlines the importance of reflexivity, participant observation and grounding theory.

As an outsider, I do not have an insider’s familiarity with the worldview and lived experience of the participants in my research. There has been doubt cast on the validity and ethics of outsider research (Patai 1991; Stacey 1991). An insider acquainted with the world view of participants may better communicate their experience, whilst an outsider may ‘other’ their experience if she does not question her own conceptual framework. However, the insider/outsider dichotomy may be simplistic: an insider may presume knowledge of participants and so underestimate the importance of their standpoint (Naples 1996). There may be value in an outsider’s perspective as it may demonstrate the inadequacy of mainstream theories and the difficulties inherent in cultural and linguistic translation.

The research process is an unequal power relationship, whether the researcher is an insider or an outsider. The research participants are necessarily the objects of the researcher's gaze. Although every effort may be made to equalise power relationships by making the process participative, the research is ultimately in the hands of the researcher. The researcher (hopefully) has an understanding of the research process and requirements of academia which participants have no reason to know about. This power relationship is also exploitative in the case of the insider as an empathetic and intimate relationship may develop which may be 'betrayed' as confidences are disclosed in the writing up process.

Identity

Although I tried to minimise my outsider status, and my access put me in a good position to do this, I was still perceived as a curiosity from 'another world'. The access I had in Luribay enabled me to participate in daily life there. Participating helped me break down barriers, but I cannot say that I lived their lives as they did. Although I worked on my identity, it was clear that their perception of me was something outside of my control and my understanding. It was also interesting to realise the differences between how I would describe myself and the way I was seen.

At the time of fieldwork, I defined myself primarily as a PhD student, 32 years old, who, since graduating in 1997, has lived and worked in France, Spain and Thailand. I have one brother and my parents are retired and living in Plymouth. I had brought some photos with me of my family in England, my garden and some holiday snaps. I passed these round the group and invited them to ask questions. The things that caught their attention included the fact that I only had one brother, that my boyfriend had long purple hair, that the apples in England looked more like pomegranates and that the sheep in our garden were very old (14 years). I also had photos of Christmas celebrations, (the tree, dinner, crackers), which I was able to elaborate on.

I was often asked if I was married. I answered honestly, saying that I had lived with my boyfriend for the last 7 years. This is acceptable and indeed the norm in

Luribay. Couples live together and have children without getting married and this did not seem to be frowned upon. Rather it was presumed that they were saving up enough money for the marriage ceremony and *fiesta*. However, when couples are co-habiting they tend to say that they are *casados* (married), and this is seen as an accurate description. Several of my close friends told me that I should be characterising myself as married. All of these factors indicated that I had limited understanding of how I was being perceived and how my actions were interpreted. Doña Magdalena, with whom I was staying, was very concerned that I should say I was her daughter-in-law, as otherwise a single, unmarried woman with no male relatives accompanying her would be seen as vulnerable to unwanted male attention. I was a little uncomfortable with this, as it is simply not true, but sure enough in the first credit group I attended someone asked if I was a relative of hers. I said we were distant relatives, but sidestepped this subject on future occasions.

There were several occasions in Luribay in which I had to suspend my ‘natural’ reaction for fear of being misunderstood. I tended not to use the word ‘feminist’ in Luribay, as the word carries implications in Bolivia which I wanted to avoid. As in the UK, the word has been undermined by bad publicity and misleading stereotypes. A feminist group in Bolivia called *Mujeres Creando* is very vocal and direct in challenging gender stereotypes. La Paz is covered with graffiti from *Mujeres Creando* and they are prominent advocates of gender equality and gay rights. They are frowned upon by many sectors of society. For fear of being misperceived in Luribay, I therefore explained that I was interested in women’s rights and wanted to tell women’s story, avoiding the word ‘feminist’. However, when I was talking to people whom I considered my peers, other students and professionals in La Paz, we talked about feminism and the different issues that arise in Bolivia and the UK.

In Luribay, I was most often referred to as ‘*La Señorita*’ or ‘*La Gringa*’. *Señorita* was used as opposed to ‘*Doña*’ for unmarried women. The nurse, who was from outside Luribay, was also referred to as *Señorita*. However, ‘*señorita*’ also appeared to have implications of someone who is ‘*de vestido*’ (dresses in Western clothes) and possibly in some cases is from the *hacienda*, the

landowners of Spanish descent. One of my goddaughters caused much amusement by saying that no one could say she was dirty any more because her godmother was a *señorita*.

No matter how fortunate I was with access and being considered a member of Florinda's family, I was still clearly an outsider. The main implication of this was that I was perceived to have money. The fact that I was quite often invited to be a godmother is a manifestation of this. In the case of my first goddaughter, the invitation came after I had really got to know the family and I was officially asked by the child's grandfather if I would accept to be 'godmother of baptism'. I was then warned not to accept other invitations to be a godmother as it would be 'just about getting money'. I did however accept two more invitations. One was from my main contact in the community of Mojon to be the godmother of a daughter's fifteenth birthday. Since that moment I have been referred to as '*la comadre*' (co-mother) by the mother and '*madrina*' (godmother) by the daughter. On another occasion, in the community of Pocuma I was asked if I could cut one woman's daughter's hair. I found this slightly unusual but agreed and was about to ask if she had good scissors when she started calling me '*comadre*' and bought me a beer. I then discovered that being the godmother of the first haircut was quite important, there would be a ceremony involving all the family and I would have to give them at least \$20 US, (160 Bs.). I did feel a little off put by this, but the ceremony was fascinating and allowed me to get to know the women in Pocuma a little better. These examples serve to highlight that I was seen as an outsider who would be an important social contact, and that contact with me seemed to gain kudos.

As an outsider there were many aspects of life in Luribay I could not access. I began to get a picture of this towards the end. It was very helpful to sit and chat with women in Luribay, but on several occasions the conversation was primarily in Aymara. I also could not follow AU meetings in the communities as these were predominantly in Aymara. There were several rivalries and disputes among people in Luribay which I did not pick up on until towards the end of my stay. Choosing a pension in which to eat in the Town was a political decision as there had been a major disagreement between two restaurant owners. In the

communities I would tend to go to whichever shop was closest. I was occasionally chastised by Doña Magdalena for going to the ‘wrong’ shop, which I took to be an indication of some disagreement to which I was not privy. The fact that I was unaware of the majority of the disputes and gossip in Luribay was a positive thing in that I was not intimidated or implicated and could therefore talk to most people without worrying about what people might say. It also means, however, that I was not entirely in control of my identity management, as I would not understand the full implications of talking to a certain person.

Informed Consent

Following the British Sociological Association Statement of Ethical Practice (2002), I endeavoured to explain ‘in terms meaningful to participants’ the main themes of my research, (how women used credit, whether it was a positive intervention in terms of citizenship rights) and how the research was to be used, presented and published (British Sociological Association 2002). I regarded this as a process, which meant that throughout my research, and before and after the interviews I made sure to clarify what I was doing and obtain consent at each stage. Informed consent as a process was particularly important as I was involved in a prolonged period of research and the access I had meant that people tended to classify me as a ‘friend of Florida’s’ before they would think of me as a researcher. This is reflected in the BSA Statement of Ethical Practice: ‘particular care may need to be taken during periods of prolonged fieldwork where it is easy for research participants to forget that they are being studied’ (British Sociological Association 2002). This is vital in a cross-cultural research setting as the ethics framing protocols cannot be applied in a straightforward manner and consent is a constant negotiation (Salinas *et al.* 2000: 109)

Before each interview I clarified that I was doing research and that this would be published, for the sake of clarity, in a book. I also explained that the MFI were interested in what I was doing and I would communicate my findings to them, but anonymously. I also provided a written form explaining salient rights which they could expect as outlined in the BSA guidelines for ethical practice: their right to refuse to participate or refuse to participate further, that they would not be identified in the analysis, that they can be refused to be taped or refuse to

continue to be taped (see Appendix 4 Informed Consent Letter). The form was written in Spanish, and some of the women were not literate in that language, so I went through the form orally and answered any questions they had. The most normal question was whether or not there would be any aid attached to participating, and I explained that this was not the case. No one refused to participate on these grounds. One woman refused to be taped, so I relied on my notes.

To be presented as just a friend of the family would have been misleading, and I needed the informed consent of the MFI, Prestec, to study their programme and so access credit meetings. I hence sought collaboration with Prestec. Staff there actively sought information before consenting and at their behest I provided them with: a statement outlining my research, a CV, and a reference from the University of York. Subsequent to this and at Prestec's instigation, the managing director of Prestec and myself signed a support agreement. This contract was drawn up by Prestec and made clear that I could access their credit meetings and have their support, attend meetings with the promoter from Prestec and travel with him. On my part, the agreement stipulates confidentiality, a report at the end of the field work and the right of the MFI to withdraw their support if they had reason to believe that I was conducting my research in an unprofessional way or just trying to prove my hypothesis.

Confidentiality and Anonymity

Research participants were aware of the extent to which confidentiality could be expected and that Prestec had expressed an interest in the results of my research. In some cases, the description of the particular participant that is necessary in order to make the point may render this person identifiable to insiders. Referring to research participants and the name of the location of their credit group may reveal their identity to staff at Prestec, who have expressed an interest in reading my research. In order to obscure the identity of research participants, in the text I refer to the groups as Hamlet 1, Hamlet 2, Hamlet 3, Town 1, Town 2 and Town 3. In identifying where participants come from, I either say the Town, or refer to the Hamlet by its number. In one case, Doña Rita, the participant had participated in a group but had left some years prior to my fieldwork. I refer to

her location as Hamlet 2, and make it clear in the text that this refers to her home hamlet, but not the credit group. When other locations are referred to, I use their real name.

In respect of my agreement with the MFI in the field setting, the agreement I negotiated made clear that my research was for publication as a thesis; and the importance of confidentiality was made explicit in the agreement and in my correspondence with staff there. I have drawn here only on material available in the public domain about its lending technology, organisation and history in order to describe the way it works and its background history. Material I have not cited but to which I was privy included interviews with staff, internal documents and materials for the educational themes. My concern is with the ways in which the microfinance intervention affects the women beneficiaries and their understandings and interpretations of it, not with evaluating the effectiveness of the MFI itself or this specific intervention. In the spirit of the agreement, I have endeavoured to maintain anonymity to the extent possible given the purposes of the research; and to this end, I have also given the MFI the pseudonym, Prestec.

METHODS

The aim of this qualitative study is to present the experience of female beneficiaries of microfinance and thereby complement the studies which have focussed on macro and quantitative aspects. Qualitative research lacks the generalisability and repeatability of quantitative methods. Its strength lies in uncovering conceptual schemes and points of view which are ignored or othered by the positivist discourses and theories informing quantitative methods. The need for qualitative methods is particularly great in cross-cultural studies, as the researchers' terms may not be sufficiently similar to those of participants.

Access

As I was an outsider conducting cross-cultural research, access to research participants was a key element, both in terms of recruiting participants and the relationships I would be able to build. After my pilot study in West Africa, I had decided to try and access microfinance beneficiaries directly and avoid going through an NGO. Going through an NGO would attenuate my access to the lived

realities of research participants, as I might be perceived as an authority and a representative of the NGO. This would also exacerbate the power relationship between researcher and researched: they may feel obliged to participate as a condition of the NGO programme. However I was also aware that if I appeared to just be 'hanging around' (Mason 2002: 90) it might be difficult to adequately inform people of my research and potential implications of their participation.

My first project when I arrived in Bolivia was to find a case study which would allow me to explore the impact of microfinance in a rural area. (For a chronology of my fieldwork see Appendix 5). I also decided, after the impact reports I had done in Mali and Burkina Faso to try and live with beneficiaries rather than be entirely dependent on the MFI for access. I had not previously decided which kind of MFI to study. I had made contact with one Bolivian NGO via UNA International Service in York, but their microfinance projects were no longer running. I investigated possibly working in the Altiplano area of Curuara de Carangas with Prodem, and had made contact with a women's crafts association there. However, I decided not to follow this up for two reasons: Prodem does not target women, and many of the women in the association were preparing to emigrate to Chile to work there for the winter season, which they found more lucrative than selling crafts.

During this time I was also building my contacts within the microfinance sector in La Paz and had introduced myself to staff at Prodem, Crecer, Promujer, Asofin and Finrural, as well as staff at the Women's Coordinator, the UNDP (United Nations Development Fund), the UMSA (*Universidad Mayor de San Andres*) and *FDTA de los Valles*. Staff at these organisations advised me that given the parameters of my proposed research, the organisation which I refer to by the pseudonym Prestec would be most appropriate.

At the same time I had been getting to know Florinda's family and had decided to visit Luribay. During an initial visit to Luribay I discovered that Prestec had programmes in the valley there. After explaining my research to beneficiaries there, they said that I could stay. Subsequent to this, I returned to La Paz to negotiate access with Prestec.

The dual access I had via Florinda's family and Prestec allowed me to participate in the daily life of women in Luribay and gain a better understanding of political life there by participating in meetings and getting to know the various actors, albeit that during this time it was still very clear that I was an outsider. As a friend of Florinda's family I was welcomed by many people related to her. As I was living, working and socialising in Luribay, I was able to observe and participate in a wide variety of community events. I could stay with various people in different communities. Although this access allowed me to diminish the distance and authority I had as a researcher, it was still clear that I was seen as a curiosity and I would always be an outsider.

Living with Florinda's mother facilitated my relationships with people in the hamlets. An alternative would have been to remain in the Town where the hostels are. There is tension between the Town and the hamlets of Luribay, and I think always staying in the Town would have been frowned upon. I spent time helping my key participants with their work: I collected water, learnt to chop onions, parsley and tomatoes without a chopping board, and peeled potatoes and *chuño* (preserved potatoes). I also helped sow seed, water crops, clear land of stones and harvest fruit and vegetables. This helped overcome the perception that I was a *señorita* who was a stranger to hard work, although my attempts were still perceived as slightly amusing with an 'oh bless she's trying' attitude. I was clearly still an outsider.

When I was in the Town I stayed with relatives of Florinda's mother, Doña Carol and Don Eduardo. I had met Doña Carol in a credit meeting and she had offered to give me lodging. I developed a very good relationship with Doña Carol and Don Eduardo: I danced in their *Tinku* troupe, attending several rehearsals in their house in La Paz, and went with them to meetings of the Neighbours' Assembly. Don Eduardo had been a councillor, and conversations with him over breakfast really helped me to understand how politics worked in Luribay.

Participant Observation

Participant observation was essential in enabling me to ground my analysis in the conceptual framework and lived realities of people in Luribay. Living and working with women there and joining in community events were vital in terms of language and relationships, and formed the basis for focus groups and interviews.

Once in Luribay, I was able to participate in credit meetings, live and work with research participants and attend community events. Regularly attending the MFI's credit group meetings gave me more context and information about the different stages the groups were in and differences between the groups. I went to credit meetings through the valley, and continued attending meetings until the end of my stay. Figure 10 below shows the 15 groups which I visited with the promoter from Prestec. Of these groups, I held two focus groups and interviewed 24 members.

Figure 10 Credit groups visited

Name/place of credit group	Meetings attended	Focus groups	Number of interviews with group members
Uyupampa	2		
Mojon	6		5
Carayapu alto	2		
Carayapu	3		
Pocuma	5	9 participants, 6 also interviewed	7
Cachualla	2		
Collpani	1		
Peña Colorada	6	9 participants, 6 also interviewed	6
Town group 1	4		4
Town group 2	4		1
Town group 3	1		1
Town group 4	1		
Achocara Alto	4		
Palca	1		
Azambo	1		
Total	43	2	24

Participating in meetings allowed me to understand how the credit worked from beneficiaries' perspective, and the amount of time involved in the meetings

themselves. It also gave me an idea of the dynamic within the group and the relationship the group had with the promoter. I was aware that my presence in these groups might change the dynamic and format. I tried to minimise any undue authority I might be perceived to have. Regular attendance at the meetings accustomed people to my presence. I was able to observe how the lending and borrowing processes work, how the educational themes were carried out and how members of the group decided whether or not to guarantee a certain person.

I also attended some political meetings, including one of the Sub Central and the Mayor's Office, one AU meeting in the community and an emergency meeting of the Neighbours' Assembly in the Town. I danced in two *fiestas*, one in the community of Porvenir and one in the Town. This involved attending several rehearsals and was a good way to get to know people outside the credit groups. *Fiestas* are an important part of the market in Luribay; they are the times that most people travel to the given community. Going to the weekly market fairs was also a good way to get to know people outside of meetings. I kept notes during the meetings and a fieldwork diary of my contact and conversations.

Sampling

It was soon apparent that I could not study all the groups I visited (28 of them). I eventually narrowed the number of groups to six, three in the hamlets and three in the Town, due to practical as much as academic considerations. The first consideration was transport. Moving from one community to another was difficult and time consuming. After two weeks travelling with the promoter I decided to only study in one half of the valley. This was a practical necessity, but I then discovered that there was competition and rivalry between the two halves of the valley, and the fact that I was only studying in one half was disappointing to the other half. This was explained to me by one of the councillors from the other side of the valley. I also decided to prioritise groups that met twice a week rather than once a month, for time reasons. The criteria for offering groups the option to only meet once a month was length of time with the MFI and the confidence the bank had in the group. This may mean that I had systematically excluded some of the more successful groups. I also wanted to

study two groups which had just started. I was able to follow the group in the community of Peña Colorada as I had a good relationship with its president. Another group on the other side of the valley was also interesting as I had observed the sales pitch and first meeting. However, the timetable proved incompatible with the other groups.

I very much wanted to follow a group in the Town, as there are important differences between dynamics in the Town and the hamlets. My relationships with research participants in the Town were not as close as in the hamlets: in some cases I had only met them once. I also knew people on more of an individual basis rather than via the groups. This meant that when it came to interviewing, I had participants from several groups. Figure 11 below shows the six groups I studied intensively. The minimum number of members for a group was 9. Town group 3 had to miss a cycle because their numbers fell to eight. Some members of these groups had been in other groups before joining, and some groups formed from the break up of others.

Figure 11 Groups studied intensively

Name of group	Number of members	Years with credit
Peña Colorada	9	First cycle
Pocuma	10	4 years
Mojon	10	4 years
Town group 1	10	6 .5 years
Town group 2	10	5
Town group 3	8	6

In the Town I stayed with Dona Carol, and I had originally planned to study her credit group. I attended the loan closure meeting of that group, but several people were going to rest for the following cycle. There are two other groups in the Town whose meetings I attended. One issue in the Town was that the meetings were monthly, and so I could not attend as many. The criteria for offering groups the option to only meet once a month was length of time with the MFI and the confidence the bank had in the group. This may mean that I had systematically excluded some of the more successful groups. There is one group

from which I interviewed five people in the Town and then two people whom I knew from two other groups.

Focus Groups

The advantage of using focus groups is that ideally, the researcher minimises her own intervention and the participants' own priorities have salience. Interaction between participants allows topics to arise which the researcher may not have previously considered, or about which participants may be reluctant to talk about in the more artificial setting of a one to one interview with an outsider (Letherby 2003: 89). Focus groups also allow diversity of opinion, and may grant the researcher some insight into the points of disagreement in participants' opinions. Risks in the focus group process include the possibility of dominant members of the group being more vocal, the situation feeling contrived or intimidating and a resistance to the discussion being recorded. The focus group should ideally take place in a location familiar to participants and the researcher should make the aims of the discussion clear and the importance of everyone having a chance to speak (Letherby 2003: 89).

Attending Prestec's group meetings was a chance to discuss women's opinions of the loan. These discussions included the frustration they had with the repayment schedules, obligatory savings and interest rates. These discussions were recorded in my field notes. I did not consider these meetings to be focus groups, as I did not want to set the agenda upon which to focus, but rather listen to what they had to say to me, and so think of ways I could better explain my research to them. Once I had narrowed down the number of groups I wanted to study, I had originally planned to hold focus groups with each of them, as much to inform them of my research as to chat to them about the credit. I was able to do this with two groups as they agreed to take part in a session during the meeting. There were two meetings which the promoter could not attend so my focus group replaced the educational theme for that session. The group in Mojon and one in the Town could not spare time before or after meetings so we arranged other appointments, but it was clear that this was not practical, as women in both of these groups travelled quite a distance to attend meetings and could not afford the extra time.

I decided against taping these interviews as I felt that some members did not understand enough about why I was there to give informed consent. I saw the focus group as an opportunity to further explain this, and maintain a dialogue focussed on interrogating and exploring the premises of my study, (how citizenship and inclusion can be grounded in Luribay) rather than eliciting opinions to more exactly formulated, although open, questions. I was always aware of the likelihood that my preliminary ideas of citizenship and inclusion might need to be completely reformulated over the course of the research and during focus groups. I needed to strike a balance between guiding the discussion towards the themes of my research and not imposing my agenda on the discussion. Not only did I need to carefully consider the key words that I used to introduce themes but also my verbal and non-verbal participation in the discussion. I was wary of appearing too enthusiastic if someone aired a view that particularly fitted my views of the research questions

The two focus groups I held centred on the division of labour between men and women in Luribay. I explained that I was interested in how the credit impacted this division of labour and women's time. There was space for them to tell me what they thought of the credit group and ask me questions about what I was doing. In both groups there were men present. In the credit group in Peña Colorada there was one member who was a widower and one husband who had come on behalf of his wife. In Pocuma there was also one member who was a widower¹⁰. I emphasised that I was specifically interested in talking to women, but the presence of the men and their reaction to what women said was helpful. The women did speak and control the conversation and there was broad agreement on the priorities they had and the aims for their children: more land and education. But afterwards, one man apologised to me on behalf of the women that they had not talked enough. This threw light on the dynamics not only between men and women, but the kind of pressures that my presence was exerting. During these sessions, members also criticised the bank. As these

¹⁰ Prestec allows widowers to join the credit groups. If women members ask for permission to be absent, their husbands can attend in their place and bring their quota. This is only allowed twice in any given cycle.

sessions were the first introduction to my research, I did not tape them but kept notes and wrote up the key ideas on large pieces of white paper pinned to the wall.

I had originally planned that focus groups would be used to gather ideas about what the terms ‘citizenship’ and ‘social inclusion’ mean to Aymaran women, and to ground my use of those terms in the everyday realities of Aymaran women. However, I found that these terms were so removed from their lived realities that to be able to talk about all the themes which these terms implicate, belonging, rights, duties and participation would be impossible given the limited time. I decided to focus on a theme which underlies my idea of uniting microfinance with inclusion and citizenship: work. We discussed the gender division of labour and what hopes the women had for the future. I decided to hold the focus group for no longer than half an hour. All the members of the groups emphasised that they were very busy. Discussing the theme of work was useful, there was space for the women to bring up their own points and ask questions, and I also had space better to inform them of what my research involved.

Interviews

I interviewed 23 current members of credit groups, including one man who was allowed to join as he was a widower. In addition, I interviewed one woman who was in the Town Group 3 credit group which was having to miss a loan cycle due to only having 8 members, and one other woman who had been active in setting up a credit group, but had decided to leave. I wanted to interview as many participants as possible in each group, making an extra effort to speak to people with whom I had not had so much contact in the course of participant observation. The interviews were an opportunity to weigh others’ opinions against the views of the key informants. The average interview time was around 45 minutes, but they ranged from 30 minutes to 1 hour and 45 minutes. The interviews were taped using a micro-cassette recorder, with the exception of one woman who preferred not to be taped. This was more convenient than a digital recorder as I would not be able to download material whilst in Luribay. I was able to digitise recordings which proved to be more convenient for analysis.

My access to other members of the credit groups was based on having already socialised with the key participants. Group members felt more confident talking to me having seen other people on good terms with me. This happened gradually over my stay and was helped by how often I would bump into people while walking from place to place, or on the bus or in the weekly fair.

In each of my four research locations, I had already spent time getting to know people who were forthcoming and interested in my research. They were 'key informants' in the sense that they had taken time to explain to me what life was like in the country, and how they worked, what they believed in and so on. In the Town, this was the family who owned the hostel where I was staying. In the community of Pocuma, this was Doña Lidya, who was the president of the group and with whom I had talked most during the sessions. As Peña Colorada is comfortable walking distance from the Town, I had visited Lidya twice for tea to talk more about my research and the credit. I had also bought a belt from her. In Pocuma, my key informant was Doña Maria. I had stayed there for longer than in the other hamlets and so knew more people, so the key informants' role here was less important. In Mojon, Doña Julia and her sister-in-law, Doña Virginia, had from the first been very interested in what I was doing and I had already spent a lot of time in this community. This allowed me to stay for a week in each of the sites (longer in the Town) and interview people at times convenient for them. For the details of interviewees see Appendix 6.

Figure 12 below shows the main characteristics of my interviewees from each group. Of 25 interviewees, 12 had been on the board, either as president of the group, treasurer, secretary, spokeswoman or head of education. The majority, 16, were in land-based production. Six were involved in retail or hostelry as well as land-based production. Two were in retail or hostelry only. Interviewees were from a range of ages. One was a widower.

Figure 12 Main characteristics of interviewees.

Group	Number of interviewees	Number of interviewees on the board of the credit group	Participants' IGAs			Age of Participants			
			Land-based production	Retail/hostelry	Land-based & retail/hostelry	18-30	31-45	45-60	60+
Hamlet 1	6	2	6	0	0	3	1	2	0
Hamlet 2	7	3	4	0	3	1	2	1	3
Hamlet 3	5	2	4	0	1	1	3	1	0
Town group 1	4	2	1	2	1	0	1	1	2
Town group 2	1	1	0	0	1	0	0	1	0
Town group 3	1	1	0	1	0	0	0	1	0
Others	1	1	1	0	0	0	1	0	0
Total	25	13	16	3	6	5	8	7	5

Due to the amount that people travelled I was not able to interview everybody in each group, and some people seemed to be avoiding being interviewed, so I took that as lack of consent (cf Salinas *et al.* 2000). I already had lodging arranged at two research locations: the Town and the community of Pocuma. I paid 10 Bs. (\$1.25 US). a day in the Town, as it was a business pension. In Pocuma I had offered payment, but it had been refused as I was staying as a friend of the family. I brought back gifts each time I returned from La Paz. Similarly, with the people I stayed with in Mojon and Peña Colorada, I was told (by professionals from La Paz) that it would be inappropriate to offer money. Instead I brought presents from La Paz, mostly items for the kitchen, and had small gifts from England that I had kept with me. Whilst I was staying there, I was invited to be godmother of the 15th birthday of my host's daughter, and godmother of the football of another host's football team. I accepted in the spirit of reciprocity of favours.

The interviews were conducted along the lines of a 'conversation with a purpose' (Mason 2002: 66). There were broad themes which structured the interviews and items of basic personal information which I wanted to get from each participant. The personal information was: name, age, number of children, years of schooling, marital status. The interview themes focussed on the credit. During my time in Luribay I had been able to gather information and vocabulary which would allow me to ground my ideas of citizenship and focus the interviews better. The main themes which I had gathered were landownership, the importance of cooperation, the nature of households, importance of *compadrazgo* and the institutional framework and politics of the valley, the nature of work, gender division of labour and main income generating strategies. With this background I used the interviews to focus on the credit.

The areas I wanted to cover in the interview included: how long have you been with the group? What made you join the group? How much credit do you usually take out? What do you use it for? Do you use the internal loans? What happens if people can't pay back? How do you manage to pay back? What do you think about the bank only being for women? Although these were the main points of the interview from my initial perspective, I preferred to explain to the

interviewee what I was doing, and then they would normally start talking about the credit group without further prompting from me. Some new themes did emerge from this: frustration at not being listened to by the bank, a keenness to work with other institutions, for example health posts, as well as the bank, problems in the way that groups had been set up, politics within the community that had obliged people to stay, other strategies to borrow money which could be more exploitative.

I realised that my key participants were the most vocal in the group and in two cases were the ones who had organised the group. Talking to people I did not know so well gave me more insight into the different levels of enthusiasm people had for the credit, and how people who were persuaded to join may have a different view to those who initiated the group. There were a few people whom I would very much have liked to interview but this proved impossible due to time constraints and the amount of travel involved.

I found that I did not need a translator, as I lived among the women participating in my research. This allowed me to understand to a reasonable extent the terms they used and cultural differences. Furthermore a translator would probably have been in a position of privilege to participants and would have constituted a further barrier in the already artificial research situation. After living with and working alongside the participants for a reasonable amount of time I decided that using a translator would not be necessary and would interfere too much with the rapport we had built up. However, language remained a problem. I was unable to understand a few discussions at some of the public meetings held entirely in Aymara, and I am concerned that as my thesis is written in English it is far removed from the Aymaran-speaking research participants.

LANGUAGE ISSUES¹¹

To make this qualitative, cross-cultural research feasible it was very important for me to address the language issues involved: the issues of ‘cultural’ translation (Spivak 1992) as well as linguistic translation, and the hierarchy of

¹¹ For more discussion of the epistemological issues involved, see Maclean 2007

languages and accents which exist in Bolivia as a multilingual country. My Spanish was proficient before starting this research project, but I had learnt it in Barcelona. South American Spanish is different in accent, grammar and vocabulary. Although I wanted to change my Spanish to be more South American, to my horror I found myself thinking that certain things I heard frequently were ‘wrong’ and hesitating to change certain aspects of my Spanish for fear of ‘spoiling it’. Reading Bolivian newspapers, one of which, *Pulso*, has a weekly column analysing certain ties of Bolivian Spanish and their social implications, helped me to overcome this prejudice, and my Spanish is now identifiably Bolivian.

I began studying Aymara before departing on my research trip. Florinda and her brother-in-law, Nestor, assisted me with rudimentary conversational Aymara and I memorised basic vocabulary from online lessons (Aymara Uta 2006). I also read studies on the Aymaran language itself including modes of politeness and evidential suffixes (Hardman 1981). The first week in La Paz I commenced classes in Aymara at the *Instituto de Lengua y Cultura Aymara* (*Institute of Aymaran Language and Culture*). I continued these classes until my departure to Luribay in April. We covered the basics of the language, enough for me to continue studying on my own, for example syntax and tenses. We also went through my research question framework in Spanish and my teacher suggested more culturally sensitive methods to initially communicate my ideas. These conversations were extremely helpful in the first chats with research participants, for example, the importance of godparenthood and greetings in the countryside was highlighted, which helped me both socially and in terms of my research in Luribay.

My Aymara did not get above a basic level. I could greet people and formulate basic sentences. However, whenever I really needed to communicate something it was so clearly quicker and easier to do it in Spanish that I did not really practice. The fact that I knew some Aymara was appreciated and many people, especially in the hamlets emphasised the need for me to learn. As the Aymaran spoken in Luribay has a lot of Spanish influence, I did find that I could

understand more than I would have expected. However, it was a weakness not to understand Aymara, especially in public meetings in more rural areas.

Once I was in Luribay, language was not problematic on a day-to-day level. Although in many cases we were both speaking a second language, the fact that I had lived and worked with my participants for two months before interviewing meant that this was not an insurmountable barrier. The older generation tend to have less Spanish than the younger, and prefer to speak in Aymara. However we developed good communication with them over the time I was living there.

Beyond the practical concerns during the field work, when it came to analysis I realised that the epistemological problem of translation in cross-cultural studies is far reaching. The process of communicating research participants' words in another language and context may impose another conceptual scheme on their thoughts, which would undermine feminism's aim of prioritising women's voice and grounding theory in the way participants see the world. If the researcher is using translation then she is talking *for* others in a language and culture which they may not understand and in which it may be impossible to express their original meaning (Alcoff 1991; Maynard 1995; Mohanty 1995; Spivak 1992). There is hence a risk that the other's worldview is forced to fit the hegemonic terms and theories which were created within and uphold the hierarchy which feminist cross-cultural research is trying to undermine (Mohanty 1995; Spivak 1992). This has implications for development research and praxis, as language is imbued with value. A perception of lack or need is often framed in the language of the researcher or development practitioner, and the intervention based on this analysis will be 'othering'. I want to explore here the idea that reflexive, deconstructive translation can not only help overcome the obstacles and difficulties involved in researching across the language barrier, but also be a tool with which to destabilise hegemonic terms and theory.

In my research area of Luribay, Bolivia, Aymara and Spanish are spoken. Within broad divisions between these languages there are other linguistic, cultural and political differences, for example between the Spanish of a native speaker and the Spanish of someone who is bilingual Aymara-Spanish. Spanish

is a colonial imposition and some of the terms and categories imposed by the Spanish language on people from Luribay are themselves othering (cf Luykx 1999: 296; Sachdev et al. 2006: 112). The difference between my everyday, UK English and the English of the Academy also involves some kind of translation. My research questions and the terms in which I originally framed my thesis reflect the priorities of Western thought, my university and the funding bodies. As I am studying the ideas of citizenship and social inclusion, it could be presumed that these terms are general enough to be loosely applicable to my research area. However ‘scholars trained in the Western tradition cannot really expect to find others solving the metaphysical problems of Western thought’ (Strathern 1988: 3). But the fluidity and difference within and between categories, languages, and conceptual schemes allow cross-cultural research to build ‘conditions for dialogue’ (Alcoff 1991: 23) and permit deconstruction of hegemonic terms.

As my research involves microfinance and citizenship rights, the difference in language and agenda between development NGOs, Western academic theories, and everyday life in Luribay are prominent throughout my fieldwork and analysis. There are various processes of translation going on all the time: the MFI runs courses on human rights, based on liberal, Western theory, the materials for which are written in Spanish, but delivered in Aymara by the promoter. Cultural as well as linguistic adjustments and translations are made as the promoter clarifies these ideas to his audience of rural Aymaran women. Consideration of the concept of gender, vital to my feminist research and also the agendas of development agencies, is a case in point. Whereas liberal feminist ideas are rejected by many in Luribay as an imposition from the West, women in the MFI’s course on rights related their experiences of gender-based discrimination. The use that women make of these ideas and discourses highlighted to me that language is evolving, meanings are contested, and translation and interpretation are inherent in all communication. Nevertheless, it is clear that research and development agendas tend to speak more to the Euro-American hegemony than the understandings, priorities and concepts of people in Luribay.

Language is explicitly political in Bolivia. Language is the factor which most determines the self-identified ethnicity of a person (Patrinós 1994: 5). Multiculturalism is predicated on recognition of different languages. The cultural and political significance of language is another reason for translation to be a visible part of the research process; the fact that a certain language was chosen as a medium is as important as what was said. Language underpins and expresses the Andean order of things (Arnold et al. 1992), the ‘other’ conceptual scheme which is hidden by the colonial language Spanish. Aymara is an example of what Spivak refers to as ‘difficult’ languages, meaning non-European, non-colonial languages (Spivak 1992: 404). Languages outside of the Indo-European family have conceptual schemes which challenge the intuitive presumptions of speakers of Latin or Germanic languages. Aymara is one such language as it is evidential and is based on a configuration of space and time which speakers of European languages would find counter-intuitive (Hardman 1981). As well as being epistemologically challenging, the fact that Aymara implies such a ‘different’ schema makes the process of translation of ideas, categories and identities all the more important, as ‘common sense’ interpretations from the European perspective could be erroneous.

Furthermore, in the space created by my research in Luribay, participants and I were both speaking our second languages, Spanish. The fact that Spanish is a colonial imposition means that the terms used by participants are to some extent imposed by outsiders. The way in which terms like ‘Aymara’ and ‘indigenous’ are used come from the perspective of a Spanish (white) norm (Sachdev et al. 2006: 113). Although people in Luribay use these terms themselves, they are translating themselves into an outsider’s perspective. It is very difficult to negotiate and contest meaning in a language which uses terms into which other speakers are interpolated, as *Luribayeños* are in the Spanish term ‘indigenous’. It is very hard to be empowered in a language in which one is already ‘othered’ and with which one does not have the immediacy of one’s own language (Luykx 1999: 296).

In this way, I felt disempowered by the label ‘*gringa*’. I did not have the context to understand entirely what this term meant, what behaviour was confirming this

label and whether or not I should object to its use. It is clear that '*gringo*' is a term which hides as many differences in culture and status as the term 'indigenous'. In trying to translate myself into the context of Luribay, I was appealing to *Luribayños* knowledge about the West and '*gringos*' even though these generalisations are ultimately untrue, but this was the basis on which I built explanations about why I was doing research, why I was alone, and other eccentricities. This highlighted to me the processes of translation which research participants were going through when they explained their lives to me. They were appealing to general ideas about the Aymara which belie the vast differences that exist within Luribay itself.

The language politics of Luribay influences my research in two ways. Firstly, the cultural context in which language is embedded varies between monolingual and bilingual speakers. There are some Aymaran terms which stay the same in Spanish. To translate these terms directly into English would not bring out the politics of the cultural significance of using Aymaran terms. Secondly, although I did not use translators or interpreters officially, the 'key informants' helped explain the differences between Spanish and Aymara and the implications. In effect these key participants could be called interpreters (Temple and Edwards 2002). The position of these informants in Luribay influences my analysis of the connection between my conceptual scheme and theirs (Rosman and Rubel 2003: 270).

A functional approach to translation which recognises the importance of social experience in forming language is a starting point for translating and finding the similarities which form the groundwork for dialogue. Nonetheless, for the differences between and within conceptual schemes to become apparent, the functional translation is provisional, and needs to be followed by a comparative deconstruction of the terms in their respective languages.

Categories, Identities, and Words Misunderstood

Race

The translation of words relating to race serves as an example of how the initial, intuitive, functional translation may hide differences between the categories,

identities and boundaries in language which a deconstruction approach may bring out. Race categories are read differently in different cultures and regions (de Lima Costa 2006: 64). Translation of the English racial terms to describe myself proved problematic when I considered my standpoint and positionality. The discussion of race in my literature review was to some extent difficult to apply in the context of Luribay. Racial terms in Spanish clearly come from a European point of reference and do not reflect the way in which research participants categorise themselves (Sachdev *et al.* 2006: 115). My use of racial categories in English does not have the same implications of culture and urbanity which they do in the Bolivian context. I will here show how my translation of terms relating to race developed over the course of my research.

Before leaving for Bolivia, I was prepared to be seen as ‘Western’. I was often referred to as ‘*La Gringa*’ the feminine of ‘*gringo*’ which has been translated as referring to ‘an Englishman or an Anglo-American’ (OED). I initially took this as equivalent of my self-description as ‘Western’, and presumed that for my purposes the terms could be inter-translated. However, on thinking about this further, although the referent of these two terms may be the same, foreigners from Europe, North America or Australia, the sense of the words and their embeddedness in my culture and the ‘other’ culture are clearly different. This difference indicates the different ways the respective social realities are carved up. In this sense, deconstruction is not only a tool for translation, but the process of translation, the endeavour to find equivalence and difference between words in different languages and cultural settings, is a tool for deconstruction.

I described myself as ‘Western’ in my methodology because my theoretical framework is couched in Western terms, coming from the Western enlightenment tradition, Western democracy and Western feminist criticism of all of the above. I find that I use the term ‘Western’ when I want to contribute an idea or a cultural aspect to the developed world. However, the term ‘Western’ is derived in opposition to the East. The West/East dichotomy is made up of other binary pairs: guilt/shame, rights/duties, secular/religious etc. As I am investigating citizenship, a key component of the Western democratic tradition, it makes sense in the context of my thesis to describe myself as Western.

However, this is destabilised by the fact that I am studying in Latin America. Aside from the geographical nonsense of describing myself as ‘Western’ after travelling 8000 miles from the east, the dichotomous characteristics of East and West do not apply to Latin America.

In describing myself as ‘Western’ it is interesting to think about what is not said. I could have said ‘white’ ‘British’ or ‘European’. I did not say white, because I want to resist the idea that my race is relevant to my standpoint, and recognise that my culture is, and ‘Western’ is a cultural term (cf Lind 2004: 60). I did not say British because I see my culture as wider than that and the theory I am using and my ideas are based on a broader tradition. ‘European’ would have excluded America, which as I am writing for Anglophone academia, might have been misleading in the context of my thesis.

When I realised that I was being referred to as ‘*gringa*’, I thought that the functional translation of this would be ‘Western’. However, ‘*gringa*’ seemed to mean ‘white’. This may mean that in the eyes of the people I was with, the cultural division of what I called Western and the racial division of white were co-extensive: white people from Bolivia or Argentina were also called *gringos*. This suggests that the ideas clustering around race and culture have a different formation in UK English and the Spanish spoken in Luribay.

Citizenship

My translation of the word ‘citizenship’ from Anglophone academia to the Spanish/Aymaran field and back again in writing up is fraught with difficulty but offers an opportunity to deconstruct this characteristically Western term from a new perspective. My aim in using the term ‘citizenship’ in my research is to destabilise it. The feminist critique of citizenship allows an ‘autochthonous’ critical perspective on this term which opens up the mainstream theory to correction from outside experience (Strathern 1988: 8). But that does not change the fact that it is to a large extent inappropriate in my research area. The word ‘citizenship’ has no translation in Aymara, and in Spanish the word has urban implications, as it does in English (‘*ciudadania*’ ‘citizenship’ from ‘*ciudad*’, ‘city’). People living in the city of La Paz who were fluent in both Aymara and

Spanish advised me against using this term with my research participants, as they would understand '*ciudadano*' ('citizen') to be someone who lived in the city.

The urban associations of the word '*ciudadania*' in Spanish arguably have implications for ethnic identity in pluri-cultural Bolivia: indigenous identity is associated with rurality and white identity with urbanity (Larson and Harris 1995). The interconnection of categories of ethnicity, rurality and urbanity inform my understanding of other terms in Bolivia. Ethnic descriptions in Bolivia imply rurality and urbanity, culture and dress. For example, the following words are used to describe women: '*señora*' (around which would cluster terms such as 'married' 'urban', 'wearing Western dress', 'white'); '*chola*' (around which would cluster terms such as 'married' 'rural' 'traditional dress' 'indigenous') or the pejorative '*chota*' (: a woman who has not decided whether to be urban or rural, indigenous or white, modern or traditional). These terms cannot be translated directly into the English context, as ethnicity, culture and urbanity do not cluster in this way.

The people in Luribay who participated in my research do nonetheless come into contact with the word '*ciudadania*' ('citizenship') in their everyday lives. Bolivia's constitution and the agendas of internationally funded NGOs refer to 'citizenship'. Decentralisation in the 1990s was predicated on ideas of citizenship, and discourses of citizenship rights frame demands for greater access to resources and inclusion (Postero 2006). Some of the institutions in my research area dated from 1994 Constitution which is framed in terms of citizenship, and the MFI there runs courses on rights, underpinned by liberal discourses on citizenship. The institutions framed by the theory of citizenship reflect the difficulties in translation of the word 'citizenship': local government institutions are seen as signs of urbanisation, and some microfinance beneficiaries told me that they did not see the relevance of the courses on rights.

The way that research participants interact with the institutions framed by ideas of citizenship made me problematise my initial, functional translation of 'citizenship'. Prior to my fieldwork I had distilled the idea of citizenship down to the relationship between people and institutions, and their respective rights and

duties. But these binary oppositions would still impose an outsider's conceptual scheme as they involve presumptions about what counts as an institution, and whether individuals or groups are the bearers of rights and duties. I realised that the dichotomies between individual/state and rights/duties in the concept of citizenship need to be displaced. If I only looked at the relationship between people and institutions then the informal networks crucial to a sense of belonging and peoples' capacities would be rendered invisible.

The interconnection of words relating to ethnicity, rurality and urbanity and the urban implications of the word 'citizenship' led me to deconstruct 'citizenship' in a new way. The process of examining my own understanding of 'citizenship' allowed me to see the relationships and dynamics of politics which constituted inclusion in my research area, rather than perceive a lack of 'citizenship' as conceptualised in academic literature. The development of citizenship theory has focussed on the development of institutions associated with urbanity, for example state, local government or NGO provision of social rights and guaranteeing of civil and political rights. Not only is the word 'citizenship' untranslatable into Aymara, but institutions and interventions underpinned by the idea of citizenship are equally difficult to 'translate' into a rural Aymaran context, without taking into account the networks and relationships which already exist.

Kinship Terms and Compadrazgo

There is a lot of anthropological literature about whether or not kinship words are translatable (e.g. Rosman and Rubel 2003; Yengoyan 2003: 26). The issue is that if such words come from completely different systems, then the meaning of these terms will either not have a translation or the implication of this translation will be lost. It has been found that some anthropologists lack sufficient knowledge of their own kinship system to adequately translate the words (Rosman and Rubel 2003: 269). This highlights that translation is a relationship between both languages and the fluidity of the terms across both languages is the way in. The translator/researcher's own position needs to be considered and analysed.

Kinship terms are perhaps different to other lexicons, as they indicate taboos and relationships within a particular culture (Rosman and Ruben 2003: 277). The expectations of kin are tied up within the words, as are taboos, mores and sanctions. Kin terms carry incest taboos and the rhetoricity of the terms is therefore significant. For example ‘in-laws’ as opposed to ‘blood ties’ indicates something about the way these kinship ties are thought of in English (Rosman and Rubel 2003: 280). This difference may not be present in the translations of ‘in-laws’ in other languages. My translation carries with it the caveat that I do not speak Aymara and am relying on scholarship as well as my experience to translate these terms.

‘*Compadrazo*’ has been translated and defined variously as ‘co-parenthood’ (Isbell 1978; Lagos 1994); ‘godparenthood’ (Romanucci-Ross 1973), ‘ritual kinship tie’ (Hunefeldt 2000), and is an example of the technical anthropological term ‘fictive kin’. The variety of translation indicates the fluidity of the terms in both Spanish and English. *Compadrazgo* is the umbrella term for godparent relationships: godmother, godfather, godchild, goddaughter, godson. It also includes relationships which do not belong to the structures of godparenthood in England, between the parents and godparents: *comadre* and *compadre* (‘co-mother’ and ‘co-father’). There are also ritual sponsorship roles which the titles *padrino* and *madrina* (‘godfather’ and ‘godmother’), which have been translated as ‘festive sponsorship’. It is clear that all the functional translations listed above are incomplete. The structural relationships of *compadrazgo* are different to godparents: the relationship is not only between godparent and godchild, but also between the parents of the child and the nominated godparent. This problem in finding an appropriate functional translation indicates a way of deconstructing the institution of *compadrazgo* and godparenthood, and highlighting the contested meanings of both of the terms in Spanish and English respectively.

Many scholars keep *compadrazgo* as a proper noun, defining it rather than translating the word, nevertheless relying on functional translations and interpretations to define it. In some cases the functional referent of terms within *compadrazgo* have approximate English equivalents: *madrina* and *padrino* can mean godmother and godfather. However, the imbrication of these terms with

others belies the implied equivalence. Godmother and godfather in English are automatically associated with baptism or christening, whereas in Luribay these relationships are specified, for example *madrina de bautismo* ('baptism godmother').

The terms which lack functional equivalents in everyday English, for example *compadre* and festive sponsorship, indicate the differences between *compadrazgo* and godparenthood as institutions. *Compadrazgo* is a union of families and is a way of extending the kinship network, whereas godparents in the UK may already be members of the family.

Keeping *compadrazgo* as a proper noun may hide differences within this polysemic term. The term 'godparent' in English permits variations in expectation and relationship. Similarly *compadrazgo* takes on different meanings in different areas of Bolivia, and people have different interpretations of how the institution should function. A 'godparent of baptism' in Luribay is responsible for buying the child's dress and entering in a parade, whereas in other parts of the country the godparent is financially responsible for the festivities. Some people in Luribay thought that *compadrazgo* had become too extended and told me that 'godparents of *fiestas*' in some ways did not count as real godparents. Politically, the meanings of *compadrazgo* are contested. Whereas a child's parents see godparent relationships as a way of extending kin, the godparent may see this as a way to acquire prestige and support. These interpretations are hidden by functional translations. Because of these considerations, in this text I keep *compadrazgo* in Spanish but distinguish between godparents and co-parents, using the words '*compadre*' '*padrino*' and '*madrina*'.

Proper Names and Translations: ayni, el pueblo and las comunidades

There are some terms which I debated keeping as proper names in the original Aymara. This would communicate the fact that they refer to Aymaran traditions, ideas and institutions which do not have a similar referent in English. However, it was not always clear when the term is a proper noun to be left in the original

language and when there is a meaningful word in English which could communicate a functionally similar idea.

Ayni is a term roughly translatable as reciprocity, which is used to indicate the Aymaran tradition of repaying favours. Despite there being translations of this concept into Spanish (*reciprocidad, cadena de favores*), this is one word which stays in the original Aymaran even when people speak in Spanish. The fact that it remains in Aymaran implies that a translation into the English word 'reciprocity' would be logical and have a functionally similar referent, the sense and rhetoric implied by keeping the word in the original Aymaran even when speaking Spanish, would be lost. The word is a sign not only for the tradition but for the fact that it is an Aymaran ritual which distinguishes itself from the colonial culture. In order to keep this implication, this is one of the words I have decided not to translate into English.

The 'Town' of Luribay and surrounding 'hamlets' (*'el pueblo' and 'las comunidades'*) do not have the same meanings as they do in English. Communities are geographically and politically individuated, with a sense of belonging that would be more suited to the English 'hamlet' or 'village', but neither of these terms would be appropriate in the Bolivian context as they are quintessentially English. I hesitated about these terms as they are not structurally the same institutions in English. But with reference to the work in English of other Andean scholars, (Canessa 2005a; Harris 1978; Lagos 1994; Larson and Harris 1995) I decided that 'Town' and 'hamlet' would be consistent with the use of these terms by the imagined audience of this work.

CONCLUSION

My experience in Luribay reinforced the importance of acknowledging my outsider status and interrogating the terms of my research, as they clearly 'othered' women in Luribay. Although I was fortunate in the access I had, it is clear that the fieldwork and subsequent analysis is to be situated at the border of my worldview and theirs. Participant observation allowed me to ground my ideas more in the lived experiences and the social and material reality of people in Luribay. Interviews allowed me to talk to people involved in the MFI with

whom I had perhaps not had a chance to interact socially. The time spent in Luribay prior to interviewing gave me the confidence to make the interviews as open as possible, and allowed me to discuss the issues in terms more relevant to the interviewees.

The challenges of feminist research are difficult but situating knowledge and reflexive analysis offers an opportunity to deconstruct the hegemonic terms which other subaltern groups. Nevertheless, the methods used to ground knowledge and overcome the difficulties posed by outsider status cannot entirely achieve their aims both for conceptual and practical reasons. Practically, research is not participants' priority and methods have to fit their schedule; conceptually the key is to situate knowledge claims and not claim an objective view.

This discussion of the interface between researcher and researched which affects several disciplines is of particular salience to feminist cross cultural research and development studies. Strategies of development organisations may be predicated on outsiders' conceptual schemes. Feminist research committed as it is to prioritising women's voices, needs to be able to problematise and deconstruct the hegemonic terms framing these strategies, in the case of this thesis, citizenship and the categories of social inclusion.

The methods I used to explore women's use of microfinance are qualitative and aim to complement and in some cases contest, the parameters of quantitative studies. The participation in credit groups in Luribay, focus groups and interviews can offer a platform from which to deconstruct the main terms of debates on microfinance, citizenship and social inclusion. But the conclusions drawn are still an outsider's perspective.

Chapter Six: Cooperation and Competition

Caught between the pressures of multiculturalism and surviving in an increasingly insecure and urban-based market, rural women in Bolivia are negotiating their inclusion and dealing with maintaining their own culture, co-operative networks and surviving in a neoliberal setting (Choque Quispe 1988: 22). They negotiate the demands on the one hand to preserve culture and maintain cooperation in the community, and on the other to survive in an industrially biased, free market economy. Cooperation is constructed by different social relations and identity categories in the various settings which women are negotiating as they maintain reciprocity among kin and community and then compete in the competitive urban market (Paulson 2000). Women have different capabilities to participate in the market and to derive benefit from Prestec's services, depending on reliance on cooperation and land-based production. Microfinance may boost capability to participate in the market, but may not sit well with the priorities of those who prioritise land. Those caught between the pressures of maintaining cooperation within the community and participating in the market have limited capability to use microfinance, as the timetable and commitments of land-based production do not sit comfortably with the more entrepreneurial vision underpinning microfinance.

In Luribay, particularly in the hamlets, land-based production is priority: land defines people as members of the community; people live from the land; land provides security in old age and inheritance for both male and female children. Land-based production depends on cooperation and reciprocity amongst members of the community. Family members and friends work on each other's land, and help each other sell produce in La Paz. Communities work together to maintain the roads and the irrigation system, under the guidance of the local authority. In terms of social inclusion, landownership and land-based production are important aspects. In the Town there are more people in commerce who own shops, hostels or transport. Given the ethnic implications of the distinction between land-based production and commerce, the way that people use their loan from Prestec could throw light on microfinance's potential to include marginalised citizens in the market. In this chapter I explore the various dynamics of inclusion in the valley and how these relate to the market. I give examples of the stories of people from the hamlets and the Town; those involved in land and commerce; and the Protestant and Catholic population.

The women involved in microfinance in Luribay have varying capabilities to participate in the market, illustrated by the way they invest their loan. There are more outsiders passing through in the Town than in the hamlets of Luribay, and women there have more opportunities to invest their loan in commerce in the weekly market fair and selling to professionals from NGOs living in the Town. Their priority is still land and commercial investment has to respect cooperation within the community. Selling to outsiders is a way to balance the need to sell in a commercial environment while maintaining the cooperative relationships necessary for land-based production. *Residentes*, who live in La Paz and do not have land in Luribay, can invest their loan commercially and make a profit without needing to respect the cooperative dynamic of the community to the same extent. These women are successful in entrepreneurial terms, but some members of the community resent *Residentes* and their influence in *fiestas* is seen as a loss of tradition. Microfinance may be a boon to those who find themselves outside of the cooperative networks of the community, for example Protestants and those who do not own land, as they have to be more flexible with their IGAs.

THE MORAL ECONOMY: COOPERATION AND RECIPROCITY IN LURIBAY

In this section I look at the basis for the moral economy in Luribay. It is my argument that far from being anti market, maintaining reciprocal relationships in the community, via exchange in kind, networking, traditions and *fiestas* contribute to capability to participate in the market. Within the hamlets themselves, there is a unified sense of solidarity embodied in the AU, and people in the hamlets working together is vital to maintaining roads and irrigation systems, again vital to production. Within the hamlet and the Town, those involved in land-based production rely on help from others to produce on the land. The basis of this interdependence is the obligation to reciprocate and mutual need. The first to be asked to help are kin, and people in the same hamlet, for reasons of convenience. Whereas before, these relationships were purely reciprocal, the introduction of money, capital gain, migration, conversion to Protestantism and the arrival of international NGOs have all changed the traditional reciprocity and cooperation in Luribay. Although at national level the indigenous movement and the socialist movement emphasises solidarity, ethnicity does not determine membership of a

reciprocal network within Luribay, but indigenous culture and land-based production are related.

Bases of Reciprocity: *Ayni*, *Minka* and *Faena*

Reciprocity and interdependence is based on bilateral kin groups and exchange of labour and produce by the traditions of *ayni*, direct and commensurate return of favours (Isbell 1978; Guillet 1980), and '*minka*'¹², exchange of labour. There is also 'public' cooperation, known as *faena* (Isbell 1978: 167).. Solidarity is then important on two levels: the community for maintenance of infrastructure, and cooperation based on kin and *ayni* for production. Cooperation and reciprocity are mostly determined socially, by kin and by the need to reciprocate favours. This has its roots in the *ayllu*. As I explained in Chapter Two, the *ayllu* was based on reciprocity and exchange of goods among members of bilateral kinship groups. The *ayllu* itself has been worn away by the *hacienda* system and land reform, but socially constructed cooperation in Luribay still has its roots in this system of bilateral kinship. Hamilton refers to 'reciprocity groups' to describe cooperation in land-based communities, as this reciprocity is not identical with either kinship or space, although it has its roots in the former (Hamilton 1998).

Faena are public workdays, when all the members of the hamlet are expected to work together maintaining the roads and the irrigation canal. *Faena* are imperative to community belonging and production on land. The infrastructure in Luribay is maintained by communities working together under the guidance of the AU. The roads are maintained and the irrigation canal cleaned on specific days of the year. Women and men both participate in clearing the road. Men clean the irrigation canal whilst women make special foods which are traditional to the specific *faena*.

The principle of *ayni* frames labour exchanges and the accumulation of social capital within the moral economy, both in terms of the pool of labour which can be drawn on and contacts for monetary loans. *Ayni* is the principle which

¹² This word has various spellings-e.g. *minga* (Guillet 1980)-and different meanings in other areas and at other times. Isbell 1978 defines *minka* as calling for aid, and *ayni* is the response. In Luribay, *minka* is increasingly used to refer to paid labourers

maintains the system of reciprocity and cooperation in Luribay which makes income-generating activity possible. Hence entering into competition or a commercial profit making activity with your neighbour rather than offering exchanges in kind is not only frowned upon, but economically irrational, as this would undermine capability to produce.

This word '*ayni*' is often heard in Luribay; it is a very present part of everyday activity. It acts as an informal as well as a formal principle. Informally, the *ayni* applies to a system of reciprocal favours; not to return a favour would be seen as breaking with *ayni*. There is also a more formal system where the gifts, favours and loans are noted down so that the exact amount can be repaid. For example, in the gift giving ceremony of a *fiesta*, one person stands next to the host with a pen and paper noting down the names of the gift givers and the cost of each present given. There is a generally held view among older people in Luribay that traditionally *ayni* functioned on the informal system and was an exchange in kind. The introduction of giving money and purchased presents has necessitated writing down the amount owed.

Minka is the Aymara word for a day labourer, contracted either on the basis that the labour would be exchanged in kind or paid a daily wage. I was told that nowadays, the word *minka* is only used when there is payment, and otherwise the exchange in kind would be referred to as 'we'll do *ayni*'. The daily rate for *minka* is around 20 Bs. (\$2.50 US). per day. Regardless of payment, the exchange of labour in Luribay, as in the Andes in general, is mediated by *ayni*. Kin, fictive kin, neighbours and friends work on each other's land to plough, sow seed, and harvest the produce. Working on other people's land is a way of ensuring enough labour for one's own land-based production, as this labour is reciprocated. Labourers are either repaid in kind with the landowner working the same amount of time on their land, or paying another labourer to reciprocate in their place. Those without land can earn money this way, whether reciprocating on somebody else's behalf or being paid directly by the landowner.

Help is particularly needed at certain times of the year: digging the field, clearing rocks from the river bed in the dry season, planting the seed, harvesting

and sorting the produce. These days involve work parties and often imply special foods for that particular day. As many people at the same time are in need of labourers, according to the agricultural calendar, maintaining reciprocal relationships with people is increasingly important. For convenience people tend to ask people living in the same community, but it would not be unusual to ask people in other communities, particularly if due to a shortage of labourers wages were offered to people with no land.

These reciprocal networks are maintained by social convention and are fluid. There is not a set number in a group and networks can change according to availability. There are, however, loyalties which underpin who helps whom. For example, if one person in the hamlet consistently helps you, you might consolidate this relationship by inviting them to be a godparent, or by favouring their shop.

It is a commonly heard complaint that there are no *minkas*. There are however some people in Luribay who do not have land, and although they are not interested in working for reciprocal labour, they will work for a daily wage. Due to out-migration, mostly male, it was a common complaint that there were not enough workers to go round, even if payment was offered. Another often voiced view was that since children were obliged to go to school, they would refuse to help on the land.

Spatial Aspects to the Moral Economy

The number of people required to work on the field depends on size. Those people renting small parcels of land could make do with their immediate family. Those with larger parcels could require as many twelve people to dig the land. There is a spatial element to solidarity and cooperation in that people in the same hamlet will exchange favours, mostly labour on each other's land, and so maintain a working group. People say that this is more to do with convenience than loyalty to one's hamlet, and there is no sanction against going to a friend in a different hamlet to help. It is preferable to get as many people as possible to work on your land on the same day and get all of the work done as quickly as possible. The cost of the *minkas* would be the same as getting fewer people to

work several days, but the costs of feeding the workers are lower if it can all be done at once. As such extended family will even travel from La Paz to work on the land.

There are rivalries between hamlets and within hamlets, between different reciprocal networks. Rivalry between hamlets is expressed in terms of competition to have the best *fiestas* and the Luribay football league, which played every Sunday. In the hamlet of Pocuma, the perception that NGO projects are favouring those who live closer to the rivers have split the community in two, those who live near the river and those who live above the irrigation ditch. Work groups reflect this distinction.

Changes in Reciprocity and Cooperation

When I asked about power hierarchies in the community I was often told ‘we’re all the same’. Harris also found this (1995). However, the development of the capital market has meant that people within the same community are in fact differentiated, arguably on the basis of socio economic class (Lagos 1994). Although people told me that everyone was equal in the community, they did point out people who were rich, claiming in some cases that they were ‘multi-millionaires’. People who owned trucks were thought to have made money, and it was claimed that they were ‘greeted from afar’, a sign of respect. People with access to liquidity in the Town as well as the hamlets were sources of loans. There were signs that cooperation was breaking down from the top. People with money could afford not to join in cooperative traditions as they could pay for labourers. They were accused by others of being selfish. Those without land and those who work in the city are excluded or exclude themselves, as they either do not need other peoples labour, or they cannot reciprocate. As more people move to the city, there is a problem that this reciprocity is breaking down..

One strategy adopted by the Evangelical Church to encourage conversion is to say that all of the Protestants from a certain area work on each other’s fields. Some people joked that they would just pretend to convert in order to access more labourers. Protestants disapproved of the tradition of *ayni*, saying that people should work for a living rather than rely on favours. Whilst land and

market participation is common to all families in the valley and necessary to survival, there is a coincidence between which the teachings of Protestantism and the entrepreneurial, professional vision of development which microfinance and other market-focussed NGO interventions represent. There is a relatively large Protestant population in Luribay, and although personal tension between members of the two religions was not evident, people who had not converted chided Protestants for being too proud to join in with *fiestas* and traditions. Protestants on the other hand disliked traditions of reciprocity, emphasising that people should work for what they have.

Negative Side to Solidarity

There is also a negative side to the interdependence within the community, in that norms are strictly upheld and sanctioned by gossip. Some are oppressed by power relations within the community or excluded from it. Those without land and Protestants are to some extent excluded from the moral economy of rural areas. This may mean that they are excluded from some of the reciprocal favours and lending and need to find alternatives.

Entrepreneurialism and self-advancement may be penalised for the sake of maintaining cooperation and reciprocity in the community (cf Bailey 1971). People starting in IGAs would often complain that people would spread scandal about them just to stop them getting ahead. People said that *envidia* ('jealousy') was widespread, and gave examples of when businesses had failed, either because people shunned them or sometimes undercut their prices, so they would not succeed even if this meant a loss. Commercial activity and trying to make a profit from a fellow *Luribayenos* is seen as selfish and is sanctioned by gossip and losing the social capital vital to land-based production. In order to not risk cooperative relationships, commerce in Luribay itself tends to only be to outsiders. *Luribayenos* sell their produce in El Alto and La Paz, or at markets and *fiestas* which attract people from outside, but they do not sell to each other. The sanctioning of individual profit making was resented by some, but it was recognised that the underlying principle of the market in Luribay is that everyone has to make a living and that individual profit is selfish.

People from Luribay who had been successful in the city, either via studying and becoming doctors lawyers, or professionals, or by making money abroad, were criticised for forgetting where they came from. One *Luribayeño* lawyer who was honoured in the ceremony for the anniversary of the founding of Luribay was strongly criticised for not coming back from the city to accept this award. I was told this was typical of people who succeeded in the city.

This resentment of people who do get ahead and, (or from their perspective break free from controls and sanctions), demonstrates how necessary cooperation is. It is also characteristic of an attitude which Bolivians themselves deride about Bolivia. There is an anecdote which illustrates this: a scientist is doing experiments on frogs, one group of American frogs and one group of Bolivian frogs. He keeps them both in separate buckets. When asked why there was a lid on the bucket of American frogs, but not on the bucket of Bolivian frogs, he replies: 'If you don't keep a lid on the American frogs, they'll all help each other get out, but the Bolivian frogs – they drag each other down' (Luykx 1999: 17). This can be contrasted with other areas of the world where success of someone from the same community could lead to success for others (Chant 2007: ch 5). In Bolivia it seems that cooperation, possibly under the influence of liberal economic policies, is breaking down from the top (Koch 2006).

Maintaining Cooperation and the Moral Economy

Throughout the valley, including the Town, hamlets and within both the Protestant and the Catholic population, landownership and production are the principal goal and the main activity. Land is important to belonging and provides subsistence and security in hard times. Land is important to family inheritance and a small parcel is owned by each member of the family. Even young children or offspring who are now adults and living in the city have their individual patch of land and it is referred to as theirs individually, although it is used communally in the family. Women keep their land when they marry. It is worked on communally by extended families. Those who do not own land cannot join the AU and have to rent land for subsistence and market production. Many also engage in other IGAs in order to save enough to buy land.

In both the Town and the hamlets of Luribay, cooperation is important to the maintenance of infrastructure and the land-based economy. The moral economy is prior to the capitalism, as the allocation of resources and capabilities to participate in IGAs has more to do with kin network and status in the community than capital. Servicing and recreating the relationships and traditions which constitute cooperation and the moral economy in Luribay largely falls to women. In the move to a capitalism focused on production, women's work maintaining the moral economy becomes invisible, as it is unpaid, despite the fact that their networking and servicing of relationships makes economic activity possible.

Fulfilling the duties and obligations of *ayni* and *faena* are imperative to community membership and make economic activity possible. Women have an important role to play in the recreation of these traditions and principles, whether it be making food and organising work parties, doing work themselves or sanctioning those who do not contribute with gossip and scandal. Whilst the importance of this work is clear to those in Luribay, given the parameters of assessments of development interventions this work could be invisible to development professionals. In a move to a production-focussed economy, this work is unpaid and therefore not explicitly valued, despite the fact that this work makes production possible.

There is a general complaint in Luribay that there is a shortage of labourers, particularly at ploughing, pruning and harvest times. Given this shortage, the principle of *ayni* still applies to being able to access labour, regardless of whether or not there is cash payment also.

'You can work as a minka, there's no shortage of work and they pay about 20 Bs..(\$2.50 US) a day. My husband does that. But mostly we work for other people, with the people in the community, and we help each other out. There's a shortage of minkas so we do ayni. I help you, so you help me too. That's how we do it, but then that's not paid for.' (Doña Lucia, 50, Hamlet 1, Interview)

'At this time of year you've got to prune the vineyard, and we help our husbands, we work together with him, and with my sons and

daughters too. We all go down together. And with my goddaughters and co-parents too. But often there aren't any minkas, you know, workers. You can't imagine how hard that is! And then it's up to us, it's so difficult. And so we just have to help each other. If there are no workers, that's when I really miss my son. And when we harvest the fruit that's when I really need workers, and more workers, otherwise you're just losing money if the fruit is ripe and you can't harvest it. It's just going to waste on the tree. And then we've all got to go up the tree and pick the fruit; you've got to do it... So we work together, in the family, we even go up the trees with ladders, we all help each other out.' (Doña Juana, 52, Hamlet 3, Interview)

Lack of labour means time is at a premium. It is women's responsibility in Luribay to organise work on the land and the accompanying work party. The group of labourers come and plough, sow and harvest the land on a day arranged by the woman of the family. Men plough the land and women sow the seed. The woman who owns the land prepares a meal for the work party after the morning's work. Women's labour is not only vital to land-based production but is valorised in this system. Doña Magdalena emphasised to me that as she was such a good cook, she could always rely on people coming to work on her land.

It is this work, the maintenance of kin relationships, friendships and traditions which in Luribay is clearly women's role, that is overlooked by development interventions that focus on promoting and valuing entrepreneurialism and production. Women in Luribay do characterise this networking as 'work', . Women's reproductive labour and support and care within the community constitute social security in Luribay. For example, if women are away or ill, they call upon extended family to help them cook for their family. If the harvest fails or production is prejudiced by landslides, weather conditions or political upheaval, strikes and roadblocks, sharing amongst extended kinship networks in effect socialises the risks of agricultural production. In the context of Luribay's subsistence economy, women's labour is valorised by the ethic of care and reciprocity within the community. However, in the move from subsistence to

capitalism, which microfinance is arguably part of, their work is not explicitly valorised as it is unpaid.

COMMERCE AND LAND IN THE TOWN AND HAMLETS OF LURIBAY

Because of the priority given in Luribay to land-based production and the concomitant reliance on cooperation within the community, it is not acceptable to make profit from or enter into competition with people of the same community. Commerce is only really engaged in with outsiders, or when women travel to La Paz to sell. In this way women negotiate both community and commerce. The weekly market fair in the Town, people coming from school or through communities on the way to La Paz, and professionals from the city living and working temporarily in the Town, are all opportunities for commerce, and these opportunities are taken up by women throughout the valley whenever possible. Women in the Town tend to have more opportunities for commerce than those in the communities: professionals from NGOs stay there and people come to the Town for the weekly fair, the school, and the road which goes to La Paz. There are shops in the hamlets that receive little passing trade from outsiders. The majority are left over from a time when there were more people passing through, before the other road was built. The shops that are still there cater to family and friends and do not follow a capitalist ethic of competition.

Women who prioritise land are often unable to dedicate all their time to their shop. The timetable of work which land requires is incompatible with business. Land is worked on during the morning until about one o'clock, when the sun becomes too strong. The main source of passing custom in Luribay is from children going to and from school. As they come and go first thing in the morning and again at midday whilst most women are working their land, additional investment in business is unlikely to be wise. This may suggest that this development trajectory focussing on commerce does not fit easily with people in Luribay as it does not fit their priority of land and may oblige them to take on additional IGAs.

Those without land have varying positions in terms of belonging, security and capability in the valley. Some needed land for subsistence and were prepared to migrate in order to acquire land. Doña Alexandra, explained how important land is, particularly with a family:

'We don't have any land and we have a family. That's really hard! ... We can't stay here. There's no land. And if there's no land we can't sell anything. We would like to have a shop too, but we need the basics first: land.' (Doña Alexandra, 36, Hamlet 1, Interview)

Doña Alexandra's husband is the youngest of a family of four brothers and two sisters and so did not inherit any land. They are able to stay in Luribay as her mother-in-law rents them a patch of land and their children have a place in the local school. But Doña Alexandra is in no doubt that land takes priority over commerce. She and her husband decided to come to Luribay as opposed to staying in her home of Cairoma because the land in Luribay is more fertile. 'We came here because of the fruit, at least here the children can eat fruit'. In Doña Alexandra's case, land is priority because of subsistence needs.

In some cases, commerce can be used as a way to acquire land. Doña Magdalena's husband, Don Pedro, is not from Luribay and when they first married the couple did not have any land. Don Pedro is from the city of Oruro and owns a truck. Doña Magdalena explained to me that when the road going through her hamlet was the only way to get to the Town, prior to the arrival of the MFI, she had a successful restaurant. She sold a set lunch to people coming through from La Paz on the bus or to people on the lorries carrying produce from throughout the valley to the cities. She bought her land with savings from her restaurant. However, since a new road had been built on the other side of the valley, there was no longer much traffic going through her hamlet, and the restaurant and other similar businesses were no longer viable.

'I don't have the restaurant any more. I had the restaurant when I didn't have any land. Now I've got the land. I worked to be able to buy the land, because don Pedro [my husband] is from Oruro, he didn't have any either. Land is much better because there's no traffic here anymore since they built the road from the Town. There used to be loads of trucks and buses coming passed here, and I'd make coffee

and stuff, but not anymore. Now there's nothing, you can see, right? There's really no point cooking for anybody. There's too much competition for business to work. With land you have stuff to eat and when you sell you have the money to buy a little meat' (Doña Magdalena, 64, Hamlet 2, Interview)

Doña Magdalena and Doña Alexandra prioritise land for different reasons, but land for both of them represents security and belonging. As Doña Magdalena emphasised, in an increasingly competitive and insecure climate, land was a wiser investment than commerce.

Business in the hamlets is restricted to small, sparse shops. There are several shops in each hamlet, all selling more or less the same goods: soft drinks, beer, dry biscuits and batteries. Some better-stocked shops also have toilet paper, shampoo and torches. Women are generally in charge of running the shops and each shop is identified by the woman's name, even though the husband will help out. Business in the hamlets depends on the moral economy and cooperation rather than competition based on price or quality (Crandon-Malamud 1993: 579). If they are out of a certain item they gladly indicate where to get it at the other shop, or even how to get it more cheaply directly from the suppliers when they come round in their trucks. People favoured one shop over the other because of social ties. I was occasionally told off for going to the 'wrong shop' by the woman I was staying with as I should go to the one owned by her goddaughter.

Several women made the observation to me in general discussions that there was not much commerce because of lack of passing trade and of outsiders passing through, and that people would rather spend money in La Paz. This was true in the hamlets, and also, although to a lesser extent in the Town. This topic came up in interviews in response to my query about why the credit was generally being invested in land if women knew it was better suited to commerce.

'There aren't any shops here because there aren't any people! Who are we going to sell to? People go to La Paz all the time, and they'd rather spend the money there than give you one extra peso. And you've got to charge more than in La Paz to make up for your journey and your time' (Doña Janeta, 39, Hamlet 3, Interview)

'In the city there's lots of commerce, but not here. I thought of opening up a hardware store, but firstly you need lots of investment up front. And you'd have to increase the price slightly to cover your costs, and people won't pay the extra. They're travelling to La Paz anyway and they'd rather pay a little less there.' (Doña Feliza, 38 Town 1, Interview)

This indicates a more negative side of cooperation in the community: getting ahead in commerce is frowned upon. Respecting the limits of cooperation within the community means that people would actively try and prevent individual entrepreneurial success with gossip or by shunning a certain business. I was told about a video game shop in the Town and a costume shop in the hamlet of Cachualla which had had to close because people were 'jealous' and did not want others to get ahead. I suggest that behind this jealousy is the awareness of the importance of cooperation and reciprocity, and the maintenance of tradition and identity to this end. For this reason, commerce is only acceptable when the clients are outsiders.

Business in the Town is more varied than in the hamlets because of the greater number of people from outside Luribay passing through. But business in the Town still operates within the cooperative moral economy, as land and cooperation are still priority. Shops are better stocked and there is more passing trade and more outsiders passing through, mostly because of the weekly market fair that comes to the Town every Tuesday and the movement of people from the mayor's office and the NGOs. As well as 7 shops, all selling the basics: soft drinks, biscuits, beer, matches and batteries, there are two restaurants and four hostels, mainly catering to employees of the NGOs and the municipal government staff who stayed in Luribay Monday to Thursday. Several women also sell bread, which is normally made and sold for the Tuesday market fair.

There is still a social logic in the Town that trumps the demands of the market. Trying to get ahead at the expense of someone else is frowned upon, as every one in the community has to make a living. For example, all the shops in the Town stock basically the same aforementioned items. Some shops specialise by also

selling bread or motor oil, for example. It was explained to me that one woman was trying to sell ‘everything’, in other words, she was selling the norm plus everybody else’s specialities: bread, cheese, motor oil etc. This was seen as unfair because she was trying to take all the business. As a result some people told me they no longer went to her shop: ‘we all have to make a living here’, explained Don Eduardo.

In Luribay women prioritise kin and cooperative, reciprocal relationships, but it is in the city that their entrepreneurial skills and business acumen come to the fore. Women from both the Town and the hamlets of Luribay go to the cities to sell their produce. This is generally seen as women’s work because they are considered better negotiators and bargain harder than men do. The stereotype of the Aymaran woman in La Paz is of a savvy businesswoman who holds the purse strings and drives a hard bargain. The women I met in Luribay are very proud of this reputation. Doña Janeta in interview told me proudly ‘I’ve got what it takes to sell anything.’ She knew how to talk up her produce, chat to customers and still drive a hard bargain.

‘It’s the woman who sells better, not the man. But you’ve got to have the ‘gift’ [la pasta]. If you haven’t got the gift, you’re not going to sell, even if it’s really cheap. And I tell you I have the gift! You should see me in La Paz when I want to sell. I watched somebody else’s stall for her while she had to look after her baby, and I sold more for her than she did herself all day! Because I know how to do it. You shout ‘señora, señora, look at how lovely this fruit is’ – and she’ll come from half a block away to buy from me! ... you’ve got to know how to convince people, to show them how lovely the fruit is, and they’re going to buy fruit from you even if they hadn’t planned to! And you’ve got to give a little away, what does it cost you? And let them try it’ (Doña Janeta, 39, Hamlet 3, Interview)

Others confirm that only women really knew how to sell: ‘*women sell better. Men can’t say no to women. But between women, we argue over the price*’, Doña Begoña (22, Hamlet 1) told me as I helped her prepare her peas to take them to sell in La Paz.

This stands in contrast to the spirit of cooperation with which these same women run their shops in the Town and hamlets of Luribay. Women play a competitive role in the markets but do not behave like this in Luribay itself. In Luribay it is more to their advantage to maintain solidarity and cooperation within the community. The fact that women are competitive in the cities whilst they prioritise cooperation in Luribay is not due to inability or misunderstanding of the market, but rather the importance of cooperation in Luribay which makes production and economic activity possible. Women in the hamlets of Luribay who prioritise land do not lack the skills or the willingness to participate in the commercial market; they lack the capabilities.

Residentes tend not to own land in Luribay. The ones I met invested instead in houses in La Paz and earned their money in a labour market, some as teachers and some in business in the city. They can invest in business in Luribay without being worried about the cooperative networks or the dreaded sanction of gossip. This could show up the urban bias in entrepreneurial, production-focussed development. The safety nets that people have in the city allow them to profit more effectively from opportunities in rural areas. *Residentes* have the capabilities to take advantage of market opportunities, as shown for example by their business activities during annual *fiestas*.

Commerce and Exchange in *Fiestas*

Dynamics involved in the preparation for *fiestas* and the *fiestas* themselves shed some light on the values and the sense of belonging that structure cooperation in the Town and the hamlets. *Fiestas* illustrate dynamics of inclusion and exclusion in the valley with regard to the different kinds of exchange involved and the different meanings these *fiestas* have for the people in the hamlets, Town and the *Residentes* in the city. As well as being expressions of belonging and identity, the preparation for the *fiestas* and in the *fiesta* itself are examples of the tensions between tradition, cooperation, self-advancement and identity in the valley. The opportunities which people perceive in the *fiesta* and how they negotiate the relationships within the community and with outsiders during the *fiesta* may suggest the ways in which *Luribayenos* understand production, commerce and

cooperation, and negotiate the tensions between self-advancement, cooperation and belonging.

The Town and each hamlet annually celebrate their respective saint's day with a *fiesta*, and there are *fiestas* for graduations, 15th birthdays, weddings and completion of military service. Couples sometimes take advantage of the annual *fiesta* to celebrate their wedding on the same day to minimise the cost. *Fiestas* represent considerable expense and have been used as examples of 'irrational economic behaviour' (Crandon Malamud 1993: 575, paraphrasing Tax 1953). But they can be thought of as a kind of tax: functioning to level people who are getting ahead and keeping everyone at the same level; an important part of maintaining cooperation and reciprocity (Bailey 1971: 19; Crandon-Malamud 1993: 575). The strategies to pay for these festivals and the exchanges which take place within them show the importance of cooperation in the valley.

In both the Town and the surrounding hamlets the annual *fiesta* is an expression of community and belonging, but the differences between Town and hamlet *fiestas* were emphasised by many people I spoke to. Preparation for the *fiestas* in the Town and hamlets recreate traditions such as *ayni* and *compadrazgo*, and are an opportunity to reaffirm relationships with kin and fictive kin, extend trust networks and accumulate social capital by participating in labour, gift and favour exchanges within the principle of *ayni*. In the Town, as well as recreating traditions, people see *fiestas* as an opportunity to make a profit. It is an occasion during which outsiders come to Luribay Town and beer, food and lodging are in demand. *Residentes* and friends from La Paz coming to the *fiesta* bring urban wealth to Luribay. In the hamlets, people tend to condemn this and give it as an example of people in the Town being 'selfish' and claim that the arrival of people from La Paz meant a loss of tradition.

Every year, one couple is chosen by the community to be the *prestes*, the organisers of the *fiesta*. This is a considerable honour and entails considerable expense. The estimated cost is about \$6000 US (48,000 Bs.) to pay for food, beer, the Catholic mass and the band. In the course of my interview with Doña Juana, the expense of the *fiestas* came up as I had recently returned from a *fiesta*

in the Town, and she was asking me about the number of bands which were there.

'The fiesta here is on the 2nd February. It is so expensive to organise. We put it on once because we made it my eldest son's wedding day too. It is so expensive! You've really got to spend all your money on it. You've got to organise the moseñada [dance troupe], the band, get the food ready. And then there's the beer, you've got to give people something to drink, wine. All in all, it's got to be around \$6000 US [48,000 Bs.]. I paid \$2000 US [16,000 Bs.] for the band, \$1000 US [8,000 Bs.] for the dance, 100 cases of beer, I think that's \$5000 US [40,000 Bs.] all together, and then the singani and the wine too, it's loads! And the little bit they give you during the fiesta is nothing!' (Doña Juana, 52, Hamlet 3, Interview)

One way of attaining this sum is by lending money over the years to the *preste*, and then recalling these favours via the principle of *ayni*. Doña Juana continues: 'But the way we do it is we lend to each other. You say, 'You lend it to me when it's my turn and I'll lend it to you when it's your turn!' ' The honour of being *preste* is contingent on having connections within the community to build up enough financial exchanges. People build this up over time and it involves both an exchange of labour and credit governed by the principle of *ayni*. This system is a way of honouring people who have made money and keeps wealth in the community. This suggests that the main way in which money is circulated in Luribay is via reciprocity and *ayni*; profit made from commerce is on the periphery.

Fiestas in the Town are considered quite different to those in the hamlets. In the hamlets food is shared, although there is business to be made from selling beer (cf Lagos 1993: 57). People in the hamlets often comment on the fact that everything in the Town *fiesta* is bought, and take this as an indication that the townsfolk are selfish. They also express the idea that commerce during *fiestas* is a recent, urban phenomenon and that *Residentes* who engaged in commerce during the Town's *fiesta* are breaking down *Luribayeño* tradition.

Besides the organisation via principles of *ayni*, and *prestes*, *fiestas* in the Town are seen as an opportunity for making profit. As the capital of the valley the Town sees a lot of events each year which allow people to sell to outsiders who come in for the *fiesta*. As well as the annual *fiesta*, there are other events, including a car race and the anniversary of the establishment of the Municipality, and the national day, all of which represent opportunities for commerce in the Town. However, these *fiestas* are also organised via communal effort to welcome guests and some food is provided free.

Whereas in the hamlets members of the community dance for each other, in the Town *Residentes* from La Paz come and organise dance troupes. In the Town in July 2006 there were two troupes, one from the mayor's office and one organised by a *Residente* from La Paz. People were recruited by the troupe organisers to dance a particular folkloric dance which necessitated them paying a quota and renting the costumes, as well as a couple of months of rehearsals.

Both troupes caused some tension in the Town, and this was largely due to the presence of *Residentes* who were perceived to be taking over. The troupe I danced in was organised by Milton, the son of two *Luribayeños* who had a hostel and a shop in the Town. People in the Town were complaining that Milton did not have the right to organise something in Luribay, as he was not from there. The majority of the people dancing in his troupe were from La Paz, and some had never been to Luribay before. There was a separate mass organised just for this group (paid for by the group membership fee) and we ate and drank together, without necessarily mixing with the townspeople.

The *fiesta* in the Town caused resentment amongst the people there because of the domination of *Residentes*. The presence of *Residentes* does however mean that there are a lot of outsiders in the Town, and commerce flourishes. Many shopkeepers do not take part in the celebrations in order to remain sober and sell beer and food to those who come in for the *fiesta*. The fact that migrants to La Paz bring more liquidity to rural areas by coming to *fiestas* has been observed elsewhere (Crandon-Malamud 1993). Many people with businesses in Luribay are themselves *Residentes*. It seems to be the case that most of the people who

benefit from this are the *Residentes* who own shops, which could explain the resentment.

The difference between the Town and the hamlets with respect to *fiestas* indicates the way that money circulates in the valley. The reciprocal dynamic is the mainstream in the hamlets, whereas commerce with outsiders in the Town is acceptable. The townsfolk do sell during *fiestas*, this was an opportunity to make a profit from people who were coming in to Luribay from outside. In the hamlets, the meaning of commerce is different. People pride themselves on not selling food but offering it, although the gift of food did indicate the start of a reciprocal relationship and is a way of extending trust networks. Because there is less passing trade from outsiders in the hamlets they do not have the capability to engage in profit making activity. The townspeople can because there are so many people from outside, but cooperation still underpins most of the *fiesta*. Commerce is a separate kind of system of exchange that is mostly amongst people from outside Luribay. Commerce is not really taking off within Luribay itself because of the lack of capability and infrastructure.

RELIGIOUS IDENTITY AND BELONGING IN LURIBAY

Protestants' abstention from dancing is a visible mark of their difference and exclusion from the mainstream in Luribay. Dancing is part of every *fiesta* and school celebration. Protestants can attend these festivals but must abstain from drinking or dancing, and they do not believe in the saint in whose honour the *fiesta* is being held, which obviously limits their participation in *fiestas*. This restricts Protestants from the mainstream and attenuates their access to some of the resources found in the *fiestas*. Don Reinaldo, a pastor from the hamlet of Carayapu was fined 40 Bs. (\$5 US) for not dancing with his colleagues from the mayor's office troupe in the Town's festival. The Protestants I met seemed to disapprove of *ayni*, although they did participate in labour exchanges. They could however profit from commerce during the *fiestas*. Doña Michaela, a Protestant woman from the Town, keeps her snack stall in the middle of the town square open throughout the *fiesta*, saying that as she did not drink and drunken people are always hungry, it is an ideal time to make a profit. This is indeed

generation of capital profit yet Protestants are largely excluded from the exchanges of social capital in *fiestas* and the community.

However, the Protestants I spoke to in Luribay do not feel that they are rejecting Aymaran culture nor do they theorise their rejection of alcohol in this way. Don Reinaldo told me in conversation that alcohol and *fiestas* originated as part of the Spanish colonial project to subdue the indigenous peoples and keep them happy with their lot. His brother, also a Protestant, bemoaned the amount of money spent on alcohol in the valley, saying that if people would invest that money, Luribay would advance.

Protestants in Luribay still prioritise land-based production, are actively involved in the community and AU, and are no more or less involved in business than anyone else in Luribay. But they do have a different attitude to work, the moral economy and what is worthy of payment. They are against the idea of *ayni*, deriding it as a silly way to get money: ‘You should work for your living,’ the pastor’s son, Edson, told me as we chatted while clearing rocks from the river bed. Being left out of *ayni* and reciprocity in the ‘mainstream moral economy’ of Catholic Luribay excludes Protestants from a large variety of interactions. They are not individualist as they still depended on cooperation within kin groups to work the land. There is an automatic trust between Protestants, even between *Luribayenos* and professionals from the city, and these bonds extended across hamlets from other sides of the valley.

I would suggest that Protestants perhaps have to find different strategies for inclusion within Luribay. Being excluded from *ayni* and *fiestas* means being excluded from the mainstream in some senses. Microfinance may be a boon to some Protestant families who have to earn a living outside of the exchanges of social capital in the valley.

WOMEN’S USE OF MICROFINANCE AND THE MORAL ECONOMY OF LURIBAY

There is a clear need for credit in Luribay for those who invest in land as well as those who engage in commerce. During the winter months there is very little

income but this is when there is a need for investment in the land in seeds, fertilizers, and workers. Those that have businesses need credit to buy stock all year round. Although prior to Prestec there were no formal credit services in Luribay, it was possible to access loans within the moral economy: family and friends are sources of credit. The need for a source of credit outside of the moral economy indicates that some people are excluded from trust networks and they could benefit in terms of inclusion by Prestec's presence. In accordance with Prestec's free market ethos and the belief that beneficiaries should run the bank and so decisions they can take should not require too much training, beneficiaries activities are not screened. Screening would require more training for the promoters and the beneficiaries, and would increase Prestec's administration costs. The only demand that the bank does make about beneficiaries' activities is that they should be legal (Quiros Rodriguez *et al.* 2003).

Prestec's vision does not sit well with the cooperative ethos in Luribay which emphasises reciprocity and cooperation, necessary to production and underpinned by tradition. The terms of the loan and Prestec's aims are to bring women into the capitalism and encourage entrepreneurialism. The repayment timetable is more suited to the quicker turnover in commerce than land-based production for subsistence and production. Those who make better use of the credit tend to live in the Town, or are *Residentes* with a base in La Paz. Those caught between the competing pressures of land-based production and commerce maybe disadvantaged by the credit. However, in some senses commerce and microfinance could be a way to get back in to the belonging in Luribay.

Women from the hamlets, the Town, and *Residentes* put their credit to various uses, given the capabilities they have and the importance of land and cooperation. There are reasons why credit may function differently for different women in terms of inclusion, including the importance of a cooperative logic and the different vision of inclusion which is operating in the hamlets and the Town of Luribay. *Residentes*, who come from the city to take part in the credit group, are furthest removed from the need to co-operate with people from Luribay, and hence have a more individualist approach.

The majority of women from the hamlets invest their credit in land. They tend to take out small loans relative to the amounts borrowed by townfolk and residents, around 1000 Bs. (\$125 US) as opposed to the 4000 Bs. (\$500 US) commonly taken out in the Town. They spend the loan on their land, buying seed, fertilizer for the plants, plant food and workers' salaries. In summer, the produce can be sold in the city so paying back the quota is less problematic. In response to my question about what the loan was spent on, respondents generally said that it was invested in the land:

'We're working on the riverbed at the moment, working to grow peas. That's why I took 500 Bs. out, to buy seeds and chemicals, and I'll pay it back once I've sold my peas – but we don't earn much.' (Doña Carlota, 62, Hamlet 2, Interview)

'I pay the minkas with it, and buy manure, which costs 1300 Bs., and then it's gone!' (Doña Sandra, 41, Hamlet 2, Interview)

'I took out 1000 Bs., and it goes really fast, it just went. I bought seeds to sow peas in the river. I'm going to harvest them in October, the price should be higher then. In the meantime, I'm going to borrow 500 Bs. from my daughter to pay back the bank.' (Doña Magdalena, 64, Hamlet 2, Interview)

'I borrowed 500 Bs. and spent it on peas. We have land that my mother-in-law lent us and I invest it in that. To pay back I have to borrow from other people, and then once I've sold the peas I can pay it back. I've borrowed money from my aunt on condition that I work for her' (Doña Alexandra, 36, Hamlet 1, Interview)

'Well, by the time I've bought the seed and the manure that's it! no more money! so there's nothing else I can do, just the land. Then we can produce peaches and pears and sell them in La Paz, but it's just in this season that money is tight, we have to hold on until then' (Doña Glenda, 26, Hamlet 3, Interview)

As the quotes above suggest, being able to pay the biweekly or monthly quota is a common problem in winter, as there is no income until they can harvest and sell their produce. Other women from hamlets, again in response to the question in interview about how they invested the credit, point out that because their loans were for the land, they had difficulty paying back the bank on time. As well as borrowing from family, another strategy to pay back is to work as a *minka*.

'I just take a little out, some people take loads, but I don't want to make life complicated, so I just take a little bit. How am I going to pay it off when it's gone? I took out 500 Bs, but I need to go and work to pay it back now. I'm going to work on somebody else's land so they pay me. I have to go wherever. I don't have enough to pay the next quota. That's what we have to do when we're finished taking out the money. We have to go and work. Because the peas aren't going to be harvested for a couple of months yet. But they don't pay so much, just 20 Bs. a day' (Doña Elenor, 38, Hamlet 3, Interview)

Sometimes I work as a minka too. I go and collect peas by the river... sometimes I work as a minka every day of the week – I need the money! I go down to Cutty, so I have to get up at 4 am' (Doña Sofia, 34, Hamlet 2)

The rhythm of the credit group is more suited to business activities than land-based production. As well as investing time and effort into the exchanges in kind mediated by *ayni*, women in the group have to also work for cash. This is an additional burden on their time.

Those who invest in business do not have this problem, as the turnaround is faster. Women in the hamlets who invest their credit in land know that the credit is more suited to commerce. In the interviews, two women from the hamlets explicitly pointed out that credit and debt are easier to manage in commerce rather than production. Doña Janeta invests the credit in land, but wishes she had a shop, as that would be easier to manage:

'If I had a little shop, I would risk more and take out a bigger loan because I'd have a better idea of what I'd be earning. But now with the land I have to wait 6 months before I find out, and I tell you there's a lot of debt around here.' (Doña Janeta, 39, Hamlet 3, Interview)

Doña Rita had been in a credit group, but left because of the problems of paying back. She said that investing the credit was more difficult in land-based production than in commerce in the city:

'In the city you can sell all day, so you have business all the time, whilst here in the countryside you don't. It would be better if we could change the payment rate... Sometimes you don't know where you're going to get the money from.' (Doña Rita, 38, Hamlet 2, Interview)

The women in the Town are much more likely to invest in business, although they continue to prioritise their land because of status, belonging and subsistence. They engage in commerce either in the weekly market fair or to professionals from the city working in Luribay. Some women have small commercial ventures and take advantage of the weekly market fair. These women all told me that they keep the money from the loan separate and use the profits from commerce to service the loan in the bimonthly meetings. As the Town has more traffic from outside of Luribay, from NGOs, the school, and celebrations which take place there, there is greater opportunity to provide services without disrupting the social network present there. Doña Carol had been in a credit group for six years. At the time of interview, her group was resting for a cycle. In response to my question about how she invested the loan, she emphasised that everyone had to invest the loan in a productive activity, and acknowledged that it was easier for those who could sell locally than for those who grew produce for sale in the city.

'We all have to have an activity with which to pay back - if we just eat it then we can't pay it back. So you have to have an aim with the credit. I take it out for the bakery, to make my cakes. I sell them every week on Tuesday in the market fair. I take the credit out just for that. It's exclusively for that. The shop and the hostel are

separate. With 5000 Bs. over 8 months, I buy flour, eggs and sugar. And I have no problems paying that back, because I know that I'm going to be able to sell it. The ones who have land, I don't know how they cope.' (Doña Carol, 48, Town 3, Interview)

Residentes, people from Luribay who now live in the cities, have a different perspective on the use of credit. There are several *Residentes* in one credit group in the Town, Town 1. Doña Margarita owns a hostel in the Town, and spends two weeks in Luribay and two weeks in La Paz every month. In interview, I asked her about how she used the loan. She took out a loan of 8000 Bs. (\$1000 US) and invested it in her hotel. She made improvements, bought new sheets and hired help.

'I took out the credit to be able to renovate the hostel. Now I'm building two new rooms for lodgers over there. And then sometimes I need to buy new sheets and things, they get old. ...[and] some other new things. Half my time I'm in La Paz, and half my time here. My family's in La Paz, and they work there.' (Doña Margarita, 50, Town 1, Interview)

Unlike some of the people in her group who live in the Town and hamlets of Luribay, Doña Margarita does not own land and comes to Luribay to look after her hostel. She is not dependent on cooperation within the community in the same way. Her lodgers in the hostel are professionals from outside Luribay who work half their time in Luribay and keep a room there. This includes agronomists and people working for the Municipality who come at least once a week. She also had the financial security of her family in the city.

In contrast to the Town, commerce in the hamlets is limited as there is no passing trade from outsiders. There is only one woman in the hamlets whose shop is constantly open and well stocked. Doña Coraly's shop is at the entrance to the school in the hamlet of Cachualla and the passing custom was such that she could afford to invest time and credit in her shop. In a discussion about the credit in general Doña Veronica told me how successful Doña Coraly was. 'I tell you who does really well with the credit: Doña Coraly in Cachualla. She can take \$1000 US (8000 Bs.) over 8 months, and people are coming in and out of her

shop all day,' Doña Veronica. The nurse working in the health post in Pocuma told me that whenever I needed anything, be it pens batteries, yoghurt or chocolate biscuits, I should go to Doña Coraly's shop as 'she has got everything.'

Those in the hamlets who are excluded from the cooperation and reciprocity of the land-based, subsistence communities have to be more imaginative with their income-generating activities. The credit may aid them in this, as they are to a certain extent excluded from the way in which wealth circulates in the hamlets. Doña Veronica runs a shop and invests her loan in bread making and a juice maker. She sells banana milkshakes to schoolchildren as they walk by at about midday. Doña Veronica is not affiliated to the AU as she does not have land of her own; she rents a small parcel of land. Her shop therefore provides the greater part of her income,; and she is also able to devote more time to running her business, as she does not spend so much of it on the land. Importantly, her shop can open at midday when the children pass by on the way from school, so she can sell them the milkshakes. Landowners have to work their fields at this time so they cannot take advantage of the passing custom from the school. But she is still cautious regarding competition as she wants to be more secure in the community and is using her shop in order to get land. In interview, she explained to me how she used the credit:

'I spend the credit mostly in the shop. I buy everything I can, what you can see here. But I only take out 2000 Bs. [over 6 months]. and that's not much...Before, when I started with the credit, I didn't make bread, because there was somebody else here who did it, and I'm not one of those people who's going to start a business when there's already somebody else doing it. That's why I didn't make bread at first. But then, when that person died, I started, because there was no-one else around who made bread. So I said to myself, I'm going to make bread. And this year I decided to make milkshakes too. I saw the lady who makes them in the fair in Collpani, and it seemed to be working out for her. And I thought, well, it's not competition because she's quite far away and only comes on Saturdays. So I started doing that, and it's going really well! I bought the blender with the profits from the bread... I

couldn't work on the land and have a business. If I go to work on the land, I'm not going to sell anything in the shop.' (Doña Veronica, 32, Hamlet 3, Interview)

Doña Veronica is a Protestant. Her husband, a music teacher, lost his job because of a gossip campaign against him. She is therefore excluded from much activity in Luribay, for example *fiestas*. Her agnatic kin in Luribay are Protestant and live in the same area. They help each other with their land, and all of them buy from Doña Veronica's shop. The business activity in which the credit is invested could be a way to earn a living and participate in the community from an excluded position. However, Doña Veronica's intention is to save up enough money to buy her own parcel of land, and so feel more secure in Luribay.

Doña Janeta in interview explained why Doña Veronica could invest in her shop because she did not have to spend so much time on her land.

'Doña Veronica can do it because she's got a really small orchard, but I've got to spend all my time on the land. I tell you, if you do both, you end up with nothing!' (Doña Janeta, 39, Hamlet 3, Interview)

CONCLUSION

In this chapter, I have illustrated the importance of cooperation and reciprocity in Luribay and how much time and work women put into maintaining these relationships. In deciding how to invest their microfinance loans, women have to respect relationships within the community and balance the opportunity for profit against the importance of maintaining cooperative relationships. Landownership and production define belonging in Luribay. Cooperation within the community and kin networks are vital to successful production on land. Commerce is disruptive to the balance of reciprocity and cooperation within the community, and entrepreneurial activity has to be balanced against investments in exchanges of *ayni* and respecting the fact that everyone in the community has to make a living. Religion is also a factor in how microfinance is invested, as Protestants have a different vision of development, seeing cooperation as the necessary

infrastructure for commercial and entrepreneurial investment, rather than a cultural value in itself.

The women in Luribay defy the characterisation of rural indigenous people as ‘anti-market’ (Larson 1995: 36). They manage reciprocal kin relationships in the community whilst they are effective actors in a competitive market when in the cities. Rather than seeing the traditions in Luribay as economically irrational, *ayni* and *fiestas* are integral elements of economic production, as they sustain the trust, reciprocity and cooperation which makes economic activity possible. If work is identified only with production, then women’s community management labour organising workers and maintaining cooperation is taken for granted.

In this context, women use microfinance according to the priorities of landownership and production. They invest their credit in land or in commerce to supplement their income in winter or to save up enough to acquire land. But the terms of the provision of microfinance are more suited to the higher turnover of commerce, and for most women in the valley land is priority. Microfinance may represent an additional burden for them, as they have to adopt new IGAs, either petty commerce or working as day labourers, in order to pay back the quota at the regular meetings.

Women who do not prioritise land, either because they do not have any or have more opportunities to invest in commerce in the Town, can make more use of the credit. However, those living in Luribay still have to respect the importance of cooperation and the idea of uncompetitiveness which underpins reciprocal exchanges. Competing for commercial profit is frowned upon and will not help people to be included in the mainstream in Luribay. Those who focus on commerce tend to sell only to outsiders. The exception to this is *Residentes*, who are able to dedicate more to the profit as they are not reliant on cooperation in Luribay.

The way in which women use microfinance shows that the utility of market freedom is contingent on the capabilities women have in a particular setting. The communal labour necessary in rural areas means that women have a triple burden

of productive, reproductive and community labour, the latter two of which become invisible when viewed from a liberal perspective (Moser 1993: 53). Within the moral economy, reproductive and community labour are valorised and reciprocated. Women's reproductive labour constitutes health care and social safety nets in the moral economy and is reciprocated within the kin network (Tinker 1995: 25).

Dynamics of cooperation and competition in Luribay demonstrate that interdependence is vital to market participation, belying the fragmentation and individualism of neoliberal citizenship. Institutions to support development, such as MFIs, need to encourage and support traditions such as *ayni*, which make economic activity possible, rather than undermine them by imposing outside criteria. Women do participate in the market, but the fragmented, neoliberal market citizenship does not reflect the way that women negotiate market interactions. As women cannot negotiate the terms of microfinance, Prestec is in some cases not harnessing the capabilities which women have, use and need to participate in the market. As the terms of the loan do not fit land-based production Prestec is in some cases adding to women's burden of labour.

I suggest that the relationships which make production in the community possible, the kin networks and friendships, do not sit well with the competitive, entrepreneurial activity encouraged by Prestec, and which the credit schemes are designed to help. It is these bonds of kinship and friendship within the community that form the solidarity group and are in effect used as collateral by the microfinance organisation. But these bonds are put at risk by the entrepreneurial activity encouraged by the microfinance organisation. It is seen as selfish to try to profit from people in the same community. One should really only sell to outsiders, and given the amount of work women have to do on land-based production and in the community, they do not have the additional time to travel to work in commerce.

In the chapters to follow I look more closely at interdependence in the community and how women negotiate the positive and negative aspects of tradition and modernity. Their use of microfinance sheds light on these tensions

because in some senses interdependence and tradition constitute Prestec's social collateral, whilst the terms of the loan itself may jeopardise these relationships. Capability to participate in IGAs and the way that market opportunities are strategised vary to some extent according to household structure and position in the community. There are also negative, restricting aspects to interdependence and tradition within the household and the community, and women may in some cases be disadvantaged by the pressures to maintain traditional identity. The way that women are using their loan and the financial independence which microfinance could encourage could change these dynamics within the household and the community, and be an extra capability with which women could negotiate an advantageous position in the transition to modernity.

Chapter Seven: Microfinance and Households in Luribay

A discussion of the structure of households is important to an exploration of women's citizenship as gendered exploitation is hidden behind the presumed public/private divide, and the assumption of the divide itself misrepresents the fluidity of relationships and activities in various spaces. An analysis of households may risk implicitly defining households in opposition to a public sphere (Harris 1981: 151), and assuming a male head. Assuming that women's liberation has an economic basis may be an example of this (Pearson *et al.* 1981: ix). This presumption is misplaced when looking at households in developing countries, as the household and production are not 'organisationally separate' (Harris 1981: 153). An analysis of households which assumes that there is a clear division of the public and the private may misdiagnose the problems women face in negotiating better terms for their citizenship.

In Chapter Two I argued that microfinance interventions might reflect the fluidity of the public-private divide as they focus on women because of their contribution to production and development. However, the empowerment which microfinance can facilitate to women is often framed in terms of the importance of an independent income and increased contribution to the household, which would improve their 'breakdown position' (Sen 1990; Chant 2003a: 164) and raise their status in the household. Some studies of the impact of microfinance define empowerment in terms of financial independence (e.g. Congo 2002; Kevane 1996; MKNelly and McCord 2001; Robinson 2001;). Financial independence could resolve some of the gendered problems of liberal citizenship by freeing women from dependence on male kin for income and encouraging work in production. If the household is assumed to be a 'male breadwinner model' and women's income as secondary, then microfinance could empower women in this way. If women were confined to the private sphere then microfinance could change the perception that women's work is natural and unworthy of citizenship (Elson and Pearson 1981).

However, this is not the situation of many women in Luribay whose role in land-based production is visible and rewarded. The ideas of belonging and identity

which frame women's aims and the way they understand the barriers they face may not sit well with the way Prestec envisages empowerment within the household. The IGAs and financial independence encouraged by Prestec loans, savings facilities and educational themes may not build on the strengths of women's position in the Andean household. The gendered household structures that disadvantage women in Luribay may be exacerbated in some cases by taking out credit with Prestec.

STUDYING HOUSEHOLDS

Analysing households from a feminist perspective involves a dilemma between pointing out the consistencies in the structures which disadvantage women, without underestimating the variation in households (Chant 1997: 34; Chant 2002: 549; Young *et al.* 1981;). Whilst pointing out that the household is economically and culturally situated and there are consistencies in households and in the household ideal, it is clear also that many households do not conform to the models (Brydon 1989: 49; Chant 1991; 1997; 2002; 2003). Pressures of modernisation and migration are changing household structures, so neither the stated *chachawarmi* norm nor the liberal, nuclear breadwinner model of the household can accurately capture the diversity of households in Luribay.

There may be elements of households in Luribay which reflect similar trends internationally, including other transition economies (Harris 1981: 139; Pearson *et al.* 1981: ix). But the distinctive *chachawarmi* Andean norm to households frames how people are negotiating change. Whilst some women conform to this norm, others are oppressed by household structures and may see independence as empowering. But more often, the strategies used to overcome disadvantage in the household reflect to some extent the values of the ideal Andean household. Due to the changing socio-economic context, the Andean '*chachawarmi*' model of the household may be the exception rather than the rule, but the ideal still frames values and aims.

In this context, defining households is problematic, and models centred on ideas of nuclear family, economic unit or property do not adequately accommodate the variation in types of households in my research area (Brydon 1989: 49; Chant

2002: 545; Jelin 1991: 15). Studies, including microfinance impact reports, which adopt certain categories of household, for example nuclear or female headed, may underestimate the complexity of household structure and politics within the household (Chant 2003a; Sage 1993: 246). Defining the household necessarily means imposing a discrete category on a rather blurred reality. The relationship between family and household tends to be that family is defined by kinship ties and household by property (Chant 2003a: 161; Jelin 1991: 15; Yanagisako 1979: 162). However these categories sometimes overlap and do not necessarily correspond (Chant 2003a: 161). People in Luribay often have several dwellings in the valley as well as the city and travel between them on a weekly basis. The idea of a work unit may help in defining the household, but extended family and kin group are also important to work, although they may not live in the same household (Brydon 1989: 49; Harris 1978: 32; Jelin 1991: 23). Just looking at the household in terms of production may hide the gendered values and norms which are recreated there (Sage 1993: 243), continuing the economic reductionism which disguises important elements of women's subordination.

In addition to looking at households in terms of structures and access to resources, the gendered norms, ideals and sanctions which curtail women's citizenship need to be examined (Chant 1991: 7; Sage 1993: 247). The household is a site of social reproduction and socialisation (Brydon 1989: 27) where values and ideas of a good man, a good woman and a good citizen are reproduced (Jelin 1991: 17). These values frame women's goals as they use the Prestec's facilities, and financial independence may well not be on their agenda. It is necessary to look at how the household is situated socially and the way the household is also part of cultural meaning, oppression, inequalities and capabilities (Jelin 1991: 4). Social ideas of happiness and citizenship also affect and are reproduced within the household.

Conflicting pressures within the household, community and market are putting women in a difficult position, particularly in terms of time (Chant 2002: 551; Elson 1992). The increasing need to participate in the market opens up new spaces and opportunities for women to negotiate their position in the household and the community. But increased participation in IGAs has contradictory

effects for women (Chant 2002: 550). Microfinance may be useful to women who find that they cannot conform to ideals of women's place in the household. But I suggest that not only is microfinance insufficient to aid in breaking from oppressive relationships, the debt itself may even exacerbate reliance on oppressive relationships and add to women's burden of labour. The women who are most able to make use of the credit could rely on income from other members of the family working in the cities, for example a husband or children. This may imply that microfinance could be a palliative to the gendered oppressions of the liberal, 'breadwinner' model of the family, but not to the cooperative household model in the Andes.

In this chapter, I will outline the nature of the traditional household in Luribay, and how the ideals of complementarity and cooperation frame how women see empowerment and independence. I will look at the gendered opportunities and constraints within the *chachawarmi* ideal of the household, and explore whether the credit and savings facilities and the educational themes bolster the strengths of women's position in the household. Household structures are varied and changing in response to the pressures of modernisation and migration. The different structures mean that women's responsibilities, opportunities and subordination is also changing. Women's use of microfinance in this context indicates how a move to a capitalist economy can be negotiated on women's own terms within changing household structures.

THE CHACHAWARMI HOUSEHOLD

To be a citizen in the Aymaran Andes and in Luribay, it is necessary to be in a partnership (cf Balan 1996; Hamilton 1998; Harris 1978). To be able to participate in or sponsor *fiestas* it is necessary to be accompanied by a partner. Calixta is originally from the Altiplano area of Luribay but educated to university level in La Paz and now working for the Mayor's office. She explained the importance of partnership to me in terms of citizenship in a conversation we had about processions in *fiestas*: 'You saw that in the *fiesta* his wife was there? You have to go into the procession as a pair, as a single person you're not a citizen' Marital status is hence a crucial part of citizenship in Luribay for both men and women, and mediates capability to turn rights into entitlements and access

resources. The principles of complementarity of gender and cooperation within the household guide production on the land (Hamilton 1998: 27). The values and ideas of citizenship and belonging and goodness are established in the household.. In this way, although conformity to the *chachawarmi* ideal is important to citizenship, it may be that this very ideal constrains women and restricts choices they can make. Women have to negotiate this tension, as they strategise opportunities in the market economy. But the values of complementarity, reciprocity and partnership in the household mediate the way that these opportunities are perceived and the assessment women make of Prestec.

It has been argued that households in the Andes are two headed (Hamilton 1998) and that they represent a more equitable division of labour, power and resources. The way that headship is generally constructed within the Western liberal tradition does not fit the Andean model (Hamilton 1998: 31). The Western liberal idea of a household headed by a male breadwinner was the basis of land reform in Bolivia and continues to frame development discourse internationally (Chant 1997: 7). Women are taking on more bread-winning responsibility but not being accorded the same recognition and decision making power that men have within the family (Chant 1997: 9). This is an international trend which is reflected in the way that patriarchal liberal discourses on headship are interacting with household structures in the Andes. From a gender perspective, this may mean women continue to have headship responsibilities but this is not being recognised. Whilst the power which they have within the Andean *chachawarmi* norm is hidden from view by liberal presumptions about the structure of the household, one of the main gender biases in the *chachawarmi* structure, the gendered division of labour may be being compounded by these presumptions.

Headship in Luribay is arguably male in that the man is the social face of the partnership (Choque Quispe 1988), and that the impact of land reform tended to favour the man in the distribution of *hacienda* lands (Deere and Leon 2001: 22). The husband is meant to represent the household in AU and other community meetings, but women attend in his absence. Marriage is generally patrilocal, although women have inalienable land inheritance rights (further discussed

below), so men tend to own the land which the family is working on. But that assumption underestimates the power which women do have within the Andean household structure: decision making power, control of production on land and inalienable land inheritance rights. This reflects both the *chachawarmi* norm in which women are more responsible for production and sale of produce, but they refer to this as helping their husbands. This shows that gendered social norms of households mediate the idea of headship more than de facto income generation or responsibility. Although landownership tends to be male, ownership of shops, if the family has any, tends to be known by the woman's name. The proceeds from both land and shops go into the household.

Factors other than gender influence household headship. Age is an aspect of headship. In some cases the couples live with one of their parents, and do not acquire headship until they have their own land (Balan 1996). In the case of Doña Janeta's family with whom I stayed, her husband's parents were staying with them, but her husband, their eldest son who worked at the Mayor's Office, was seen as the head of the household. Extended families who have their own land in the country but live together in El Alto referred to the house by the name of the oldest man in the family, for example the grandfather, who may have been responsible for building the house. In some cases family units were embedded in extended family households in Luribay itself, for example, single mothers, divorced mothers or newly weds with no land. In such cases the senior couple remain the household heads. The Protestant families which I knew were in some ways more patriarchal. In one there was a poem in Spanish hanging on the wall talking about the importance of children obeying their fathers, as he was the head of the household.

There are several households in Luribay which are considered female headed, but this category is not always clear cut. There is a difference in Luribay between de jure and de facto female headed households. This distinction is that whilst a de jure female-headed household is a foreseeably permanent arrangement, a de facto female-headed household is temporary (Chant 1997: 15). In Luribay, the de jure female-headed households tended to be due to death, divorce or abandonment. De facto heads are because of male outmigration. Their wives

stay and take care of family duties, including going to AU meetings, and managing the land. In some cases women own the couple's land, either by inheritance or purchase. These couples have the same division of labour as those where the man owns the land. There was one case in which the woman was married and the husband present, but people said in sympathetic tones that she was 'on her own'. In one case in Luribay this was because of the husband's age and blindness, in another this was because the husband had no land and the woman's shop was the main source of income. In another, the husband was known to be a drunk and the woman therefore had to do all the work herself.

Some couples or parent-child relationships are embedded in extended family households (Chant 1997: 24). It is quite normal for single mothers, even if they are unmarried teenagers to be welcomed back into the extended family (Balan 1996). Divorced women also move back to their own family and do not lose inheritance rights with marriage. Single parents, whether de jure or de facto, can be male as well as female. For example, Doña Magdalena's daughter was living in Spain, and her husband was taking care of her son. In these cases the father will look after the children, often with the aid of the mother's extended family. If women with children remarry, it is not unusual for the new husband to look after the children from the previous marriage within the same household (Balan 1996).

In disaggregating headship in households in Luribay, I differentiate between *chachawarmi* households with children, *chachawarmi* households without children, embedded nuclear households, and grandmother headed households. This schema broadly follows the distinctions made in Chant 1997. I also differentiate households in terms of landownership and de jure and de facto female headed households. Figure 13 shows how the participants in this study fit into this categorisation.

Figure 13 Participants' households

Landowner Household	Man present				Man absent		
	Man owns land	Couple do not own land	Woman owns land	Both partners own land	No land owned	Man owns land	Woman owns land/property
Married couple with children	Janeta, Sandra, Begoña, Feliza, Celia	Veronica, Glenda	Lucia, Elenor				Margarita
Married couple with grown up children	Juana, Soledad		Magdalena Georgina	Carol		Teresa	
Unmarried couple with children		Rita					
Married couple living with in-laws		Josefa, Alexandra					
Widower living with children	Paco, Beatriz*						
All female household					Sofia, Gloria**		
Grandparents living with children		Penelope					

*Paco and Beatriz are father and daughter

** Gloria is married to Sofia's brother, who is working in Argentina. Sofia is divorced. They live together with their respective children and Sofia's mother

WOMEN, LAND AND THE EXTENDED FAMILY

Young people aim to form their own, independent family, for which partnership and ultimately marriage are pre-conditions (Balan 1996: 77). But links with the extended family and the community remain vital in terms of property, livelihood, community and identity. Not only are the norms about being a good woman/man/citizen reproduced within the household, but control and sanctions from the community also affect what in the Western canon would be considered 'private' behaviour.

The aim for men and women is to have a nuclear family, which remains within the extended kin group. The ideal is to have a neolocal household with land belonging to the couple whilst maintaining links to the extended family. The primary consideration is landownership and inheritance rights. Initially the couple lives with the extended family, normally the husband's family, where the wife will be educated into the ways of the family by the mother-in-law. The wife is in a position of learning and obeying until she can form her own nuclear unit (cf Balan 1996: 72).

There is a strong tradition of bilateral, and in some cases parallel inheritance in the Andes, but nevertheless, landownership in the area is predominantly male (Deere and Leon 2001). Traditionally, inheritance is bilateral: children inherit from both parents. Marriage is patrilocal, but the woman retains rights on her land back home and the children inherit from both sides. This tradition has its roots in the *ayllu* system of vertical farming. Marriage would tend to be between families of different levels, and the woman would move to the man's land, but retain rights on her own (Bastien 1979: 105). Although this system is bilateral in that children inherit from both sides of the family, the fact that marriage is patrilocal influences the amount of and quality of land given to sons and daughters (Deere and Leon 2001). Although sons and daughters inherit from both parents, the sons stay on patrilineal land. The newly wed couple inherit part of the land on marriage (Bastien 1979: 105). If the mother comes from another community, if her daughter marries someone from her home community then she can take up her maternal inheritance (Bastien 1979: 105). This system of bilateral inheritance is more gender equitable than other systems (Deere and Leon 2003:

931). However, traditional systems of inheritance have changed with the *hacienda* system, land reform, commercialisation of agriculture and outmigration.

These various factors have had a different impact of land inheritance patterns in different parts of Bolivia, leading Deere and Leon to conclude that there is 'heterogeneity in inheritance patterns nationally' (Deere and Leon 2001: 22). Whilst some reports suggest that growing independence from agricultural income means that inheritance is becoming more gender equal, other reports suggest that the growing fragmentation of land, particularly in the Altiplano, is resulting in parents favouring inheritance to the eldest son (Deere and Leon 2003: 934). Paulson argues that the Quechua valleys, due to the fact that they were more affected by the *hacienda* system and the commercialisation of agriculture, are becoming more patrilineal (Paulson, quoted in Deere and Leon 2001: 22). Outmigration, which throughout Bolivia was female dominated in the 1990s, also caused land inheritance to go to sons. Outmigration is now more gender balanced, as men dominate migration to Argentina and Brazil, so this may not have the same effect on inheritance patterns (Deere and Leon 2003: 934).

Although the inheritance system in Luribay broadly follows the traditional bilateral pattern, these other factors have also influenced the division of land. When I asked people about inheritance in general discussions, they said that the parents decide, and the principle that children inherit from both parents remains. I was also told that the eldest son will inherit most, and that it is customary for girls to inherit less as they will be marrying a man who presumably has more land and so the sons' need for inherited land will be greater. Nevertheless, other influences, particularly of migration have changed these patterns. Young children who live in Luribay can point out which area of land is theirs, although it is farmed on behalf of the whole family. Women retain rights to land and property throughout marriage, and although the general rule is that marriage is patrilocal, which couple has the most land is the determining factor. A common complaint is that as Luribay is a valley, the land plots cannot be extended and the plots are consequently getting smaller and smaller. As such, there are examples where only the oldest son inherits. In other examples only the child who wanted

the land inherits, as the others have moved to the cities (cf Deere and Leon 2003: 934).

Land inheritance is an important element of marriage, and determines where the couple live. Women have land rights which they retain during and if necessary after marriage. Although the woman retains land rights, there is a perception that it is the man's land and she is helping him. In both of the focus groups women claimed that bulk of the day is spent 'helping our husbands' work the land. In this way credit can help women to help their husbands if they invest in land, and so be a good, hardworking wife who can provide for their children. But the constraining structures in the household, principally women's burden of labour and paucity of time, may be compounded by the credit provision, as the terms of the loan are not ideally suited to land-based production. In households where the ideal of complementarity is failing, women's dependence on exploitative relationships may be exacerbated by assuming a debt which cannot be repaid by their usual IGAs.

Couples live with their in-laws until they have enough money to build their own house and work their own land. The property arrangements reflect the fluidity of the boundary between the nuclear and extended family. Families in Luribay may have several properties, built by themselves with adobe bricks, which may have rooms for their children as well as nieces and nephews. There may also be a separate kitchen and one building may be a shop. The ties with extended kin remain and are essential to land-based production.

Values of a good wife or good woman are crystallised in the ideal of marriage. The ideal man is moneyed whilst the woman is hard working. There is a raced aspect also: *mestizo/blancon* families feel justified in judging a wife who they consider '*un poquito negro*' (a little bit black), which can be offset by how hard working she seems to be. There is a saying that women with thick, straight, black (non-Western) hair are hard working. The mother-in-law educates the wife in the ways of the household and the expectations of her as wife and daughter-in-law. Doña Feliza grew up in Oruro and married a *Luribayeño*. She moved to Luribay Town when they were married:

'I was married when I was 16, and I'm telling you I didn't even know how to cook! But I was lucky. My mother-in-law is really, really kind. We lived with them [my husband's family] for 12 years until we had enough to move out by ourselves, and she really took care of me and taught me everything.' (Doña Feliza, 38, Town 1, Interview)

Like Doña Feliza, Doña Begoña is from outside Luribay and came to the valley with her husband. At the time of the interview, she had been in Luribay for two years.

'I live with my parents-in-law but we're lucky: we have a little house just a little apart. My husband's younger brother doesn't have any land and he and his wife live with the in-laws and that's a little more difficult - you don't have as much space. But we work together and share all the chores' (Doña Begoña, 22, Hamlet 1, Interview)

Land is essential for the couple to be able to form their own nuclear household, and in doing so achieve better citizenship status. A lot of couples have a discussion about where to live and many choose to relocate to the wife's land if it is larger. Doña Josefa Doña Begoña's sister-in-law from Luribay's neighbouring municipality of Sopacachi, to whom she is referring above, was considering moving back to her community with her husband as she had more land.

Although marriage tends to be virilocal, the main consideration is land. Doña Lucia, from a hamlet, had inherited a large amount of land, so her husband lives with her.

'My husband's from the Town but he had to come here; to the community where I was born. Most of the time the man takes his wife away with him but it wasn't like that with me. My mother had died, my sister lives in Cochabamba, my other sister lives on the Altiplano. So I was the only one living on the land. So my husband had to be present here with me. But I'm the owner of the land.'
(Doña Lucia, 50, Hamlet 1, Interview)

Despite the fact that she owns the land, Doña Lucia still feels subordinate to her husband, nor does he assist her with working the land. She complains that he

just sits and drinks with his friends while she raises her five children and two nephews, organises land-based production and the sale of produce, is a member of two separate NGO projects and is active in the AU. *'We're exploited by our husbands. They just boss us around and we can't do things on our own behalf. We have the right to rest.'* Her position perhaps suggests that an analysis of households in terms of breakdown position does not capture the extent of women's subordination within the household. The provision of savings and credit facilities do not address this. Doña Lucia emphasised that the main difference between men and women was the burden of labour and the lack of time to rest. In targeting women, Prestec may be exacerbating the weakness of women's situation in the household in Luribay, rather than building on the strengths.

Women who do not own land are arguably in a more disempowered position within the household. Doña Celia, who is *de pollera* and lives in the Town, explains:

'I do all the work. I work on the land, I raised eight children, I go to La Paz every week to sell my tomatoes. My husband's terrible. He just sits around drinking all day and when I complain he just says 'this is my land, you, you don't have anything, and you better remember that'. He won't work for me, on our land. He leaves me to do everything. He'll go and work on other people's land, because they'll pay him money and then he can buy spirits and get drunk.'

(Doña Celia, 51, Town 2, Interview)

Doña Celia felt that she would be better off if she had her own land. The small financial contribution from microfinance, which she invested in selling her tomatoes in La Paz, did not alleviate her burden of labour but added to it.

GENDER DIVISION OF LABOUR IN THE HOUSEHOLD

There is a widely documented complementarity of gender-specific responsibilities in Andean communities (Guillet 1980; Isbell 1978; Zoomers 2006). Both men and women carry out different tasks but with the same aim, for instance men plough the field and women sow the seed. It is unusual for women to plough, although they do so in the absence of a man. Doña Magdalena called

to her divorced niece as she was ploughing her field: *'What are you doing there? Ploughing? What are you, a man?'*. Reproductive work tends to be solely women's responsibility. There are strengths within women's idealised role in the *chachawarmi* household, and their reproductive labour is valorised as an essential part of production. However, the main weaknesses are time, as women are responsible for reproductive labour and the perception that the man represents the household and has ultimate decision-making power. But women's strategies to overcome disadvantaged aspects of their position in the household imply that the ideal of complementarity and cooperation shapes their aims.

It was explained to me by several people that while women in the cities have their own income, in Luribay it is important to share with the family. Complementarity of gender roles is important to land-based production but the idea of complementarity means that financial independence is not on many people's agenda. The economic breakdown position or individual idea of citizenship does not capture the importance of motherhood in status, or that women's work is a burden but also a source of power. Being financially independent neither enhances the positive aspects of women's situation nor helps them deal with the more negative aspects. Microfinance's potential to empower women is perhaps being framed by an idea of financial independence which is not relevant, given the structure of the household in Luribay and the importance of this structure to land-based production.

Having said that, it is striking that within the household individuals have clear ideas about what is theirs, for example children's respective parcels of land are clearly marked out. Individuals have their own property, but it is the norm to share with the family and household. Individual savings just for yourself would be seen as selfish. When I told Doña Janeta, who is *de pollera* and lives in a hamlet, that I had my own, separate bank account, she replied:

'I understand that, it's good to have your own stuff, but you should share it, and then you'll be happier... Here we share everything... the majority [of people] always want to share with the family. The whole family shares and then we look after each other better. When you share things, the relationship is better. You give and take, I

share with him, he shares with me. That's married life' (Doña Janeta, 39, Hamlet 3, Interview)

In most cases women attend the credit meetings on behalf of their family, and emphasise that profits and savings will be reinvested in the family. Doña Feliza confirms that sharing within the family can be to the woman's advantage but highlights that not every family is happy or shares in this way:

'When I was single, I didn't have anything, but his family did, a truck and everything, and they shared everything with me. He's good, really good. But sometimes you want your own stuff too, particularly if there are problems in the family' (Doña Feliza, 38, Town 1, Interview)

Microfinance is offered to women on the principle that it could facilitate financial independence, which Doña Feliza suggests is important in unhappy households. But I go on to show that in some ways microfinance is inadequate to offer the independence required to improve breakdown position or change the structural disadvantages for women within the *chachawarmi* ideal. Given the strengths and weaknesses of women's position in the ideal household, and the way this is changing, microfinance may be a solution to the gendered disadvantages of the male breadwinner household model, but not the exploitation which women feel they suffer in other household structures.

Reproductive Work

Reproductive work is the woman's responsibility and is an extensive part of the day. Reproductive work includes cooking breakfast and lunch for herself, family and day labourers, washing clothes (once a week), tending animals which are also for own consumption and which include sheep, hens, pigs and guinea pigs, spinning yarn from wool and cotton grown on the land, weaving blankets and making clothes. Women often ensure that a female relative is able to look after their husband when they travel. If they do not, then the husband's plight is the subject of giggles and gossip in the community, and a female relative will step in and cook for him.

'So, I get up in the morning and I think: What shall I do, peel the potatoes, or go and water the peas? If I've got up really early I can

peel the potatoes first so that when I come back from the peas I can cook right away. I come up [from the river bed where the peas are] at 11 o'clock to start cooking... Even when you're picking the fruit, you have to keep an eye on the time, because you've got to cook lunch, that's what you're thinking about... And we always have lunch at one o'clock.' (Doña Juana, 52, Hamlet 3, Interview)

'I get up at 5 o'clock. I look after the peas and the animals, and then at 11 o'clock I go and cook. In the morning I work on the land too: the potatoes, the peas in the river. I work with my father, we normally plough together, but if he's working away I do it all by my self. And we have to make sure the irrigation canal is clean. And in the afternoon it's the same, the land and the animals. And then I make dinner. When my sister is here we cook together, but now she's in La Paz, so I do everything.' (Señorita Betty, 18, Hamlet 1, Interview)

'I cook, I wash clothes, I help my husband work, I feed the animals, take care of the children. There is no rest for women! There's just no rest.' (Doña Alexandra, 36, Hamlet 1, Interview)

In some households men do help with the household chores, cooking and cleaning. Doña Juana explained that if she was busy and had meetings or other things to do, her husband would cook and clean. But it is by far the more usual situation however that men see the household chores as women's work.

'Cooking is the woman's job; it'll be like that forever. Here we do the same work – you work with your husband all day and then you come in and it's you doing the cooking and the cleaning. He won't even wash up! It could be that men here are a little more machista. He really doesn't help you in the kitchen, or washing clothes. He doesn't help.' (Doña Feliza, 38, Town 1, Interview)

The principal factor attenuating women's citizenship within household structures is hence time, as they have an additional burden of labour. It is clear that most women in Luribay do not stop. The addition of new IGAs, although they may bring more money, mean that women's already full day is being over burdened.

However, their work is also a strength. Motherhood is revered nationally and there is a whole day's celebration for Mother's Day in Luribay. Women have power within the household as they control consumption and organise work on the land (Choque Quispe 1988: 18; Harris 1978: 31). While construed as a strain on their time, this work is a source of power. This is because the work in the household and production are interrelated. NGOs prefer to talk to the woman, as they are the ones who get things done in the household, and some professionals in Luribay laughed at the idea that Latin culture was patriarchal, as it was really the woman one had to convince to make any changes. Any intervention which does not take into account that the unequal distribution of work also constitutes identity might be problematic. This underlines that household, reproductive labour is valorised, as the division between production and reproduction is not clearly marked. But if interventions such as microfinance only value women's contribution to production, then it will not be reinforcing the strengths of their situation in the household.

Decision Making

It has been argued that according to the principles of *chachawarmi*, the man is the 'social persona' and the woman is 'subordinate' in terms of decision making (Choque Quispe 1988: 16). Although the man has ultimate responsibility for decisions affecting the family, decision-making is based on taking advice and cautiously trying new things to assess benefits before rejecting them out of hand (cf Canessa 2005b: 142). A phrase often heard was '*Hay que hacer la prueba*': you have to try things out. Going ahead with a project without respecting the advice of others is frowned upon and described as arrogant. In relation to women's position within the household this could be seen as an advantage. Women are consulted on new projects and can justify a new income-generating project by saying 'you have to try things out.' For example Doña Janeta decided to invest in two turkeys to see if she could raise them to sell in the market. The family did find this a little amusing but accepted that 'you had to try things out' and willingly helped care for the turkeys.

However, in some cases the man as social face and decision-maker in the family has control over his wife and this may restrict women's capability to use the loan, and strain relationships within the family. The man guides activities in the household in consultation with other family members, but ultimately decisions affecting the family need to be seen to be made by the man. Women give examples of the control their husbands can exert, but they also emphasise the importance of a consultation process within the household which gives women a platform.

Doña Janeta told me that she would find work in the cities or even stand for political office if only her husband would let her. The reason given by husbands for not allowing their wives to engage in such activities is that they would neglect their work in the home (cf Harris 1978: 35). Husbands exercise authority over their wives in other ways. One woman complained that she could not go to La Paz with her son, as her husband would not let her. Many women experience domestic violence as a norm. This is attributed to male drinking and the excuse is often that the women hadn't been doing their chores.

Regarding Prestec, a woman would often say that she joined 'to help her husband'. However, several complained that their husband would tell them off for being in the group. Doña Juana helped form her group in one of the hamlets, and had acted as president.

'Sometimes my husband tells me off: 'why did you join that group?'
'Well, sometimes there's just no money', I tell him. You have to force
people to lend it to you, and I don't like to go round doing that.'

(Doña Juana. 52, Hamlet 3, Interview)

This illustrates that despite a husband's disapproval a wife can go ahead anyway. But many women strategise their loan in terms of helping their husband, and that the loan would help them get ahead. In this sense the credit may address women's practical need in helping them to work on the land, but not address elements of gendered subordination.

Joining the credit group is often discussed beforehand with family members. This process of consultation is valued and women address the topic of the loans

and interest rates with their families. Doña Glenda is from outside Luribay and lives with her husband in his native hamlet.

'My mother-in-law invited me to join the group, so after talking to my husband, I did. But we're thinking of stopping at the end of this cycle. The interest rates are really high, so it may not be so advisable.' (Doña Glenda, 26, Hamlet 3, Interview)

The process of consultation is important, so as not to be seen as selfish or arrogant. This value possibly does not fit with Prestec's vision of individual empowerment and this is reflected in the way that women interpret some of the educational themes. As part of a course of sessions on women's rights, Prestec had educational themes on self-esteem. The material for these sessions encouraged women to have the confidence to go ahead with their own projects and not be discouraged by what people may say. The promoter giving these sessions recognised that this may be unacceptable given the importance of cooperation and consultation, and so changed the way that self-esteem was presented, emphasising the importance of taking people's advice but having confidence in one's own abilities.

The women also brought these vocabularies into their own worldview.

'For me, the education themes are really key, I really like them. Self-esteem, I really liked that one. You're not meant to tell people what to do, but guide them. I like that. Everyone wants something, everyone has an aim, and you have to respect that and advise them. Some people are going wrong in their lives, and you have to advise them' (Doña Juana, 52, Hamlet 3, Interview)

'I like putting things into practice, when I learn something I want to be able to use it. For example, self-esteem. You've got to take care of yourself and others, and you shouldn't get angry or go around with a long face' (Doña Veronica, 32, Hamlet 3, Interview)

The emphasis on guiding and taking care of self and others again highlights that cooperation and consultation are a priority. The services of Prestec may be more individual in focus, but women are using and interpreting the credit and educational themes on their own terms.

CHANGES IN HOUSEHOLD STRUCTURES

As a result of migration to the cities and abroad, household structures in Luribay are changing. Women are often left in Luribay to look after the family's land whilst children and husbands move to Bolivian cities, Buenos Aires in Argentina, or Sao Paulo in Brazil to work in clothing factories. In some cases this constitutes a new source of income, in others it increases poverty (Chant 1997: 16). Whilst some children and husbands conscientiously send remittances home, others resist this, and migration can equate with abandonment. There are several women who participated in my research who have income not only from the land, which they maintain for subsistence, production and in some cases rent out, but also from relatives in the cities who send money home. I found that women from households with another breadwinner tend to make the most of the microfinance loan. This may imply that investment in commerce facilitated by microfinance is best used in the context of a family when the woman's income is not the principal one, or her activity is not the family's only one. In a household where the couple cooperates on land, the woman's activity is paramount to the family's survival, which brings her status. But in families where the man is the main earner, the woman may gain a little extra credit from the income but not enough to be independent. In this way Prestec may fit better with women who are providing a second income to a 'male-breadwinner' household, or a household to which children working in the cities contribute money.

Breadwinners Outside of Luribay

Doña Teresa, lives in a hamlet and has a shop at the cross roads of the road going along the valley and the road to La Paz. Her husband is a teacher in La Paz, where her children also work. She stays in Luribay to look after the family's land. She receives income from her family in the city, including her husband. Doña Teresa invests her credit in bread making. She describes how she carefully keeps the credit money aside to buy flour, yeast and fat to make bread, and then uses the profits from the bread to pay her quota at the bimonthly meetings.

'To pay back I make bread and empanadas. I do that with the loan – I make bread and sell soft drinks. But I don't mix up the credit money with the shop money. I keep the money for bread aside. Or, I

take out 1000 Bs. and buy 20 cases of beer, and that's just for the bank. It's just to pay back with.' (Doña Teresa, 49, Hamlet 2, Interview)

She agreed that this business could help her gain status in the community: *'we're all the same; it doesn't matter if you're in the syndicate or anything. We all work together. But if you have a shop people do say, 'she knows how to work. She knows how to manage money'* (Doña Teresa, 49, Hamlet 2, Interview).

Doña Teresa is able to make good use of the credit because she has a safety net, in that her main source of income came from her husband. She can employ people to work on her land. She does not produce a lot to sell because that is not the family's main source of income. She has more time than other women. The credit is useful to her in that it gave her independence and status as a businesswoman.

Doña Margarita is a *Residente* who lives two weeks a month in Luribay and two weeks a month in La Paz. She owns a hostel in the Town and spends her credit on that. Her husband is a teacher in the city and takes care of their 'obligations' there: *'He's got his salary, so he has to pay for the house, and the taxes, and our daughter's board, she's still young, she's at school.'* He is supportive of the credit and of his wife's hostel in Luribay, but Doña Margarita seems to imply that her business is not the main source of income. *'He's alright with it [the credit group]. It's good he tells me, to do the little house and make little improvements to the accommodation. He agrees with it'*. (Doña Margarita, 50, Town 1, Interview)

These women come in a sense from households which fit the feminist analysis of the gender biases in liberalism. They fit the liberal model of the household in that their income is secondary to that of a breadwinner. Perhaps their use of microfinance suggests that the petty commerce it facilitates can be a palliative to the gender biases in liberal citizenship in a more urban setting. Financial independence in this context is valued, as are business skills. But in the context of the 'norm' in Luribay, the small amount of money earned is not enough to

constitute an improvement in breakdown position and is an extra burden on women.

Other women also have a source of income from outside Luribay, although their situation differs from that of Doña Margarita and Doña Teresa. Doña Georgina in the Town and Doña Sole in the group in Hamlet 2 are older women whose children are working in cities. They are also able to invest their loan in commerce as it is not their main source of income, as their children send money from the city with which they can work the land. I would suggest that the loan is more useful when the woman can depend on other family members for income. The independence that petty commerce can bring is more useful in that context.

Abandonment

Doña Penelope, an older woman in the Town of Luribay who did not own her own land, is not in such a fortunate position. She said that her children had forgotten her. She is looking after her grandchildren in Luribay, but her children in Brazil do not send her anything. Her one daughter in La Paz sends money, but she otherwise has to rely on her own and her husband's income in Luribay. Her husband works as a bricklayer and gardener for the mayor's office. Doña Penelope invested her loan on materials to cook food in the Town Square during the Tuesday fair and for the children when they come out of school. She stopped doing this 6 weeks prior to the interview due to a back injury. Now she uses the loan for consumption

'I take it out to do stuff like put in the lights, I want a water tank. That's why we take it out, because my husband's work doesn't pay for much. He works in construction and he's a gardener as well; he's the one that sweeps la plaza in the morning. But they don't pay much, just 25 or 30 Bs. a day. It doesn't cover much. And there's not work everyday. And then all four of my grandchildren danced in the fiesta on the 6th of August. And that's really expensive too, the costumes. And then the uniforms for the school, jumpers. But it's for stuff like that that I take out the loan.' (Doña Penelope, 65, Town 1, Interview)

Doña Penelope is worried about paying back the quota and said she relies on the one daughter in La Paz, who is single and so has fewer expenses, and her niece to send her money. The safety nets for shocks such as an injury, *fiestas* or increased competition come from family ties, rather than any mechanism in Prestec.

'I have a niece in Tarija, and she sends me some money too...It's a little difficult to pay back, but we do it. But my husband's really suffering and working loads to be able to pay it back. So we have a little bit of salary, but it's not much.' (Doña Penelope, 65, Town 1, Interview)

Doña Penelope needs money for consumption, and her use of the loan for this purpose is forcing her and her husband to work even harder and adding to their burden of labour.

Doña Sofía from the group in Hamlet 2 is divorced with six children. She was born in Luribay, but went to Brazil to work when her husband left her. She worked in Sao Paolo, but came back to Luribay when her father died and now lives with her mother. When I asked her what would improve her situation she was clear that owning her own land would be the answer. That would give her more status and security in the community. When I asked if she could do that with the microfinance loan, she laughed and said there was 'no way, the amount is too small'. Women and those without land are unlikely to be able to access a loan big enough to allow them to live independently. When her father died, she came back to look after her mother and the mother's small plot of land. She gets only a small return from the land she has, and has very little time to start a business, so she spends most of her loan on consumption. Her main source of income is from working as a *minka*, and she emphasises that this is an extra burden.

'I work the land alone. I'm both a woman and a man. I plough and everything, even though that's a man's job. And that's why I'm getting blisters, look. There's just me working on my own, no one helps me, and there's no money to pay for minkas. I don't spend the credit on the land, it's for expenses only, and then I work as a minka to pay it back, it's just for that. Sometimes I work as a minka every

day of the week. I need the money! I go down to Cutty [a community 2 hours walk away] by foot, so I have to get up at four in the morning. And then I collect peas: 2 sacks, 3 sacks. That's why we go so early, if you go later you're not even going to get one sack.' (Doña Sofia, 34, Hamlet 2, Interview)

This shows that for some women microfinance is a huge extra burden on their time. It is a good strategy for women who see their income as ancillary, but for those without the safety nets and security of another breadwinner, it goes towards consumption and strains some of the positive aspects of women's situation, and exacerbates the problem of time.

CONCLUSION

Microfinance can be used to improve practical needs of women in *chachawarmi* households, as it can be an extra source of income for them to invest in land and fulfil the image of the good wife who organises production on the land. But microfinance does not address other elements of gender discrimination in the household, which require a more strategic approach, specifically women's burden of labour, as they are responsible for reproductive labour in an economy which increasingly only valorises production. A more participatory approach would allow women to develop their own strategies to be able to fulfil their role as wife and mother, which gives them power, whilst negotiating change and better terms for their citizenship.

The principal barriers to women's equality are the uneven distribution of work and time and the patriarchal power exercised by husbands, reinforced by community sanctions. The major strengths of women's position are women's landownership and the respect and control over the household that their position has. The women in my study in *chachawarmi* households tended to invest the loan in the land that the family was working on. The problems of time, too much work and subordination were not affected by the credit. Indeed, in some cases it forces them to take on additional burdens of labour.

The norm of *chachawarmi* presents women with opportunities as well as limitations, and it is over simplifying to assume, as microfinance impact reports

may imply, that a move to financial independence is necessarily empowering for women. The cultural value of *chachawarmi* is part of women's identity. Some women are using microfinance to build on the capacities that they have within the Aymaran family. Women are esteemed if they are hard working, and have control of consumption and income-generating activities. Microfinance was being invested in land and commerce which helped women work more efficiently. However, the principal gendered inequalities of work, time and patriarchal control were not improved by microfinance. This is because of the unsuitability of the terms of the credit for land use, and the fact that if the credit was invested in commerce, this would have to be an extra activity, on top of reproductive labour and land-based production.

It could be that the microfinance organisation is envisaging empowerment in terms of women's financial independence and self-esteem. These values are not seen in the same way by women in Luribay, for whom cooperation and consultation are more important. Although many of the women in Luribay had lives and aspirations which belie an absolute rejection of individual empowerment, the importance of the ideal of *chachawarmi* is pervasive. This is not only in terms of mutual economic reliance and the importance of the household as a productive unit, but also in terms of the cultural importance of being in a partnership. The received ideas of the characteristics of 'good men' and 'good women' are also derived from the *chachawarmi* ideal. However women were using these ideas to achieve their own aims and negotiate better terms for their citizenship. A feminist approach to microfinance which hands over control and the terms of the loan to women themselves may be more compatible with women's own definition of status and belonging.

The women who can rely on other family members for the main source of income seem most suited to using the credit, as well as those who receive an income from children working in the cities. The credit could be used to raise women's status whose IGAs are secondary sources of family income. Those who are in cooperative, land-based nuclear households can use the credit to invest in land, but the credit alone does not address the main gender discrimination within the household: women's lack of time to rest and relax.

They may be forced to work even more to pay quotas, which does not fit their priority of land-based production. Women who do not have land and lack an extra source of income find it most difficult to use the loan. Those families who spend the loan on consumption or land have to then look for other ways to pay it back, which may be trapping them in a cycle of debt, as well as straining other relationships.

In terms of citizenship, women's use of microfinance in Luribay shows that the ideas of citizenship underpinning microfinance may implicitly assume a liberal idea of citizenship. The size of the loan implies that the women's IGA would be secondary to either land-based production, in the man's name, or additional income to that provided by relatives in the city. Whilst an individual income could address the gendered problems of liberal citizenship, many women in Luribay do not fit this model of the household and have different citizenship priorities. The discrimination in the mainstream which rural women face when they want to get bigger loans from city banks, is also based on the presumption of a male breadwinner household. This discrimination needs to change to better reflect the consultative partnership of rural Aymaran households.

This demonstrates that it is difficult for mainstream interventions to second guess how women are dealing with negotiating change and citizenship on their own terms, maintaining cultural identity and belonging, whilst addressing gendered subordination in the household. The credit itself cannot be seen as improving a breakdown position, as the breakdown position of women is not merely determined by economic factors. The educational themes based on self-esteem are being used by women and this vocabulary is being adopted to their own situation and world view, but the individualist precepts underpinning this idea does not fit with women's own values. This points to the importance of letting women negotiate their own terms for the loan and priorities (cf Bhatt 1995).

In this chapter, I have emphasised the importance of cooperation, trust and consultation within the household to economic production and citizenship. Wider kinship ties and fictive kin ties are also important to production, and form the social collateral which Prestec uses to guarantee the loans. In the next

chapter I look in more detail at the relationships which make up these trust networks and social collateral. In a context where reciprocity and cooperation within and between households is vital to production and citizenship, it could be that Prestec's use of social collateral is straining rather than valorising these relationships.

Chapter Eight: Trust Networks and Microfinance in Luribay

In this chapter I examine the nature of the relationships which constitute Prestec's social collateral: the trust, reciprocity and favours to be found among kin, fictive kin and community. I look at the kinds of trust and expectations involved in these relationships, including the pressures and possible exploitation within them. Given the importance of interdependency to the way in which citizenship is experienced in Luribay and the complexity of community relationships, it may be that women are being asked to risk too much in order to access the credit. However, in some cases, women may gain trust and connections via the personal guarantees in the credit group. In facilitating a formal source of credit, Prestec could alleviate some of the vertical pressures, as the need to ask for loans from richer acquaintances could otherwise be exploitative in some cases. However, it may be that the formation of these groups could compound pressure to service relationships in the community, which is mainly women's responsibility. As Prestec only recognises investment in production, it may be that the time and effort invested in relationships within the solidarity groups is being rendered invisible and women are doing an extra burden of labour to maintain interdependence within the community.

Microfinance may have potential to encourage a way of extending trust formally via the credit group. This could be useful to those who have been excluded from trust networks. However, the trust in the group precedes the contract and gives it meaning. Prestec uses personal guarantees and social collateral, but does not investigate the hierarchies within the community and the complexity of the relationships in some of the groups. I will explore the way that the groups were started, using examples from each of the groups I studied intensively in the hamlets and Town 1. I look at the effect which participation in the group has on the relationships which constitute social collateral. As reputation and both vertical and horizontal interdependence within the communities are still vital to survival, Prestec's focus on production may be rendering women's community management invisible.

INTERDEPENDENCE AND TRUST NETWORKS

Trust networks are exclusive and involve vertical, asymmetrical exchanges as well as horizontal reciprocity. Examples of vertical relationships in a trust network would be between wife and parents-in-law, or boss and employee: the relationship is constituted and maintained by asymmetrical power and reciprocity. Relationships based on trust networks are also exclusive: there are clear divisions between people of trust and people who are not of trust. The favours and gifts owed and granted to people within a trust network are withheld from those outside it. The particularistic nature of trust networks may be at odds with ideas of citizenship and equality in the liberal canon (Kittay 1999; Nussbaum 1995b).

Interdependence is vital in peasant communities and the politics of reputation is an essential activity in such a context (Aguilar 1984; Bailey 1971; Boissevan 1974). The maintenance of face and the family's good name is an essential, time consuming activity (Aguilar 1984: 20). The politics of reputation maintains the reciprocity which allows the community to function, as people who are said not to return favours, participate in the community or give presents to their godchildren are deemed selfish and unreliable. If scandal affects a family they may well not be able to call on their extended trust network for help, or may be considered bad *padrinos*. Investment of time and money in one's reputation is not only a question of status and prestige, but is also economically rational.

Women's community management labour in this context is the maintenance of reciprocity and reputations, and the establishment of new *compadrazgo* (co-parent) relationships. Wooing potential godparents and preparing *fiestas*, including inviting the right people to them, are all functions that facilitate production and subsistence. Children are expected to look after older parents reflecting a reciprocal logic of 'what goes around comes around', a dynamic which some feminists have advocated as a remedy for the gender biases in liberalism (Kittay 1999). This reciprocal dynamic extends to trust networks, which are maintained by a system of exchanging favours. These favours include making food at work parties, looking after each other's children, and organising and maintaining relationships with kin and fictive kin. In this context women's

work has value but in the move to a production-focussed economy this work becomes invisible, despite interdependence becoming more important to production (Lind 2002).

There are different relationships constituting trust networks. Whereas immediate and neighbouring kin are trusted and form a productive and social unit, to meet the needs of production and be able to cope with crises, trust networks need to be extended (Aguilar 1984: 24; Lagos 1994: 77). These relations are intended to augment a family's resources in times of crises by increasing the number of people who can be called upon to give or exchange goods, labour and favours. In a context of economic restructuring and increased emphasis on market production, interdependence increases (Lind 2002) and *compadrazgo* could constitute the social security role which the state has been abandoning in Latin America (cf Auyero 2000). *Compadrazgo* and management of reputation are key elements in extending one's trust network and belonging in the community (Aguilar 1984: 24; van den Berghe and van den Berghe 1966). By staking their social collateral against a loan, people may be risking far more than the loan is worth and exploitative elements in these relationships may be exacerbated.

Kin and trust networks in the community involve horizontal and vertical relationships. The Andes is known for horizontal exchange between households, and interdependent trust networks are established, maintained and formalised via the tradition of *compadrazgo*. *Compadrazgo* is historically a vertical relationship between a godparent and godchild, which extends to unite the families involved (van den Berghe and van den Berghe 1966: 1239). Festive sponsorship is also a form of *compadrazgo* which institutionalises relationships between people of trust, but does not imply the long term relationship which godparenthood does (Crandon Malamud 1993: 575). In some cases *compadrazgo* may formalise horizontal reciprocal relationships (Aguilar 1984: 24; Koch 2006: 52) but in the majority of cases the *padrino* is someone better off who can help in times of need (Aguilar 1984: 24).

In the following discussion I will look at the importance of interdependence in Luribay and how trust is institutionalised via *compadrazgo* and festive

sponsorship, and maintained and policed by gossip and ‘facework’ in the community (Aguilar 1984: 24). The way that women strategise *compadrazgo* and see their relationship with ‘co-parents’ sheds light on the way that hierarchical relationships are understood and form part of the community dynamics of belonging (cf Lagos 1994: 100). Although there are exploitative pressures in these institutions, particularly for women, Prestec may be misdiagnosing the problem and not harnessing how women themselves are coping with these pressures. In simultaneously offering a formal source of credit and relying on reputation and trust within the community as social collateral, Prestec may be putting conflicting pressures on women and stretching their time.

Interdependent relationships constitute access to rights, the socialisation of risk, and citizenship on the everyday level in Luribay. In a subsistence context where production is uncertain, reputation and interdependent relationships provide safety nets. However, interdependence should not be romanticised (Bailey 1971). There are a lot of vertical dependencies, pressures and exploitation which curtail citizenship. Prestec’s use of social collateral may exacerbate this problem in some cases.

Reputation is important in Luribay and people are very careful about who they are seen with in public, who they drink with, and which *fiestas* they attend. Women experience particular pressure, both in maintaining their own and their families’ reputation and servicing relationships within their extended kin group. It is the role of mothers and elder women to police their families’ reputations. They admonish people from their trust networks for talking to certain other people because ‘there’s no trust’ and ‘people will talk’. As such, gossip is a way of managing people within the group and maintaining reliable cooperation within it.

There is variation between the Town and the hamlets as to the complexity of relationships in the credit groups I observed. Whereas one group in the Town is constituted by people who come together primarily for the purpose of credit, the groups in the hamlets are constituted by kin, fictive kin and community members. In the hamlets relationships are complex and overlapping: the same

person could be related to another group member in many different ways, including by blood, labour, community, marriage, fictive kin or friendship. People in the Town have more single-purpose relationships, particularly *Residentes* who live and work in the city. People who are not so reliant on interdependence in the community may be able to make more use of the formal credit offered by Prestec because they have less at stake.

The complexity of relationships in the hamlets makes it more difficult to extend social capital via the solidarity group technique of personal guarantee and contract, whereas in the Town, new members are accepted even if they do not know anyone in the group. Thus, microfinance may suit the way groups are formed in the Town, where the presence of *Residentes* and the single purposiveness of the relationships which formed the group, mean that there is less at stake. In the more complex and overlapping relationships within the groups in the hamlets, trust is paramount and the relationships so important that new members are not be welcomed unless they are very well known. If microfinance does not support community networking then it will be forcing women to bear a triple burden of labour.

Compadrazgo

Although immediate kin can be relied upon to work, provide assistance and lend money, this is not sufficient to cover all labour and crisis needs. Families therefore have to extend their trust networks via fictive kinship and maintain a reputation for being responsible and reliable. *Compadrazgo* is the system that enables this and relationships within it need to be serviced, which involves investing a great deal of time and effort.

Compadrazgo can either take the form of guardianship of a child, for example baptism or marriage, or festive sponsorship. The former is traditionally a position of responsibility and the godparents are called upon to give advice and resolve disputes. The *padrino*'s relationship is with the entire family, not only the child. As soon as a person or couple has accepted to be a child's *padrino* they are referred to by the parents as '*compadre*' or '*comadre*,' and vice versa. This position involves respect from the children and is a lasting tie with the

family: the *padrinos* are responsible to the family and automatically trustworthy. This is true of both horizontal and vertical contacts, but the nature of the relationships thereafter differs. Whilst someone of equal social standing may be called upon to work on the other's field and join work parties, someone of a higher social status may be seen as a source of influence, resources and cash, including credit.

Compadrazgo can also be seen as a way of encouraging the reinvestment of wealth into the community, and of giving poorer people access to wealth and influence in the higher strata of the community (Crandon Malamud 1993: 575; Lagos 1994: 96; Koch 2006: 52;). *Compadrazgo* is an institution within a complex politics of reputation which, although it may appear demeaning to outsiders, is also seen as a way to access power. But it may be that the process of capitalisation of rural areas and increased migration is destabilising the tradition of *compadrazgo* and changing the parameters of the politics of reputation that underpins it. As the capital market develops and peasants' need for credit increases, *compadrazgo* relations may be becoming exploitative (Lagos 1994). People in Luribay complain about having to 'beg' people for a loan, and the people they ask are often wealthier *padrinos*. However, people do not complain about the process of looking for *padrinos* in general. It may be that the formal provision of credit allows people in need of loans to better negotiate changing local hierarchies and credit relations.

Compadrazgo involves having to look for *padrinos* who can render favours which in other contexts would be considered a matter of rights, for example healthcare, political participation and resources, including credit (Lagos 1994: 90). This could be seen as exploitative, and the provision of formal credit by Prestec could alleviate women of these pressures. But *compadrazgo* also functions as the social security system in Luribay (cf Auyero 2000). Families looking to forge bonds of vertical *compadrazgo* have a different understanding of this relationship than the *padrinos* themselves. From above it may appear to offer opportunities for exploitation, but from below wooing *padrinos* is a pragmatic approach to accessing resources (cf Lagos 1994: 100).

The activity of finding *compadres* is gendered in both the establishing and servicing of *compadrazgo* relationships and in the desired qualities of potential *compadres*. Women appoint godparents for their children's baptism, birthdays and graduations. Once the *compadres* have accepted this role they are given beer and there is a party to concrete the relationship. The woman coordinates this party which normally involves a roast and *padrinos* are offered the best cuts of the meat.

Differences between women's social and marital status affect their fictive kin-making activities and the power available to them within this system. The mother/wife of the household head looks for couples or women with children to serve as *compadres*. Single and childless women are excluded from this networking, as they do not make ideal godparents or festive sponsors because it is always better to have two people in the ceremonies (cf Harris 1978: 25). Single women have to make social connections within this logic of favours from a disadvantaged position. Doña Sofia from the group in Hamlet 2 explained to me the responsibilities of godparents for certain *fiestas*. I had been invited to be godmother of the first hair cut, and had asked her in general conversation what this would entail. She explained the ceremony to me, and said the level of long term commitment varied. She looked embarrassed when I asked her if she had any godchildren. She had been divorced six years previously and had lived and worked in Brazil. As a single woman, without land of her own, she would not be seen as a good godparent. *'How am I going to have any godchildren? I'm divorced, I'm on my own!'* (Doña Sofia, 34, Hamlet 2)

Protestants are to some extent excluded from the institution of *compadrazgo*. Most of the ceremonies relate to Catholic masses, such as baptism, or *fiestas* marking Catholic Saints days. Inviting people to be *padrinos* often involves giving them a crate of beer, and the *fiestas* involve copious drinking. Because Protestants do not drink alcohol they are excluded to some extent. However, Protestant families do have godparents for their children, for example for their 15th Birthdays or graduation from school or military service. That Protestants' do find ways to continue use the *compadrazgo* system is testament to the importance of fictive kin to survival and economic activity.

Vertical contacts are determined by the hierarchical structures of race and rurality and perceived influence and wealth. The system of vertical *compadrazgo* dates back to the times of the *hacienda*, where the patron would look after families in his fictive kinship network in return for work and loyalty. The patron would be in effect their representative and a source of credit and cash. Although the *hacienda* system was overturned in 1952, the raced dynamics which the *hacienda* system imposed remain to a certain extent. Examples of ‘vertical’ connections may include people from the community who are perceived to be wealthy, for example families who own a vehicle; *Residentes* who are thought to have more resources and cash; councillors and staff in the mayor’s office for their connections and influence, as well as outsider professionals, myself included.

The poor are using these relationships to their advantage, and understand them differently (Lagos 1994: 100). To look at *compadrazgo* as mere exploitation is to underestimate the way that people strategise this relationship (Lagos 1993: 53). Poor people want rich fictive kin because they can call on them in times of need (Crandon Malamud 1993: 575; Koch 2006: 52; Lagos 1994: 96), and it is a long-term relationship (Bailey 1971). Honouring people by asking them to be a godparent or festive sponsor is a way of reinvesting wealth into the community (Crandon Malamud 1993). *Compadrazgo* can be seen as a springboard for social mobility (Lagos 1994: 98).

When I asked about social hierarchies within the hamlets of Luribay, the answer tended to be ‘oh we’re all the same’ (cf Harris 1995: 367). This may be because *compadrazgo* is a way to equalise everybody within the community via the politics of reputation and festive sponsorship (Lagos 1994: 98; Harris 1995: 367). *Compadrazgo* has historically been a cultural practice which allows the poor to access the wealth of the rich (Osborn 1968). It is also a way to consolidate horizontal bonds of reciprocity and trust (Aguilar 1984: 24). Indeed, horizontal *compadrazgo* is becoming more prevalent, particularly in rural areas (Koch 2006: 52).

Other forms of *compadrazgo* are related to *fiesta* or event sponsorship. For example there are *padrinos* of cakes, footballs, hats and costumes. These do not entail lasting *compadrazgo* commitments, but are seen as honours and a way of distributing wealth. Festive sponsorship is also within the *ayni* logic of reciprocity. To refuse the honour of organising and paying for a certain aspect of a *fiesta* is badly received. Whereas *padrinos* of children are people who can maintain a lasting relationship with the family, the ‘sponsorship *padrino*’ is someone prestigious, or at least thought to be wealthy. Not only would such a person bring more wealth to the ceremony but they are also considered status symbols for the family. People want to sponsor the *fiesta* despite the expense (Lagos 1994: 154).

Padrinos see the relationship with their godchildren and the child’s family differently. For *Residentes* there is prestige in being nominated as *padrino* and being seen as rich enough to donate cash to the ceremony. For politicians, there is prestige in having lots of godchildren. One councillor told me he had so many godchildren he could not remember them all. On this note, it was said of him that he would promise the world but never deliver. Outsiders, including myself and professionals working for NGOs and staying in Luribay, are often invited to be *padrinos*. Many of these people avoid entering into *compadrazgo* ties because they want to maintain a ‘professional relationship’ and ‘take care of their image’ (cf Bailey 1971). Some do accept. One woman had made one of the engineers from Save the Children the godparent of her eldest son on his graduation from military service. Both she and the eldest son complained that the *padrino* never came round to see them because he was always too busy. The expectations of these vertical relationships are not always fulfilled, as there is no longer a need for the *padrino* to depend on workers. This may mean that the system of favours is breaking down from the top, and that there is more reliance on horizontal ties (cf Koch 2006: 55).

Fiestas are where reputations are made and lost. It is an honour to be nominated the sponsor of the *fiesta*. A decision taken about whom to nominate as sponsor of a *fiesta* is often a community opinion about who can most afford it, for instance a family who has come in to money in La Paz, or a family who owns

several trucks. Gossip has an essential role to play in the decision of who to choose as a sponsor for the *fiesta*. Informal loans are made during the preparation for *fiestas*, which are carefully noted down so that the recipient can return not only the money, but also the favour in full. It is seen as prestigious to be *preste* and people accept regardless of the expense. Lending to the *preste* over several years means that one has enough loans to recall to be able to put on the *fiesta*.

The institution of *compadrazgo* is changing with the changing nature of social stratification in Latin America, and Luribay is no exception. However, the nature of the vertical relationships are changing and the geographical and social distance between families may mean that new strategies to access wealth need to be found. Migration to the cities is also changing *compadrazgo* patterns (Koch 2006) and maybe encouraging people to form more horizontal bonds, and increasing the number of local *fiestas* for which sponsors can be sought (Crandon Malamud 1993). Migration to cities enables people to have access to more potential 'good' *padrinos*, as people in the cities may be seen to have more access to cash. However, some find that people in the cities have less need to maintain the relationship as they find prestige and work elsewhere (Koch 2006). People in the hamlets of Luribay with *padrinos* in the cities complained that they never see them, and accused their *padrinos* of only seeing their role as limited to participating in the ceremony. For example Ana, who grew up in El Alto and was working in Luribay as a nurse, told me that her *madrina de retouche* (literally: 'godmother of the first hair cut') has not visited her since she was a baby.

Families who can extend credit are still seen as good contacts, but perhaps the presence of formal financial services could reduce the exploitative nature of the vertical relationship between creditors and debtors. Those able to provide credit are able to exert power over those who are in need of credit. This underscores the importance of formal credit to liberating people from exploitative relationships but Prestec does not have enough coverage to dissolve the need for these relationships completely. In the absence of institutions to support contract, Prestec may be placing

increased pressure on *compadrazgo* relations which continue to be vital for survival. Furthermore, *compadrazgo* needs to be understood in the broader context. These relationships are the way in which wealth and political influence can be acquired. It is also a way for the rich to reinvest in the community and feel a sense of belonging. *Compadrazgo* cannot be replaced by contract and a work ethic, which the provision of microfinance is arguably encouraging.

The Politics of Reputation

In order to be able to participate in the establishment and maintenance of kin and fictive kin, it is necessary to be an actor within the community's politics of reputation. Given the importance of interdependence within the community, having a reputation of being reliable and true to one's word is valuable social capital. The politics of reputation is maintained and sanctioned via gossip. The Bolivian expression 'small town, big hell' (*pueblo pequeño, infierno grande*) refers to the ferocious gossip found in rural communities. Although gossip has negative effects, particularly for women, it also ensures that promises are kept and that vital traditions of reciprocity are adhered to. Prestec relies on the importance of reputation and may be exacerbating its negative effects rather than offering an alternative.

Although widely condemned by people in Luribay as oppressive, gossip maintains order and ensures that contracts, including the informal contracts incurred via *ayni* are fulfilled. Gossip is important to a sense of belonging and in defining who is 'in' and 'out' of the trust network. Gossip acts as a sanction to ensure that norms, traditions and the duties and responsibilities essential to cooperation are maintained. Gossip can be seen as a group activity to sustain itself (Gluckman 1963) or individuals managing information and reputations for their own advancement (Paine 1967). It is both an affirmation of group norms and identity and a way to manage information for the advancement of one's own family, but within the community which one considers one's peers (Bailey 1971).

To have a reputation, whether good or bad, and to be able to engage in gossip is a sign of belonging in a community (Bailey 1971). It means that one is involved in the exchanges which make up a community and that one ascribes to its values. As an outsider, I was not privy to the vast majority of gossip. Not only was there the language barrier (most of the chatting and nattering in which I was not directly involved was in Aymara), but also the fact that outsiders are excluded from gossip (Gluckman 1963). 'To be able to gossip together, people first must know one another so as to establish mutual interests. Gossiping about someone with others may be part of getting to know that person well enough to gossip about him' (Fine and Rosnow 1978: 164). After I had been in Luribay for a couple of months, I was included in some gossip. As I was more included in these chats, and more gossiped about myself, I began to feel more comfortable in Luribay, and could identify the people I trusted more.

The norms and values of the community frame the evaluation of reputation in the community, for instance the importance of not being selfish, fulfilling duties of godparenthood and *ayni*, and working together. 'Individuals appeal to each other in terms of these values in order to forward their own interests' (Paine 1967: 280). Although my access to gossip was restricted, I was able to see some of its functions in terms of maintaining group identity, norms and the order of cooperation. Gossip about others in the community often involves an accusation of 'selfishness' or someone 'not being true to his word' (*incumplido es*). There are anecdotes about community members who keep too much profit for themselves, or have allegedly kept money from NGOs that should go to a community project. In these cases gossip is a sanction to maintain order and hold people to account. It also keeps people equal and maintains the significance and importance of belonging to the community

However, there is clearly a negative side to gossip which people find unfair and frustrating. Many people complain that their projects and income-generating activities had been thwarted by scandal or the fear of a scandal. Women and girls in particular felt restrained by fear of a scandal. But it is important to note that everyone, including those whose reputations had been damaged, thought that it would be shocking to ignore what people thought of them or to not care about

gossip. Reputations are important to identity, belonging and a sense of civic responsibility and duty. Gossip functions as sanction, wealth assessment and law enforcement.

Although gossip is clearly essential to maintaining the politics of reputation both in terms of information management and upholding norms and a sense of belonging, it is seen as oppressive and fear of scandal can thwart people's projects. The norms and mores upheld by gossip are gendered. Doña Magdalena, an older woman from the group in Hamlet 2, is relied upon by her niece, Doña Janeta, to keep her children in check. Doña Magdalena lives closer to the school and can tell Doña Janeta if her eldest son is chatting too much to any particular girl or is getting in with the wrong crowd. Doña Janeta told me this story with an element of pride - that her son was considered a good catch.

Gossip about girls is not to be joked about. Although it has been observed that girls' and unmarried women's sexual experimentation does not cause the opprobrium in the Andes as it does elsewhere (Balan 1996: 81), if a girl was thought to have 'already been with many men' (*ya ha caminado con muchos hombres*), she would be kept in the house and withdrawn from school. Mothers are particularly afraid for their daughters' reputations. Doña Lucia has five children, and lives with her husband, two sons and her nephew in a hamlet. She was anxious to send her daughters away because of fears for their reputations in Luribay.

'I have three girls and they're all in Buenos Aires. The eldest are both working, but the youngest, she just went recently to finish school, she's fifteen. I prefer her to go to school elsewhere because there's a lot of immorality here. There are girls in the school who are already having babies. So I sent my youngest to Buenos Aires to finish her education there, before that happens to her. There's too much risk here. As I'm basically on my own here, my husband's just drunk; I don't have time to take care of her properly. I'm always travelling, so it's better that she goes.' (Doña Lucia, 50, Hamlet 1, Interview)

I was often warned by Doña Magdalena, with whom I was staying, that I should not talk to people outside of her family because there was ‘no trust’. She made sure that I stayed with her relatives when I travelled to the Town and the cities. I attended one public event in the Town with women from the hamlet of Pocuma. As national elections were approaching there were many politicians from La Paz who I wanted to talk to. When I started talking to them, the women from the hamlet held me back because ‘there was no trust’. They did not want people to talk and were genuinely afraid for my safety if I talked to them. Politicians were said to be womanisers and people were afraid that they would ‘not respect me’.

Women are perhaps more restricted to trusting men exclusively within their kinship circle. Incest taboos extend to fictive kin, so a woman or girl can talk to a *compadre* or *padrino* without fear that people will talk. This did not extend to men from other families or outsiders. As a result, women are less likely to participate or network informally with men outside this trust network. This relates to women’s involvement in work and business. Having a new way of extending trust, such as the solidarity group in microfinance, may be beneficial to women in that they may be more restricted than men because of the unfair pressure on women to maintain reputation.

The institutions of *compadrazgo* and fictive kin, underpinned by the politics of reputation and gossip, are vital to subsistence and production in Luribay. This interdependence is increasing and the institution of *compadrazgo* is changing with the growth of the capital market in rural areas. There are negative aspects of the politics of trust networks for women. The pressure of maintaining reputation falls to them and unmarried women are disadvantaged in networking via the institution of *compadrazgo*. But this institution still constitutes social security in Luribay and these relationships are much broader than the financial services facilitated by Prestec. In this context, Prestec may be compounding the vertical pressures of reputation and interdependence within the group, and at the same time rendering women’s community management labour invisible.

MICROFINANCE AND TRUST NETWORKS IN LURIBAY

MFI's lend to solidarity groups and use the strength of horizontal kinship and fictive kinship ties as collateral. This is reliable collateral because it is in effect more valuable than the loan. But it may be a mistake to assume that this solidarity is equitable, reciprocal and horizontal. Credit may be exacerbating unequal relations and encouraging their exploitation. Furthermore, Prestec is using these relations without supporting them, therefore making additional demands on women's time. Whilst Prestec may alleviate the need to look for *padrinos* to lend money, interdependence is much broader than credit alone. Women who are not dependent on relationships and networks within the community, for example *Residentes* with property and livelihoods outside of Luribay, may be able to make more use of the credit and the social capital which Prestec can facilitate.

The credit groups are formed in order to access the credit, enabling women who lack collateral to take out a loan. However, given the importance of cooperation, interdependence and belonging within the community, it may be that the reputations and trust being staked by the credit group members are worth more than the credit itself. In valorising trust and social relationships, Prestec may be increasing the pressure on interdependent relationships. On the other hand, Prestec may be encouraging the formation of new relationships and so offering another opportunity to extend one's trust network within the community.

Prestec recognises these social capital bonds but may in some senses capitalise on them. Trust is constructed in two ways within the group: personal guarantees and contract. People need a personal guarantor to vouch for their trustworthiness and responsibility. Personal guarantors are also needed to take out internal loans. This is enforced by the joint liability guarantee, allowing Prestec to provide microfinance in rural areas to people with otherwise little collateral. But this may stretch the bonds in a neoliberal context where interdependence is already being increased.

Many people thought that the existence of a formal credit group relieved them from the need to 'go begging for a loan' from *padrinos*, but they may be creating

other dependencies. It seemed that the solidarity group in the best cases could offer a way for women to avoid having to look for *padrinos* and can form a horizontal bond among themselves to be able to access credit. But in many cases the credit was dependant on these vertical and horizontal bonds for repayment and the socialisation of risk which makes the lending of credit feasible.

There are various motives for joining the credit group. A credit group is usually initiated by Prestec promoter suggesting it to members of the community who may be interested in credit. The promoter is under pressure to meet a target number of groups for the area, and there is no impact assessment carried out beforehand. The beneficiaries themselves identify the need for credit and reliable people to join the group. In this way the bank can provide sustainable credit, and beneficiaries are empowered in the process of negotiating formal access to credit. Ideally, all of the members would genuinely need the credit and could make use of it. However, in some groups there are signs that members joined out of obligation to kin. In some cases, the motivation may be to service certain relationships within the community, rather than a desire for the credit itself.

The way that the groups are formed indicates that the priority is to extend financial services. Perhaps if Prestec were to adopt a more integrated approach, considering the use of the credit and supporting the social networks which ensure repayment and successful production, then relationships within the groups would be less strained. This would avoid people feeling like they have to leave the group in order to be able '*to sleep well at night*', as several women put it to me in informal conversations.

Fear of being seen as irresponsible leads some women to leave the microfinance group they are in. Doña Caterina from Calvario Milaflores had been in a credit group. I met her while walking between the Town and Pocuma, and she invited me back to her house for some tea. When I told her that I was studying Prestec, she said that she had been in a group several years ago, but had left because the pressure to repay was too great. Similarly, Doña Rita, had started a group but one of the reasons she cited for leaving in interview was that people had looked

down on her for *'working for the bank'* and having to borrow at such high interest rates: *'people were giving me looks'*. Although Prestec aims to promote more responsible, formal financial services, the terms of the loan and the lack of safety nets mean that many women get further into debt and risk losing their valuable reputations.

Each group had a story about someone who had not been able to pay back the loan. There were cases where personal guarantors had gone to debtors' homes to obtain repayments from her. In such cases, the parties worked out what they considered to be reasonable compensation rather than what was specified in the contract. Doña Margarita is a *Residente* who owns a hostel in the Town. I was surprised when she named her hostel as collateral against a loan of 4000 Bs., as the hostel was clearly worth a lot more. I asked her what the named collateral was for.

'They just go round asking everybody, 'what are you going to name as a guarantee?' So I tell them: my house, my hostel. But I don't give any papers or anything. It's not with papers, they just ask and you name something. They ask everybody, and so the señoras that come from the hamlets, they say their piglets or their telly. But it's not like in La Paz. The banks in La Paz, you have to give them papers, and if you don't pay they actually come and take your stuff. But we just say it, I don't give papers.' (Doña Margarita, 50, Town 1, Interview)

The advocates/proponents of microfinance recognise that trust and reputations are important to life in rural communities, but in harnessing trust networks as collateral they may be risking people's reputations, opening them up to harmful gossip and even humiliation as people in the community force them to pay back. Doña Rita had left the group not because of difficulties paying back, but because she did not appreciate several aspects of the way Prestec operated, and felt that it was damaging to her reputation.

'It's not [Prestec] that goes through your house looking for stuff to sell, it's the group. They'll turn your house upside down, and everybody sees what you've got, and then they sell it. That's

happened here you know, once in Cachualla' (Doña Rita, 38, Interview)

The promoter emphasises the importance of only letting women join the group who are known to be responsible. The group members also stress this. Doña Veronica, who was one of the initiators of the group in Hamlet 3 describes how choosing people on the basis of reputation involves diplomacy, as refusing a request might be damaging to community relationships.

'We look for responsible people, and we know who they are, and who are the ones who won't pay back. Some of them want to join; they say 'oh please, please, let us' but we're not going to let them if they don't earn any money. But we don't say it like that; we wouldn't want to make them feel bad. If we just say, 'look, you don't usually pay back', they're going to feel bad. We say 'no, no, it's just not possible at the moment.' Or we set a high membership fee and that puts them off' (Doña Veronica, 32, Hamlet 3, Interview)

Doña Veronica points out that the group's control of the membership fees can help them to better manage this situation. The obligatory savings can also discourage people.

Everyone within the group could tell me how the other members were related to each other. People who own land are seen as more responsible than those that do not, because they cannot leave, but people without land were also in the group. Other factors in assessing somebody's reliability include whether they live in the same community and in some cases what religion they are. Before the group in Hamlet 3 was established, there was another group further up the valley in the hamlet of Rancho. The Protestant members of the group in Hamlet 3, Doña Veronica and Doña Janeta, set up the group in Hamlet 3 after the group in Rancho broke up. They say that the reason that group broke up was the distances involved for all the members. Doña Janeta felt that despite the group breaking up, there was more trust in that group because of their shared religious identity.

'We had one group before that was made up of people as far away as Rancho, but they were all Protestant. And that was easier. I

don't know why. It was just easier to sort everything out.' (Doña Janeta, 39, Hamlet 3, Interview)

There are vertical pressures within the groups. Differences of age, marital status, and amount of land owned, could mean that some women benefit more from group membership than others, and perhaps induce people to join who otherwise would not need the credit. *'I joined the group when I came back from Brazil. My sister-in-law said 'do you want to join this group?' and I just said yes, I didn't really know what it was about'* (Doña Sofía, 34, Hamlet 2, Interview). *'My mother-in-law told me to come and join – so I said alright'* (Doña Glenda, 26, Hamlet 3, Interview). The pressure to maintain a good reputation in the community and service relationships may be increased by Prestec's use of personal guarantees and joint liability.

If women gain a bad reputation from participating in the group, the results can be very difficult to cope with. Doña Penelope had been one of the founding members of a group 4 in the Town which was composed of kin, fictive kin and neighbours. People in this group had talked to me about a scandal involving Doña Penelope, who was now in group 1 in the Town. In the interview, she was keen to give me her side of the story.

'They told me that I had made a mistake, and the other women went to talk to the promoter, and they talked badly about me. They said that I'd made a mistake, that I'd not paid, but I had. And then the promoter told me 'you've lost your membership'. That if I wanted to join the group again I'd have to pay a membership fee and they'd ask for more guarantees. I'd wanted to take out the same, but they wanted more and more guarantees, they wanted 500 Bs. It was just because they wanted to that they were treating me like that. But I said, OK fine. But I don't think it's right. I'd been in that bank for years, and I don't know why they thought they could watch me like that. But I left the 500 Bs. and said the promoter: 'right. Am I being observed or am I not being observed?'. Here, there is a lot of observation. I tell you that was a huge problem for me, and it was only a little mistake.' (Doña Penelope, 65, Town 1, Interview)

Because of this incident, Doña Penelope lost face and respect, but subsequently, she was able to join another group in the Town, mostly composed of *Residentes* as someone from the city had agreed to vouch for her, when no one in the other group would.

The group in the Town in which there are mostly *Residentes* functions on a more individual logic. Not all of the members knew each other's names, despite the fact that the group had been together for over two years. A new member joined this group while I was there. She was from the hamlet of Achocara and walked about half an hour to get to the group. She had been guaranteed by a longstanding member of the group who owned a shop and was respected. Although no one else knew her, it was explained to me that they expected her to start with a small loan and build up trust among the members so that more people would guarantee her. Two of the founding members of this group, Doña Margarita and Doña Feliza welcomed this new members and thought that joining the group could help her build contacts.

'There's one señora who comes from far away - that señora who comes from Achocara. She's new, she just recently joined, this cycle. She's good friends with the woman who owns the shop where we meet, Doña Georgina, I think they're comadres or something. She surely encouraged her to join. And everyone trusts Doña Georgina she guarantees her.' (Doña Margarita, 50, Town 1, Interview)

'That woman comes from the other hamlet because she knows someone here. And it'll surely help her to be in the group. People aren't entirely sure about her yet, but I'm sure she'll soon be chatting with everyone. It will be good for her to have more trust in the Town.' (Doña Feliza, 38, Town 1, Interview).

Residentes could use the group to gain social capital and a sense of belonging in Luribay. Doña Vera lives in La Paz with her husband, an accountant. Her son has worked in the US as a computer specialist for several years. The community where she lives, Bambara has a plaza of new brick houses with modern kitchen

and showers, is mostly populated by *Residentes* whose main home is in La Paz. Doña Vera told me during a general discussion when I visited her, that the main reason she had joined group 1 in the Town, was to be with her friends. She lived in La Paz and divided her time between the city and a second home which she and her husband owned in the hamlet of Bambara. She joined the credit group in the Town where there are other *Residentes* who also divide their time between the city and Luribay. Doña Vera enjoyed the educational themes and the discussions in the group. When I asked her about the credit itself, she told me she did not need it, and her husband chimed in that she just drank it. The group for her was a way of keeping contact with the Town of Luribay.

Within an individual framework, the credit group can build social networks and trust. For the group in the Town, which was mostly made up of *Residentes*, there was sufficient trust to be used as collateral against the loan, but less interdependence. Perhaps less was being risked in order to access the credit, and so trust could be extended via the credit group. There is more interdependence within the group in the hamlets, and so reputations and relationships are worth more than the credit.

It could be that Prestec's approach works better when there is less interdependence within the groups. In the hamlets trust and reputation as maintained in the informal system underpins the groups and the contracts made therein. The groups are based on the relationships of kin, fictive kin and neighbours. These people work together, live in the same community and there is a high level of interdependence. In the Town on the other hand, people can join one group on the basis of one person vouching for them for the single purpose of accessing credit.

While I was in Luribay, another group was being formed in the hamlet of Achocara. At the instigation of two men from the hamlet, a group of women had formed and were deciding on whether or not to go ahead with the credit. One of the young men had persuaded his wife and mother to go, and was asking the promoter if his 10 year old daughter could join. The promoter obviously refused, but it did seem that the group was being formed for the male members of the

family rather than the women. The promoter also suspected this, but he was under pressure to reach Prestec's target of thirty groups in the valley. This may suggest that in harnessing women's social collateral, the consideration of the extension of financial services is priority, even though this may exacerbate gendered hierarchies in the community.

In the group in Hamlet 1, the promoter had asked a widower if he was interested in forming a group. Don Paco, the widower, had put down the names of nine kinswomen to form the group, but had not requested their permission beforehand. At the first meeting the women did agree to join and gave the signatures and ID cards required by Prestec. Although women in the group told me that they were put out by Don Paco not having asked their permission first, they agreed to join the group, as it is important to do a kinsman a favour when asked. This suggests that in forming the credit groups, servicing relationships within the community can take priority over the need for credit.

Doña Lucia, the president of the group explains how although they did not originally consent to joining the group, and objected to the way that Don Paco had gone about forming it, after consultation and consideration they had agreed.

'We weren't really thinking of forming a group at all. It was just Don Paco, who said he played football with the man from the bank, we didn't know him, but he wanted us to get a group together. So, Don Paco just told him the names of people he thought would be interested and responsible, and there it was, all noted down before we knew anything about it. He didn't even ask us first! But then we got together and the promoter explained how it worked. And then we weighed it all up together: what if it goes badly, perhaps we'll end up in debt, so we did talk about the risks. Don Paco just said 'yey yey we'll make a profit'. But after talking we decided to go along with it.' (Doña Lucia, 50, Hamlet 1, Interview)

Doña Alexandra on the other hand was in a different position. She and her husband did not own land in Luribay, and so were more dependent on help from kin. She said that she did not want to join the group at all, but did so out of

deference to Don Paco and the other women in the group. When I asked her why she had decided to join the group, she told me

'I really didn't want to join the group. I get stressed when I borrow money. You have to sell everything you've got to pay it back, piglets, animals, everything. But Don Paco, he begged us, he told us it was to grow peas.' (Doña Alexandra, 36, Hamlet 1, Interview)

Relationships within this group were strained. Don Paco had missed a repayment meeting, and in the subsequent meeting asked for guarantors for him to take out an internal loan in order to make subsequent repayments. After five minutes' silence and nervous giggles from several of the women present, the president of the bank offered to be his guarantor. Following the meeting, Doña Lucia, the president, told me that people were talking badly about Don Paco and the way he had formed the group. She said she did not want to speak up as he was active in the NGOs working in the community and any protest may cause problems. As well as relationships being strained by the formation of the group, it may be that Don Paco was abusing his position in the community. While explaining to me in interview the difficulties in establishing the group, Doña Lucia also commented on the tensions which this had resulted in:

'There have already been problems with Don Paco. You've seen him right? He's not coming to the meetings, not paying back. And they're saying that he and his daughter are going to leave at the end of the cycle.' (Doña Lucia, 50, Hamlet 1, Interview)

In another hamlet, two women decided to form a credit group. They were married but their husbands were working in Argentina. The women, Doña Gloria and Doña Ela, defined their relationship as friends. Whereas kin and fictive kin relationships are already formalised, the fact that Prestec is recognising friendship as collateral may be an opportunity for women, who have limited capability to form fictive kin relationships, to be able to draw on their social capital. Doña Gloria lived with her husband's family but felt alienated from her in-laws, particularly since the death of her father-in-law. She did not own any land and had to work as a day labourer in the hamlet of Cutty, about two

hours walk. Perhaps she was using Prestec to valorise social capital which would otherwise not 'count' in the gendered institutions of *compadrazgo*.

However, to form the group, Doña Ela and Doña Gloria had to call on kin and fictive kin, perhaps straining these relationships as a result. The older women in the group had told me that they were getting impatient with the board of directors because they were very quick to impose fines on those who arrived late or missed a meeting without permission. They were quick to impose fines because this meant that at the end of the cycle there would be more profits to be divided up. This may indicate that the credit group puts pressure on social networks. These relationships are worth more to the friends than the credit. Some of the older women were considering dropping out at the next cycle, and the reputations of Doña Ela and Doña Gloria may suffer as a result.

CONCLUSION

Prestec's use of social collateral is effective because the relationships and interdependencies which make up this social collateral are vital to survival and the reciprocal exchange and trust which makes economic activity possible. The relationships constituting the personal guarantees and the joint liability in the group are worth more than the credit, as they represent belonging in the community and maintain trust. Women in the hamlets have limited capability to use Prestec as a space to create new kinds of social capital because their priority is to maintain pre-existing relationships. In the context of the Town, where *Residentes* have sources of security outside Luribay, the group can be used to extend social capital and build trust.

In the hamlets, the relationships and politics of reputation are prior to Prestec and Prestec, although it uses social collateral, does not sit well with the dynamics of these relationships. Belonging and reputation in the community constitute social security. The credit and the space facilitated by the group can only be used within the politics and dynamics of the moral economy. If forming a group cannot add to social capital as it is defined locally, then the joint liability and personal guarantees within the group may place a strain on relationships.

There are positive uses of the solidarity groups which could indicate that the solidarity group mechanism could be used by women to overcome some of the gendered biases in *compadrazgo* and the politics of reputation in Luribay. The example of the group formed by Doña Ela and Doña Gloria in Hamlet 2 shows that although they could use the space facilitated by the group to access credit, they had to do this within the norms and sanctions of the moral economy. They were seen to be breaking the sanctions against greediness and selfishness, and may be straining the relationships they have with other members of the community. This may be costly to them in the long term.

Where group members are less interdependent, as in the case of the group of *Residentes* in the Town, then the space provided by Prestec and the social collateral method may be used to increase members' social capital. This is possible because there is less at stake and most members have sources of security outside Luribay. *Residentes* can use the group to gain social capital and increase their contacts in Luribay. In some cases, this was the primary motive for joining the group. In this context, extending trust to people from other communities or who are excluded from other groups is easier, as there is less at stake.

In order to encourage the positive aspects of microfinance to have purchase in Luribay, a more participatory approach which is integrated with the value system of the moral economy in Luribay is necessary. This is difficult unless the focus on production is questioned and Prestec actively supports the group itself.

In terms of women's citizenship, Prestec's use of social collateral could be a way to recognise the importance of interdependence and trust in the development of institutions to support citizenship rights. This is important to counter the gender biases in the presumption of a neutral liberal individual and to valorise women's community labour. It could be that Prestec legitimises the particularist relationships which are essential to functioning as a citizen but do not merit citizenship in the liberal canon.

However, the importance of these relationships means that women are in some cases risking too much in order to access the credit. They are staking reputations

and relationships which are vital to survival on a loan, and the importance of servicing these relationships are in some cases more important than the credit itself, and more of a motivation to join than the loan itself. If the main motivation for forming the groups is to extend financial services, then it could be that these relationships are being exploited for the sake of the development of a sustainable microfinance sector rather than to support women's community networking.

In order to further assess this, in the next chapter I look at the institutional framework of Luribay, and how the development of sustainable financial institutions fits in with the institutional capabilities which women have and the choices which they can make. It may be that if all the institutional supports are market-focussed then credit is stretching women's labour and they may not have the time or the security to make full use of Prestec. It may also be that the kind of institution which is developing at odds with women's priorities.

Chapter Nine: The Village Banking Approach in Luribay

The starting point of this thesis is that microfinance could support women's negotiation of the market, as the market becomes increasingly important to citizenship and belonging in Bolivia. In neoliberal multicultural Bolivia, the extension of MFIs to rural areas could be an addition to rural civil society that supports women's market participation without undermining their citizenship with a welfarist approach. Prestec's village banking technology gives beneficiaries responsibility for determining certain aspects of the loan. The groups are self-selecting, and members determine the size of the fines and the interest rate on internal loans. The group elects a board of directors to manage the fund. Prestec provides the capital at the beginning of the cycle, and the treasurer safeguards quota payments locally between repayments to Prestec, in order to build up a fund from which internal loans can be taken. Other aspects of the loan are decided centrally: the interest rates, the repayment schedule, and the amount of the obligatory savings (see Figure 7 and Figure 8 in Chapter Four). Educational themes are decided centrally after beneficiaries are surveyed periodically. Among the microfinance technologies available in Bolivia, the village banking technique is most suited to building up institutions which fit in with local needs, as beneficiaries themselves take on responsibility for determining certain aspects of how the village bank is run.

As a consequence of this, Prestec may in some cases be encouraging women to take responsibility for the development of a village bank, without looking at the time costs and risks involved in participating in such an institution. Given the institutional framework in Luribay, where all NGO projects are market focussed (as discussed in Chapter Four), women's time is at a premium, as they participate in NGO meetings, are responsible for organising production on the land as well as reproductive and community labour. Participating in the village bank means assuming responsibility not only for paying back the loan, but also for guaranteeing loans of other people in the group and keeping money during the cycle. Women who join the bank because it is a reliable source of lending, limit their participation because their lack of time, the lack of security nets and lack of training, are not addressed.

Nevertheless, there are advantages to having a formal source of credit available locally. Although it has been remarked that there is not much occurrence of usury in the Andes, with the development of capitalism this is becoming more prevalent (Lagos 1994). It has been argued that as reciprocal exchange in kind is being replaced by money, credit relations are creating exploitative class hierarchies (Lagos 1994). The presence of a participatory village bank could compensate for these developing hierarchies. Historically, *hacienda* owners and those in commerce had more access to cash which they could lend to those in land-based production, who needed loans because of the seasonal nature of their income. Loans are also given within families. Although these are not generally given at an interest rate, they may accentuate power dynamics within the family.

In this chapter, I consider how Prestec beneficiaries weigh up the advantages and disadvantages of participating in the bank, with an aim to assess the potential of Prestec to be an inclusive contribution to rural civil society in Luribay. The way the intervention is seen varies between the groups in the Town and the groups in the hamlets. In this context, I assess the potential positive contribution of an all-female space and a communal bank that Prestec could facilitate.

ADVANTAGES

Reliability

The main advantage cited to participating in Prestec was access to a reliable source of credit. Prestec is reliable because it is present all year round and credit is available to members without having to resort to the demeaning process of having to ask family members or other contacts for loans. Prestec hence offers an alternative to money lending ties which historically have reflected the raced hierarchies of the *hacienda* period. By providing credit all year round, Prestec also smoothes consumption needs during the slack winter period. In winter, credit is needed to invest in horticulture, but there is no income until harvest.

The reliability of Prestec as a source of credit in winter is one of the main reasons to join. Doña Sandra was one of the original members of the group in Hamlet 2. Her motivation for joining was the scarcity of credit in winter.

'I've been with Prestec for four years now. I started the group. The problem is that if the bank wasn't there there's no one who'll lend you money, especially now. Now we need it mostly for food.' (Doña Sandra, 41, Hamlet 2, Interview)

Doña Veronica agrees. The lack of liquidity in winter means that credit is simply not available. However, she does say that even given this need, the interest rates are still high.

'We carry on with the credit because at this time you can't even borrow ten pesos, there's no fruit, you can't borrow anything, and you spend any small savings you might have. That's why I stay with the credit group...Otherwise, you have to go round people saying 'oh please!', and they'll say 'I've got to ask my husband' or 'it's in the bank' or 'I can't, it's in dollars'. That's the main difference with Prestec, but it costs a lot, the interest was 4% at first.' (Doña Veronica, 32, Hamlet 3, Interview)

Given the historical and cultural context of Luribay, the fact that credit is needed in winter for land-based production means that credit relations have historically mirrored the exploitative relationships of the *hacienda* period. Doña Carol runs a hostel in the Town. She described how people from the hamlets used to borrow money from those in the Town.

'Before the bank arrived, the people who worked on land would come to us [the people in the Town], they would borrow from us. Now they don't need to come. They've got the bank' (Doña Carol, 50, Town 3, Interview)

Doña Margarita, a *Residente* who runs a hostel in the Town described how people involved in land production would borrow from her grandmother.

'Before the bank arrived, people lent to each other. There are some people who did that, they lent to each other privately, and then they would be paid back after the harvest. But it was always necessary to borrow money. Sometimes they bought the fertiliser and stuff on credit. It was with interest but not with a contract. My grandma did

that and she did it with a contract and the interest was much higher: 5% a month.' (Doña Margarita, 50, Town 1 Interview)

Prestec's presence in the hamlets themselves can help women there avoid these rural-urban credit relationships. Given the association of rurality and indigenous culture in Bolivia these credit relations have an ethnic dimension. In this sense Prestec is inclusive and promotes equality, allowing people to access resources which have erstwhile been denied them.

Loans are also given informally within the family. Loans from family members are not charged at any interest rate but represent an uncomfortable situation for people who may feel disadvantaged by 'going begging for loans' - even among family members. This can exacerbate power relations within the family. For example, Doña Begoña is from Luribay's neighbouring municipality of Sapahaqui. She lives in Hamlet 1 with her husband who owns land. She was reliant on her sister-in-law for credit with which to work the land.

'I used to borrow from my sister-in-law, who works in the city. It wasn't with a contract or anything, and there was no interest. But I don't like always asking her for a favour. Sometimes she won't do it. The bank is secure.' (Doña Begoña, 22, Hamlet 1, Interview)

Doña Gloria from Hamlet 2 lives with her husband's family while he sends back remittances from Buenos Aires. She also prefers borrowing from Prestec than from family members.

'We used to rely on family for loans, but sometimes they'd make you sign a contract and everything, with the AU. And it's best not to lend within the family, it always brings problems' (Doña Gloria, 26, Hamlet 2, Interview)

Doña Glenda from Hamlet 3 also prefers borrowing from the bank, despite the interest, to the inconvenience of borrowing informally from other people.

'It's easier to borrow from the bank than people – there's no way. They keep telling you to come back tomorrow, or to talk to their husband and with the bank it's not like that' (Doña Glenda, 26, Hamlet 3, Interview)

These women joined Prestec in order to access a reliable source of credit, which is available all year round and which does not involve the demeaning process of begging other people for loans. In this context Prestec offers an alternative to hierarchical credit relations, and could as such be an inclusive addition to Luribay's institutional framework and can to some extent compensate for ethnic biases in credit relations.

Training

The training courses offered by Prestec were also seen as an advantage of participating in the group. They have offered courses on women's health, maternal and child nutrition, and birth control. During my research period, the educational themes were on women's rights. Previous courses held by Prestec on women's health and child health and nutrition had been delivered in collaboration with NGOs and health posts which can provide these services.

Some women enjoyed the educational themes on human rights and healthcare, particularly when they could be put into practice. Doña Veronica has two young children and is in her thirties. She appreciated the education on health care and emphasised that she could pass these ideas on to her children.

'I really like the educational themes. We've done that from the beginning. How important the woman is in the home, how you can take care of yourself so you don't have too many children. And they gave us calendars so you know when the 'safe time' is. Everything about family planning. And we made a contract with the nurse and the doctor to get the pap smears, and that was for free. And then self-esteem, how you can get away from alcoholism. I really liked all of the themes, you can keep learning. And then I can pass that learning on to my children.' (Doña Veronica, 32, Hamlet 3, Interview)

Prestec collaborated with the health clinic in providing pap smears and courses on family planning. This is but one illustration that Prestec's interventions in credit and the discussions of rights are more appreciated if they are supported by other institutions which provide these services, or the opportunity to put the training into practice.

Prestec organised a fair in which women from the different groups throughout the valley could meet and share what they had learnt. Doña Penelope had greatly appreciated the chance to speak in front of everybody about the dangers of working in the sun.

'I like going to the meetings. It's fun and you chat. And a year ago they [Prestec] held a meeting in the plaza, and I spoke to everyone about the sun, and how we have to look after ourselves. About the dangers of the sun's rays, that we should work from 9 to 11, but then the sun is stronger and it can do harm. And we should protect ourselves with glasses and hats, and watch out for the sun until 3:30.' (Doña Penelope, 65, Town 1, Interview)

When the rights training is coupled with a way to put this training into practice, with a capability to convert the right into an entitlement then the courses are found to be more useful and memorable.

Some of the sessions on rights are abstract and do not involve an applied element or an institution to be able to turn these rights into entitlements. However, as one woman stated, 'even the understanding helps' and the vocabulary of rights is taken on board by women in the group to describe situations which they see as violations of their rights. Doña Teresa told me that her husband, who lives in La Paz, 'likes the training – he says its good for me, I can record it all in my mind. It's all interesting'. Doña Lucia announced in the middle of a session that she was 'a woman fighting for her rights'. Discussion of times when rights had not been present led participants, including women from the older generation, to talk about how they had been excluded from school and how they were glad that this no longer happened. After these discussions of rights, women in one group told me about public meetings where they had been told to be quiet because they were women. As a result of the training they had realised that those practices had been a denial of their rights.

At the meetings I attended, there did however seem to be a difference between how people in the hamlets and the Town reacted to the educational themes. Often, members of the groups in the hamlets took this opportunity to snooze or pay attention to their babies. Some women did not understand the point of them.

'What is he on about?' Doña Magdalena giggled to me when I asked her what she thought about the promoter's educational sessions. Doña Juana also observed that some people did not engage with these themes, *'Not everyone likes the themes though. Some of them are just sitting there going: 'what is he saying? Would he just pay us already?'* (Doña Juana, 52, Hamlet 3, Interview)

Doña Carlota explains why this might be the case. Doña Carlota is an older woman from Hamlet 2. She explains that given the practical realities of life in rural hamlets and the amount of work women have to do, abstract ideas of rights may be interesting but somewhat idealistic.

'Oh, they're all right – but there's no way I'm going to keep all that in mind! It's that we've got so much else to do, the animals, the washing, the cooking. That's what we concentrate on, that's what interests us' (Doña Carlota, 62, Hamlet 2, Interview)

This indicates tension between practical needs and strategic aims of Prestec. Some of the courses discussed a woman's right to rest, but this served to highlight the practical difficulties in achieving this.

The women in the Town and the *Residentes* have lively discussions around rights. *'The educational themes are really interesting. No one ever stops learning.'* (Doña Margarita, 50, Town 1, Interview). Members of the Town 1 credit group actively participate in and enjoy the educational themes. The educational themes on rights aim to indicate the institutions available to citizens if they have complaints about rights abuses. Women in this group already knew about the institutions available in the city to support these rights, for example the Defender of Children and Adolescents and a Women's Defender. These institutions exist in the city, and intermittently in the Town, but are less accessible to women in the hamlets. This may explain why women in the Town found courses on rights more relevant to their lives. The courses on rights, whilst valuable and interesting in themselves, may not be sufficiently geared towards the practical realities of the hamlets. The courses on rights involved indicating which institutions to report rights abuses to.. However, the community justice institutions, for example the AU, were not mentioned (c.f. Lazar 2004).

DISADVANTAGES

Interest Rates

The interest rates were seen as too high. Group members cannot decide the rates of the capital loan, which were set at 2% a month during my fieldwork. The interest rates are set to cover Prestec's administration costs and are reduced according to administrative priorities. The members of the groups would of course prefer it if the interest rates were lower, and were also aware that people with deeds or collateral could access cheaper credit in other institutions in the city, citing for example FADES and Banco Sol.

Doña Rita had started a group in Cachualla when a promoter from Prestec first came to that hamlet. She is active in the AU, both in Luribay and El Alto. She was first attracted to the bank because of its reliability and the fact that it focussed on women. She left due to the high interest rate and because she did not like the fact that her peers chastised her in view of these rates, saying that she was 'only working for the bank.'

'When we started with Prestec [in 2002] we knew that the interest rate was high. It was 3.5% back then, and in La Huaxaca you could get a loan at 3%. But they [Prestec] convinced us that, as we did not have to travel to La Huaxaca to make repayments; we could pay that little bit more; 0.5% more. At first we thought that was all right, because we save on our bus tickets, but we travel so much anyway... I decided to leave.' (Doña Rita, 38, Hamlet 2 Interview)

Others do not understand why they are paying so much interest and feel resentful that Prestec 'looks like aid, but it isn't really' as Doña Sandra from Hamlet 2 told me while I was at her house for lunch (c.f. Eversole 2003). Doña Magdalena, also from Hamlet 2, sees it as a contradiction as well and feels somewhat stigmatised by having to access loans at such high interest rates. Her husband chides her for this and she feels that people are looking down on her for 'just working for the bank'.

'The interest rate is really high. Don Pedro - my husband - tells me off: 'why are you just working for that [the credit]. You're just working for the bank, and the interest is really expensive!' Where

does it all go? My husband says 'do you call that aid? It's all for the bank.' And then the others say 'these women don't think.' It's really expensive! (Doña Magdalena, 64, Hamlet 2, Interview)

Doña Glenda told me that her husband had come to the conclusion that the loan from Prestec was not aid because the interest rates were much higher than those in the city. Doña Glenda had joined because her mother-in-law had requested this of her, but was thinking of leaving the bank because of the high interest rate payments. When I asked her what her husband thought of the loan, she said:

'He thinks the interest rate is far too high! When he worked it out he told me: from the 1000 Bs. that we are taking out, we are paying back so much more. That's what he says. We took out 1000 Bs., right? Then from that 1000 we're paying them back more, almost 200 Bs. more. So it really just does not suit us.' (Doña Glenda, 26, Hamlet 3, Interview)

The interest rates are high because Prestec is operating in an environment that is intolerant of subsidised interest rates, and providing financial services to rural areas is very expensive. However, people know that credit is available more cheaply elsewhere. Although promoters explain from the outset that Prestec does charge interest rates, it is also seen as an NGO targeting women and for that reason some beneficiaries feel taken advantage of. Part of Prestec's remit is to wean people away from development based on aid and donations, and create citizens who are 'willing to help themselves'. As such, they are effectively charging women for the development of the bank, without taking into account the extra burden on women which this entails.

Repayment Schedule

The fact that the repayment schedule does not fit the seasonal nature of land production means that people are forced back into other forms of borrowing as they have difficulty repaying the quota. People in debt to Prestec still need to rely on other sources of credit and, as such, Prestec does not entirely replace other, possibly exploitative, sources of loans. One of these sources is *anticresis*, property given in usufruct against a loan (Lagos 1994; see ch 4). This is interest-

free but if the person who owns the land cannot pay back the loan then they forfeit their land, and the value of the land is worth far more than the loan.

'One woman borrowed from a friend to be able to pay back the bank, but she borrowed on anticresis because people won't lend to you without guarantees. She took out 1000 Bs. from the bank and ended up losing her land because of it. She lost her land for 1000 Bs.!'

(Doña Rita, 38, Hamlet 2 Interview)

Doña Alexandra was in her first cycle as a member of Prestec. Doña Alexandra is not from Luribay and is renting land there from her mother-in-law. From her point of view Prestec was not offering an alternative to other sources of lending, as in order to repay, they still had to borrow from other people.

'To pay back Prestec we borrow from other people. And then once I've sold the peas I can pay them back that money. It's just like before the bank got here, we just lent money to each other. But it's really stressful going round trying to get people to lend you money'

(Doña Alexandra, 36, Hamlet 1, Interview)

Women working in land production are forced back to exploitative moneylenders, reducing their capability to make a profit from their work. For example, Doña Sofía does not have her own land, and often has to work as a *minka* to pay back the bank. She is a divorced mother of six children, and rents land. The demanding repayment schedule adds to her difficulties:

'The bank helps us, but it treads on us at the same time... That's the problem with the bank. They don't understand us. The promoter, you can tell him, no, I'm going to get the money as soon as I can sell my peas, but he won't listen. So I have to go and borrow money from somebody else, but that just means that then I have to pay that person too. And I do that as soon as I sell my peas and get some money.' (Doña Sofía, 34, Hamlet 2, Interview)

The regular repayment schedule is clearly not suited to women's needs in the hamlets in Luribay and although women appreciate easy access to loans in the unproductive winter months, the bank is superfluous to requirements in the

summer. They keep attending the bank so as not to lose their membership, but this is a burden on their time. Doña Veronica, who has a small rented parcel of land and a shop near Hamlet 3, only needs loans in winter, which she uses to cover investment costs in the land.

'We keep the bank going during summer just so that we don't lose it in winter. But we don't really need it. We just take out a little, the minimum, and then pay it back. We would stop if we could but then we'd have to pay membership fees again.' (Doña Veronica, 32, Hamlet 3, Interview)

Doña Glenda, who grows pears on land rented from her husband's relative, also highlighted that credit is not needed in summer.

'In summer we don't take anything out, just the minimum. It's really only at this time [in the winter] that we need it.' (Doña Glenda, 26, Hamlet 3, Interview)

Women in the Town did not mention the repayment schedule being a problem but for women working in land-based production attending the meetings and paying back the loan according to the schedule proscribed by Prestec does not suit the rhythm of production. As a result the repayment schedule forces some women to take out loans in winter, and is superfluous to requirements in summer.

In some cases other MFIs which did not require group meetings and participation were favoured. Doña Lucia was in a group in the Town and after a break of three years she rejoined a credit group in a hamlet, and took on the role of president of that group. She joined the group in Hamlet 1, which was in its first cycle during my fieldwork, but she also had reasons to prefer other MFIs, partly because there was less time commitment.

'I used to be in the group in the Town, and then I left for about three years, and then I just joined this one here. When I'm not in the group here I just go to FADES in La Huaxaca. I borrowed \$50 US [400 Bs] – not too much. It's easier because you don't have to go to meetings.' (Doña Lucia, 50, Hamlet 1, Interview)

Yet not all women can access these other MFIs. FADES asks for deeds as collateral. Doña Lucia owned her own land so FADES is an alternative. She

travelled back and forth to La Paz on a weekly basis, and could make the repayments on the way, as the bus from Luribay to La Paz stopped in the town of La Huaxaca. For women who did not have deeds and did not travel so often, Prestec would be a more accessible source of credit.

The repayment schedule is set centrally and is more suited to the turnover of urban markets than land-based production, as I have also argued in previous chapters. The beneficiaries cannot negotiate the repayment rate because it is intended to imbue financial discipline, but the financial discipline which the bank has in mind undermines the rationality of the decisions women make about how to invest their time. Women in the hamlets in Luribay demonstrate business sense and commitment to repaying the loan, as well as a full understanding of the advantages and disadvantages of a range of financial options. *'We tell the promoter what we want, but he can't do anything. We should be able to talk to the person who's really in charge'* (Doña Janeta, 39, Hamlet 3, Interview). A more participatory approach which reflects women's needs, and bolsters trust and confidence may be more advantageous for beneficiaries.

Internal Loans

Although the loan repayment schedule is set centrally, the internal loans are intended to help women to pay the regular quota on the principal loans. Internal loans are taken from the fund which builds up in the village bank from repayment of the quota. Group members can lend this money amongst themselves in between repayments to Prestec. Group members tend to use these loans to cover consumption costs or to make the repayments on their principal loan. In this way, the internal loan system covers shocks and introduces flexibility into the repayment schedule in a way which still promotes capitalisation and the financial discipline Prestec seeks to promote. The group members set the interest rates for these loans and the promoter encourages them to set the loan higher than that of the main rate from Prestec, in order to generate profits for the group at the end of the cycle. However, the internal loan does not make up for the fact that there is little money available during the winter, and some people find that the internal loan exacerbates their repayment problems.

Some took out internal loans to be able to make repayments on the main loan.

'I just took out 500 Bs., and to pay back I just use the internal loans'

(Doña Begoña, 22, Hamlet 1, Interview)

'I keep a little [of the principal loan] back to be able to repay. And I use the internal loans for that too' (Doña Juana, 52, Hamlet 3, Interview)

People also take out internal loans for consumption needs. Doña Lucia's son, youngest daughter and nephew were still at school, and she took out the internal loan to cover those expenses.

'The internal loan is for the children's' uniforms and paying the membership in the Agrarian Union and school fees. It's really for that... At this time of year we need to borrow to buy things, but we don't take out too much because it's difficult to pay back' (Doña Lucia, 50, Hamlet 1, Interview)

Prestec also intends the internal loans to cushion shocks and extra consumption expenses such as fees. But the difficulties in paying back in winter remain.

And indeed, the internal loans are not sufficient to meet these ends, so members have to find other sources of loans to be able to make repayments. As Doña Sandra explains:

'Some of us take out internal loans when we can't pay back. That's why we save, so we can borrow money from each other. We lend to each other as well, but the promoter doesn't want to know about that!' (Doña Sandra, 41, Hamlet 2, Interview)

Doña Sofía, is divorced, has six children and does not have land. She has to work as a *minka* in order to get money to pay back the quota, and does not find that the internal loans help.

'I took out 500 Bs. in an internal loan, and now I've got to pay that back next week. Where am I going to get that money from - at this time of year there is simply nothing to sell!' (Doña Sofía, 34, Hamlet 2, Interview)

Others suspect the motives for encouraging internal loans, as it in effect increases the amount of interest paid. Doña Magdalena prefers to rely on her daughter who lives in El Alto:

'I don't take out internal loans because it's just for them, it's just for the bank. I'm just going to get it from my daughter' (Doña Magdalena, 64, Hamlet 2, Interview)

Prestec also intends the internal loans to generate profits for the group. The promoter during the group sessions said that it was important to set the interest rate on the internal loans higher than that of the principal loan, (24% pa at the time of my research). In one group the members decided not to do this, and set the loan at the same rate as that of the principal loan.

'Last cycle, we had the internal loans at 4%, because people wanted the profits. But now we've made it 2%, the same as the loan' (Doña Teresa, 49, Hamlet 2, Interview)

The promoter warned them that this would mean fewer profits at the end of the cycle but they preferred this to charging themselves extra interest on the loans they needed, particularly in winter.

The internal loans do not always make up for the pressures of repayment, and in some cases replicate the same problems: women are forced to find loans elsewhere or take on extra work to cover their repayments. If women were allowed to participate more in key decisions about the loans, such as repayment and interest rates, then Prestec could better support their market activity. The way that these aspects are currently determined aims to achieve financial sustainability. In effect, this is extending the biases of the liberal market to Luribay rather than allowing beneficiaries to determine how the loan works and so better reflect the way that the market is embedded locally.

Savings

The savings create the fund from which internal loans can be taken. Some women see the savings as the price of the loan whilst others see it as a boon to have a bulk payment at the end of the cycle. Prestec requires savings as a condition of joining the group and accessing the loan. Women have to pay an

initial quota and then part of the quota paid in each meeting includes a percentage towards the obligatory savings. At the end of the cycle, these savings are returned.

There were some positive aspects to the loan and some women found the savings facilities beneficial. Doña Sonia lives in Hamlet 2. She works on her husband's land and has been with Prestec since its first cycle there. Some aspects of the loan discourage her but she does see advantages in the savings facilities.

Nevertheless, she only saves the obligatory amount.

'It's a good idea to save, then you have some [money] in November and we can buy stuff. We need [to pay] workers then, for the harvest. At the end we get it all back, and from 1000 Bs. you're getting around 3 or 400 back' (Doña Sandra, 41, Hamlet 2, Interview)

None of the participants in my study were saving any more than the obligatory amount. This may suggest that beneficiaries did not value savings facilities or were unable to spare any more money for savings.

Some beneficiaries see the savings as part of the cost of the loan, particularly the initial savings facilities. The women from the group in Hamlet 3 were particularly against the initial savings demanded by Prestec and had tried to persuade the promoter in one of the sessions I attended that they should be given the loan first and then pay the initial quota from the loan itself. The promoter had explained that only the people who were able to pay the initial quota could join the group for that cycle. From Prestec's point of view this helps to vet the group members who will be able to pay back, as those who cannot afford the initial quota would be more likely to default. But two members of the group in Hamlet 3 emphasised to me that they did not see the sense in this. Doña Veronica had been the one to voice the group's concerns to the promoter. She explained this to me in interview.

'You have to start with savings. If you want 1000 {Bs.} you start with 120 and then you can take out the money. But that's a bit difficult, people don't like that. It would be better if they could give

you the loan first and then you pay from that' (Doña Veronica, 32, Hamlet 3, Interview)

Doña Juana, also in this group, concurred that she did not see this as fair, but it did not deter her from joining the group.

'To borrow, the bank is great, but the initial savings thing, I don't think that's fair. But basically it's the same. We put our money in, we take our money out. It's just the same! It's just that at certain times of year there's no cash, that's why I'm in the group.' Juana (Doña Juana, 52, Hamlet 3, Interview)

How to encourage savings is one of the main challenges of extending microfinance to rural areas (Rhyne 2001). It also fits the development aims of microfinance in general, as encouraging beneficiaries to save promotes self sufficiency and providing savings facilities could help people help themselves. Ideally, savings build up in the bank and the village bank can become self sufficient. However, savings facilities were not beneficiaries' priorities, and frequently viewed as a cost of accessing the loan.

Fines

The fines are also seen as a disadvantage to joining the credit group. The fines are meant to encourage discipline, as fines are given against absenteeism and non-payment, and also to generate additional profits at the end of the cycle. Doña Sandra from Hamlet 2 said that she joined Prestec because it is a reliable source of credit. However, she finds the expense discouraging.

'We pay back savings and interest every two weeks, but it doesn't suit us. We just really need it at this time. It is easier to take out but it's really expensive and there are fines – sometimes even 5 Bs.'

(Doña Sandra, 41, Hamlet 2, Interview)

Many groups did not see the point of fines so they set them low. There was one group in Hamlet 2 where these fines were set high, but this caused conflict among the women. Those who were not on the board accused board members of being selfish in imposing high fines and being too quick to condemn latecomers, as well as not being flexible enough with permission to miss the session. Two older women in the group, Doña Margarita and Doña Carlota expressed

annoyance at the younger members on the board for being too quick to levy fines. Doña Magdalena told me in conversation that she was annoyed with Doña Gloria, who was secretary during that cycle, for imposing fines for as little as one minute tardiness. Doña Carlota, who had been with the bank for two years, was considering leaving the group because she did not think the fines were fair. *'I'm thinking of leaving the bank – why? – Because sometimes I'm forgetful, and they're always fining me. But I'll have to think about it'* (Doña Carlota, 62, Hamlet 2, Interview)

RISKS

The Group Guarantee

An essential part of the village banking technique is that women guarantee each other's loans. This is the way in which Prestec extends financial services to people who have otherwise no collateral. However, there are tensions and pressures which are exacerbated by using this social collateral as a guarantee, as I discussed in Chapter Eight. Members of the groups in the hamlets and the Town cited examples of how the savings facilities helped them to mitigate this risk.

One of the groups in the Town and the groups in Hamlets 2 and 3 had experienced problems with people defaulting, and had used the savings to cover part of the repayment. In all three of these cases the member had left Luribay and the guarantors needed to pay on their behalf. Use of the savings meant that the two guarantors did not have to shoulder the burden of repayment.

'There was one lady who didn't pay, she had family in Santa Cruz, and she had to go there. But she left still owing us money. But we sorted that out. We had her savings, and her share of the profits from the internal loans, and that covered most of it. And we knew that she'd be coming back, her house is here' (Doña Margarita, 50, Town 1 Interview)

In Hamlet 2, one of Doña Teresa's relatives defaulted and then left the valley. Doña Teresa had to pay this back. Not only did the defaulter's savings help to pay back the loan but Doña Teresa used her own savings to pay the remainder of the defaulter's debt.

What happens if somebody can't pay back? - Well the group is responsible, and the two guarantors. It happened to us once – there was one woman who stopped paying, so we took her savings and then her guarantors paid the rest. But she disappeared, they say she went back to La Paz. ' (Doña Sandra, 41, Hamlet 2, Interview)

'One woman from here went to La Paz, my relative she was, and I had to pay for her. We lost our savings and everything. So now we only let women join who have some kind of business – we've no idea what she spent it on' (Doña Teresa, 49, Hamlet 2, Interview)

Doña Juana explained that when someone defaulted from their group, the whole group decided to pay back that debt from the defaulter's savings. The profits that cycle also went to repaying the defaulter's loan.

'There was one señora from Rancho who didn't pay back. The guarantors went to look for her. She left completely and didn't come back. She didn't have any land here, you see. But then the entire group was responsible. How much was missing – we lost the profits and some of the savings. It really adds up, and it's difficult to tell who is responsible sometimes' (Doña Juana, 52, Hamlet 3, Interview)

In all three of these cases the savings mitigated the obligation of guarantors and the entire group. In this way savings may ease the pressure on the relationships which constitute the joint liability guarantee. But the savings facilities are obligatory mainly because of the need for financial sustainability and the need to build up the fund. The need to save is not normally women's priority in Luribay. What is needed is safety nets and security, and savings can in some ways fill that gap.

The Board

Involvement in the board of the village bank was seen by some to be a learning opportunity, providing them with increased confidence to dealing with paper work and navigating bureaucracy. For some this was a valued part of the group's activities and they had as a result developed a lot of skills with regard to

bureaucracy. Many women shied away from this experience, viewing it as too great a risk to take on these roles in the bank.

The experience of participating in the credit group is in itself training in how to handle money and keep accounts. Doña Veronica told me that she was much more confident filling out forms since working as the group's treasurer.

'I've been the secretary the whole time, but in the beginning I was trembling! I had to read the act, I was afraid of doing the contracts ... it's complicated! But the promoter helped me and I learnt a lot. The other women don't want to do it, so I tell them they should pay me! But I'm just kidding.' (Doña Veronica, 32, Hamlet 3, Interview)

Señorita Betty is 18 years old and went to school in La Paz. She is in her first cycle at Prestec and was named secretary because of her education. She is enjoying learning about forms and the bank's paperwork.

'I'm the secretary, and it's working out OK. I didn't know anything about forms and that, and now I know a little. So that's good isn't it?' (Señorita Betty, 18, Hamlet 1, Interview)

But, as Doña Veronica indicates, a lot of women do not want to be on the board of directors in the bank. Many women thought it was 'dangerous to be on the board' and involved too much responsibility.

'It's dangerous to be the treasurer. No one wants to do that. It's only Doña Rachel [Veronica's mother-in-law] who's prepared to do it, and she's done it since the beginning, because no one else will keep the money. And a couple of times she's made a loss because of that. Once 100 Bs. went missing and she had to pay, another time 50 went missing. And then sometimes there are fake notes. Now she says I'm not going to be treasurer, and that's that!' (Doña Veronica, 32, Hamlet 3, Interview)

'No I haven't been on the board. I don't like that. It's dangerous. The money can disappear, you can get confused. Even Doña Feliza can get a little confused sometimes. And they talk about the treasurer and accuse her of things' (Doña Penelope, 65, Town 1, Interview)

Doña Veronica and Doña Penelope speak of the dangers of looking after so much money. The Promoter from Prestec also expressed this concern. He was travelling around the valley alone on his motorbike and was concerned for his safety, as everyone knew he was carrying money. Resistance to being the treasurer may well be because women feel unable to keep the money safe from possible theft.

Doña Veronica and Doña Penelope cite the real risks involved in taking responsibility for a substantial sum of money. As well as the risks involved, other people do not feel they have had adequate training.

'It's best to avoid being on the board of directors. I don't like that, you've got to fill out the forms and that' (Doña Juana, 52, Hamlet 3, Interview)

'The others don't want to be on the board because they don't understand – it's always just the three who formed the group and Doña Teresa sometimes, too.' (Doña Sandra, 41, Hamlet 2, Interview)

'I don't have time to be on the board. It's quite far to get to the meetings and I always arrive in a rush' (Doña Glenda, 26, Hamlet 3, Interview)

This indicates that more training on accounting and more safety nets are needed for women to feel confident enough to undertake the responsibility of looking after money and filling in the forms

Doña Rita expressed an interest in receiving training directly on managing the bank itself and dealing with money, so that local people could manage the bank directly and so cut out the middle man.

'Women need help with accounting because the money just goes. And in this the bank could be helpful, training and how to save, but the interest rate is really high. But if we knew how to handle money, we could receive the aid directly.' (Doña Rita, 38, Hamlet 2, Interview)

Training and experience in running the bank would be valuable for women, and according to Doña Rita, could contribute towards helping them to apply for their own loans and funds from NGOs and aid agencies. Prestec did not offer training directly related to business activities or to running the bank itself, as it would increase administration costs, despite the fact that this seems to be a need often cited by women in Luribay. Reducing training is part of reducing administration costs for the bank, as training involves subsidies. A minimal approach to microfinance reduces training (c.f. Mahmud 2003). Those MFIs that do continue to give training do not offer courses directly related to business activities because they find that people associate the business training with the loan, and when the activity is deemed unsuccessful they tend to refuse to repay the loan.

PRESTEC'S POTENTIAL CONTRIBUTION TO RURAL CIVIL SOCIETY.

The disadvantages to Prestec's interventions, the time costs and the risks involved in participation in the group limit the contribution Prestec can make to rural civil society for women in Luribay. As a market-focussed intervention that encourages women's participation and highlights and supports their market activity, the village bank could be an important institution in supporting women's negotiation of the transition to capitalism. However this potential is curtailed because the time investment that women are required to make and the responsibility that they are assuming is not adequately considered in the design of the intervention. Comments from interviewees also suggest that the benefits for women envisaged by Prestec do not reflect the way that gender is constructed in Luribay and have more to do with the ideas of development and women's empowerment in the mainstream.

The creation of an all-female space could be an opportunity to discuss and be trained as well as an institution which could support their market activity. The space provided by Prestec was explicitly praised and appreciated by one of the women I interviewed. *'Who's going to get us out of the house and train us otherwise?'* (Doña Celia, 51, Town 2, Interview). She claimed that if it were not for the intervention of organisations like Prestec and other NGOs running programmes for women, women would not be educated and would stay at home.

However, given the way that households and communities are structured in the valley, an all-female microfinance institution may not work well unless the barriers to participation are addressed. Participating in the bank is an extra burden on women's time and, despite the stated benefits of accessing the credit and the training, some women were discouraged by the time commitment.

Attendance is crucial from Prestec's point of view, both to encourage discipline and to engender the social benefits of group formation and training. At the opening of the credit cycle, the importance of attendance is always emphasised by the promoter. In one group that had been running for several cycles the promoter emphasised the importance of women coming in person and not sending their husbands as proxies too often. 'It's for the *señoras!*' he emphasised. The women in this group were disgruntled at this and pointed out that men have much more time for these kinds of meetings than women do. This suggests that Prestec, although it does provide an all-female space, is compounding one of the principal biases against women's political participation: their lack of time. In the absence of mechanisms or interventions to save women time, the biweekly or monthly meetings represent an extra burden.

Other women thought that it was odd that the bank should only be for women. In interviews I asked what people thought of the bank being only for women. Several respondents did not see why this was necessary.

'It shouldn't just be for women, it should be for the men too. Just like in other banks. There are no other banks where it's just for women; it should be for everybody. I guess it's because they think women need more money, and it's the men who are the big spenders!' (Doña Feliza, 38, Town 1, Interview)

This may show that the way the microfinance sector is constructing 'woman' does not quite fit with gender relations in Luribay. As the credit tends to be invested in a family's land, separate credit access for women seems odd to some beneficiaries. Doña Margarita thought that the main criteria to be able to join the bank was reliability, and rejected the idea that women were necessarily more reliable than men.

'Well in our group there are two men. It's just that their wives aren't very reliable, so we decided to have the men come instead. She [one of the wives] was in the group, in a different group, not my one, but apparently she didn't bring the quotas, she said that she'd bring it tomorrow, the day after, and so now no one really allows her to come in the groups anymore.' (Doña Margarita, 50, Town 1, Interview)

Women in Luribay are aware of the way that aid gets to them and the process of fundraising with international organisations. The fact that Prestec was only for women appeared to some to be an outsider's agenda, and raised suspicions. Doña Rita, who has had experience working with unions and in political activism, was particularly clear on this:

'I have been asking everyone why it's only for women, all the promoters, everyone. That idea is really more from the outside, those big aid institutions - if you say it's for women you get more money. But then I think if it's coming in the name of Aymaran women, why are we paying interest? Women should get training on how to handle money directly and receive the aid directly. It's the boss [of Prestec] who's the businessman, he's making the profit' (Doña Rita, 38, Hamlet 2, Interview)

Women would prefer the bank to be run on their own terms but the barriers to their greater participation in the decision making process are not being addressed, and are being compounded by policies which are decided centrally. Given the institutional context in Luribay and the way discrimination is experienced in different spaces, the all-female space and the rights training provided by Prestec may not address the root problems. Encouraging women's participation is essential to developing institutions and policies which reflect their activities and needs. However, without the barriers to that participation being addressed, women limit their own participation.

Another possible positive contribution that Prestec could make to mitigate the effects of the development of competitive entrepreneurialism is facilitating a space for groups to invest the credit together. This would generate a profit

without having to enter into competition with others in the group, and the group could advance together, generating income in the market while respecting the bounds of equality within the community. Group members are aware of this possibility. However, beneficiaries are also clear that there are more barriers than credit to achieving this.

Two of the women I interviewed made reference to the idea that the women should invest the credit together in a communal productive activity, and then build up the village bank's fund from the profits. Doña Penelope is an older woman in a group in the Town. She used to cook meals to sell in the Tuesday market fair, and was also previously involved in OMAK.

'Don Marcelo told me about another credit group, somewhere else, where they worked together and made jam, and then made a profit together. We could collect the fruit together and do that. There's so much fruit that goes to waste anyway. And they made the fund grow, and the promoter told them that they didn't need the bank any more they could manage it themselves. They get together and cook every Tuesday and cook and sell together. And I told the group about this but the other women don't want to do it.' (Doña Penelope, 65, Town 1, Interview)

Unlike many people in the credit group, Doña Penelope does not own her own land and relies on earnings from commerce and remittances from her relatives in the city.

Doña Lucia owns her own land and is active in several NGO projects. She is also keen to start a group income-generation activity. Doña Lucia is active in several NGO projects in the Town and is vocal in AU meetings. People who knew her in the Town praised how eloquent and forthright she was, even in her second language, Spanish. When I was there, she had recently organised a group of women to enter Promarena's competition to build the best kitchen, which they had won. She was also the president of the group that Promarena was supporting to start a flower growing project and was also the president of Prestec's group in Hamlet 1. Doña Lucia was also keen to get a group to invest in a cooperative project.

'I could get people together, we could get a project going to sell things, and maybe some aid from overseas or La Paz. But my husband won't let me. I could get a group of señoras together and we could make jam and sell it, but he just discourages me. What are you going to do that for? I could teach people how to cook, or make sweet milk puddings. But my husband tells me the women won't want to do that anyway. But he's right, there's just no time. I've got so much to do anyway.' (Doña Lucia, 50, Hamlet 1, Interview)

Doña Lucia identifies some of the barriers which women face in forming such a project. Her husband discourages her, and she agrees that women will not have time to participate.

Prestec's potential contribution to rural civil society in Luribay is a village bank, run by women, which could provide support for the way that they participate in the market and how the market is embedded locally. However, women are not given adequate decision making power within the group, and the demands which Prestec makes upon them are based on its need to achieve sustainability. In this sense, Prestec is extending an exclusionary system and is compounding the barriers which women face in accessing the market. It is an extra burden on their time, and the labour which they put into maintaining the bank is not explicitly valorised. They are required to take on the risks of forming a bank without the safety nets being present.

CONCLUSION

In this chapter, I have looked at the advantages and disadvantages of the loan from beneficiaries' point of view. The elements of the loan decided centrally do not fit the rhythm of production in the valley, and the interest rates and repayment schedule are set in order to achieve sustainability and create effective economic actors. The barriers to women's participation in the bank, their lack of time and the lack of safety nets are not being adequately addressed. Prestec is operating in a market-focussed institutional context, and in targeting women without the institutions present to support them in assuming risk or alleviating their burden of labour. In this way, Prestec is replicating the gendered contradictions of neoliberal citizenship (Lind 2002). Their work is naturalised,

their time is stretched and they are taking on too much responsibility for development (Chant 2007). Prestec's aim to extend sustainable financial services to rural areas trumps the other aspects of the intervention as the mechanisms to achieve sustainability cannot be negotiated by beneficiaries. This means that women have limited input into the way the bank is run, and as a result the bank may be run along lines not suited to the priorities in Luribay itself.

The main advantage for those in the hamlets is that Prestec is a reliable source of credit which they can access during winter. The disadvantage is that they cannot determine the repayment schedule, the interest rates are high and the savings are seen as a cost of accessing the loan rather than as a benefit. In the Town, the repayment schedule is more fitting to the IGAs that people engage in there, and the institutional framework permits people to engage more with and better utilise the training they receive. In both the Town and the hamlets though, people limit the amount of responsibility they are willing to take on in the village bank, as this would otherwise represent a substantial amount of risk and responsibility. The advantage most often cited of the savings facilities was that they could be used to cover the costs incurred by guarantors if the members defaulted.

The ideas of 'capitalising' beneficiaries and building up a village bank fit Prestec's agenda rather than addressing the needs of and barriers to market participation in Luribay. An emphasis on imbuing the beneficiaries with financial discipline and achieving sustainability frames Prestec's terms and conditions. This discipline involves attendance at meetings and a repayment schedule which exacerbates their main problem: paucity of time. Although the internal loans are meant to ease the problems of repayment while building up the fund, this adds to repayment pressures which ultimately pushes people back onto other borrowing options, some of which are exploitative. The way that beneficiaries use the credit and savings facilities, the internal loans and the training, indicate the institutional needs in Luribay. Their use of these facilities and their opinion of the way the group is run and the training courses illustrate the distinction between the difficulties they have in dealing with market participation and the way these are conceived by Prestec.

Having said that, the fact that women choose Prestec suggests that it does in some cases alleviate the pressures of credit relationships which create and exacerbate hierarchies within the community and the household. Credit relationships in the valley mirror the exploitative hierarchy based on ethnicity that developed during the *hacienda* period. The fact that Prestec has discouraged these forms of lending suggests that it could unite the aims of neoliberalism and multiculturalism. By decentralising credit facilities to local level it can promote ethnic inclusion via the market. However, other aspects of the intervention detract from this. The repayment schedule is determined centrally and favours people in commerce. In Bolivia this has *mestizo*/urban implications. The training sessions, although appreciated by women in the Town and the hamlets, have been in some cases more geared towards those in the Town.

Although political and public institutions are gendered in Luribay, the provision of an all-female space does not address the barriers which women face in participating. Firstly, it puts an extra burden on their time. Secondly, women are expected to take on responsibility for being on the board and managing the bank, without the mechanisms to socialise this risk or in some cases the training to adequately handle the role. This reflects broader trends in development, where targeting women has replaced 'male-streaming' only to overburden women with responsibility and duty (Chant 2007).

Offering a formal source of credit to women in Luribay may engender more equal citizenship by curtailing the hierarchies produced by credit relations. However, for inclusion to be promoted the techniques used need to reflect women's own priorities. The limitations of Prestec's intervention in Luribay are that policies do not fit the schedule of land-based production or appreciate the rationality of women's financial decisions. As a result, some women are forced back onto more exploitative credit relations. This brings out one of the main contradictions in the development of liberal citizenship for women: women are required to participate in the process, as the theories framing policies and interventions do not reflect how they live their lives, but they lack the time to do so.

Chapter Ten: Conclusion

I set out to explore the relationship between microfinance and women's citizenship and social inclusion. The context of this was Bolivia's transition to a neoliberal economy and more recently the rise of multiculturalism as the primary democratic discourse. My premise was that neoliberalism, multiculturalism and socialism all pose opportunities and threats in terms of women's citizenship. Microfinance could possibly steer a course through these: it could support women's market participation without essentialising their role in the private sphere, and, in the case of MFIs which lend to solidarity groups, could encourage participation, and so better meet the credit needs of women and the kind of market activities they are engaged in. When I started the theoretical exploration of these issues, I was aware of the various conceptual dangers, for example the imposition of Western liberal ideas of emancipation. The different approaches to microfinance and the technologies employed by MFIs vary in their potential to support women's citizenship.

The growth of the microfinance sector in Bolivia coincided with the country's transition to neoliberalism in the 1980s, and institutions in the microfinance sector mainly follow free market principles. Prestec distinguishes itself by having a double bottom line of social and financial impact. In this way, it has potential to support the development of capitalism and the associated opportunities for women without imposing a strict division between productive and reproductive labour. However, the use of groups and training do not challenge the gendered and cultural biases of liberalism, as the promotion of entrepreneurial activity is itself gendered and culturally situated. Crucial aspects of Prestec's credit and savings facilities are determined centrally and hence do not take into account the differences between land-based production and commerce. In targeting women with a one-size-fits-all approach they are in certain cases exacerbating rather than helping overcome the principal barriers that rural indigenous women face to citizenship in the neoliberal, multicultural setting of 2006 Bolivia.

The principal findings of this exploration relate to the embeddedness of the market in the traditions, norms and informal structures of the moral economy in Luribay. Cooperation, reciprocity and maintaining good will and minimising economic differentiation in the community are vital to participation in the market. I initially wanted to explore whether microfinance's use of social collateral could support and valorise this community management labour, largely carried out and organised by women. By using social collateral, MFIs are quantifying otherwise unpaid community management labour, and so in a sense making it visible within the parameters of development discourse. However, there is tension between maintaining reciprocal networks and the effective use of Prestec's facilities. As a result, Prestec is using the webs of trust to ensure repayment of loans but is not tailoring the terms of the loan to suit women's priorities, nor providing safety nets to support women's participation. This has implications for gendered and ethnic inclusion and implies that Prestec, despite its dual social and economic aims, is framed by liberal, market citizenship. Women's social capital is being used as collateral, but the work which goes into maintaining social relationships is not being supported. The terms of the loan are intended to encourage an idea of financial discipline which overlooks work maintaining the moral economy. In this way Prestec is using women's social capital, but not valuing it (Beall 2000; Bhatt 1997; Buckley 1997; Mayoux 2001; 2002).

In terms of inclusion, the entrepreneurial activity, which best fits Prestec's intervention, is in tension with the moral economy of rural hamlets and has urban/*mestizo* implications. In the rural hamlets people complain that the loan terms are not suited to land-based production and point out that there is no opportunity to exercise entrepreneurial commerce where they live. Women from the hamlets exhibit a lot of business acumen while in the cities but not when they are in Luribay itself. This illustrates that an essentialist analysis associating indigenous identity with land-based production is inappropriate. Women in rural hamlets are making a living and negotiating the market according to the capabilities they have. They rely on reciprocity networks and cooperation to support and socialise the risks of land-based production.

For women who are excluded from reciprocity networks or less dependent on them entrepreneurial activity can be a strategy to gain a sense of belonging. Women in the Town and *Residentes* can engage in more commerce without disrupting the principle that ‘everyone has to make a living’ because their business tends to be with people from the city who need to purchase goods and services while they are in the Town. Women without any land can use commerce to earn a living and eventually buy land. They are less dependent on exchanges in kind, and crucially have the time to devote to trade rather than production.

Prestec’s repayment schedule, which is decided centrally, best fits the schedule and turnover of retail and service provision. Whilst women in the Town can invest the loan in commerce, women in the hamlets tend to use the money to aid consumption and land investment in winter. As such, they cannot meet the repayment schedule and have to take on extra labour to make repayments, hence exacerbating the main barrier they face to the market: time. In contrast, women who generate income from commerce can benefit from economies of scale and the quicker turnover in commerce, allowing them to pay back loans more easily.

Financial independence was not seen as a benefit of Prestec’s credit and savings facilities in terms of generating income just for the woman herself. For women working on the land together with the family the credit could be used to improve their efficiency and organisation of work on the land and to smooth consumption during the winter. Women who invested their loan in commerce would tend to see this as their own endeavour, but would share the proceeds with the family. This tended to be a secondary income. In terms of my analysis, instead of changing the gendered ideas about breadwinning in the household in development discourse, or building on the power that women have in the Andean household, Prestec is sustaining the gendered structural inequalities of the household on the basis of a liberal, male breadwinner household.

Prestec’s reliance on social collateral underestimates how important these bonds are and how using personal guarantees and peer pressure to ensure repayment may strain power dynamics within the community. The repayment rate is so

high because the social collateral that guarantees the loan is so valuable. In the case study groups I visited there were examples of tension created through participation in the credit group. In some cases people who wanted the credit would encourage others to join on the basis of family ties rather than practical need. In others, failure to repay or alleged misuse of the money or facilities created tension. This stands in contrast to the way that *Residentes* used the groups to gain a sense of belonging in Luribay.

Because of the limits on time and the lack of recognition of the burden of time and labour which goes into social collateral some members restrict their own participation in the running of the village bank. The disadvantage of the group meetings is that they do take up women's time and women do not have confidence enough in the systems present to freely take on the responsibility required. Although the group meetings are valued for the training courses and in some cases as a chance to build social contacts, the time involved is also seen as a cost of the loan. The problems of targeting microfinance at women reflect the gender bias in liberal citizenship. While women need to participate more in the formulation of policies and interventions to better reflect their lives, the barriers to their participation are not addressed.

Feminist Stance

My commitment as a feminist researcher was to prioritise beneficiaries' view of microfinance and so seek to interrogate the premises of the MFI and also the parameters of my initial theoretical exploration of microfinance, citizenship and social inclusion. This affected the choices I made in the field, and led me to thoroughly evaluate the terms with which I was analysing data, namely citizenship and the identity categories of inclusion. The difference between rural and urban was salient, and the intersections between gender, race and rurality challenged the validity of an approach targeting 'women', which did not take into account difference within that group.

This qualitative, feminist inquiry into microfinance and citizenship supports Linda Mayoux's assertion that it is not enough to target women, or assess impact based on mainstream parameters of empowerment and development and, I would

argue, citizenship. What is required is ‘fundamental change in the macro level development agenda as well as explicit support for women to challenge gender subordination at the micro-level’ (Mayoux 2006: 6). Expressed in terms of citizenship, the value system underpinning liberalism and the boundaries it imposes between public and private, productive and reproductive have to be questioned, and not assumed in the analyses upon which policies and interventions such as microfinance are based. Harnessing women’s labour in order to promote entrepreneurialism or a gender-biased market does not promote women’s inclusion; it overburdens them by extending an exclusionary system.

The resistance to subsidising microfinance, given the pressure to achieve financial sustainability, may be an example of this. I have argued that the ability of the rural women who participated in my study to engage in the market depended on the moral economy: the reciprocity networks, traditions and cooperation which make economic activity possible. If proponents of microfinance wish to support and ultimately profit from rural women’s economic activity then they need to recognise and explicitly value the reproductive and community labour which make this possible. In only seeking to encourage financial discipline and entrepreneurialism, Prestec’s interest rates, repayment schedule and the fact that members have to take on responsibility for the village bank do not take into account the investment of time and effort in community labour. Any change to this should not be considered subsidy or a compromise of the MFIs ideas of financial discipline, but rather as a financial recognition of the vital importance of women’s otherwise unpaid work to economic development. Similarly, investment in training or insurance policies should be provided in recognition of the responsibility for the functioning of the village bank that women are taking on.

Research Questions

These research questions came from an exploration of citizenship as it is developing in Bolivia. The issue of inclusion in Bolivia is framed by multiculturalism, and is being negotiated in the context of market-focussed development (Postero 2006). This is complicated from the point of view of women’s inclusion, as both multiculturalism and the market are gendered and

offer women opportunities but this could also undermine or essentialise their position. I also wanted to explore the potential for microfinance to be part of the development of a market and civil society which responds to the needs of compensating for gender biases in the market without essentialising women in the home.

My first question was, 'Does microfinance overturn biases in liberal theory by using social collateral and would this be enough for inclusion of indigenous women?' The idea being that by putting a price on women's labour in terms of income and credit, microfinance had the potential to do away with the private/public divide and the sharp distinction between production and reproduction. It could bring the importance of women's labour to production to light, and so give them access to a market which otherwise does not recognise this importance if only income and material assets are considered. Microfinance could support women's work in the market without undermining their citizenship with a welfare approach, but by recognising the value of their work to the economy.

To address this I had to explore to what extent the premises of this question were true in Luribay. As it is a largely rural community, there was no strict division between productive and reproductive labour. Women's activities were not isolated in the private sphere and their work was valued as essential to production. However, they were entirely responsible for reproductive labour, and time was therefore an unequal resource between men and women. Politically, women were excluded from the Agrarian Union and Municipality in Luribay. This was due to direct exclusion *qua* women and because the barriers which women face to political participation were not adequately addressed. They lacked the time to participate. The fact that public and private, productive and reproductive spheres were not strictly divided suggests that Prestec's use of social collateral could act as a bridging mechanism which recognises the value of women's work whilst promoting a shift to capitalism, in which women's unpaid labour can disappear from view for economists and policy makers.

To explore Prestec's reliance on the social collateral I looked into the relationships which constitute the bonds of trust that serve as such an effective guarantee for microfinance loans. The importance of cooperation and working together among reciprocity networks was stressed to me by participants at every point of my research. The traditions of *ayni* and *faena* underpinned this. Despite claims to the contrary, it was clear that cooperation did involve exploitation and obligation. But attempts to break away from these relationships were mediated by the importance of reciprocity and equality to functioning in the market. Women had an important part to play in maintaining reciprocity. They organised work on the land, found labourers and organised work parties. This involved a substantial time commitment.

Prestec's use of social collateral is as a guarantee on the loan. However, it does not directly support the formation of groups, recognise the time commitment involved in maintaining relationships or appreciate the lack of time women have to start new businesses with the credit. I would hence conclude that Prestec, in the case of rural hamlets in Luribay, is not overturning the biases in liberalism by using social collateral. However, in the case of *Residentes*, the groups could be used to build social collateral. In some cases this was the main motivation for joining the group. But I would stop short of concluding that this constituted a challenge to the gendered precepts of liberalism. Rather, this emphasises the importance of the intersections of gender, ethnicity and rurality in considering the impact of liberal development policies and interventions. The fact that *Residentes* made better use of the loan reflects the fact that middle class urban women can benefit more from the opportunities the market offers them, as they often do not have the same burden of labour (Rivera Cusicanqui 1996).

My second question was whether microfinance addressed the barriers to women's and indigenous peoples' participation in the market. The idea behind this question was that the market has potential to include people, as it exists everywhere and people can negotiate how they will. This stands in contrast to state socialist policies which in Bolivia have historically been on the basis of a *mestizo* ideal and have tended to provide rights to women on the basis of maternalism. However, as the differential impact of adjustment policies in

Bolivia demonstrates, indigenous people, rural people and women face biases in negotiating the market. I wanted to explore whether microfinance addressed the barriers indigenous women face in the market. If so, it could form part of the civil society framework which in neoliberal multicultural Bolivia has the role of cushioning the effects of the transition to capitalism.

Market participation, including land-based production and commerce, is embedded in cultural identity. This is shown in two ways in Luribay. Firstly, the moral economy of cooperation and reciprocity underpinned production and the smooth functioning of commerce and service provision throughout the valley. Secondly, there is an association of indigenous identity with land-based production and urban *mestizo* identity with commerce. As Prestec's loan terms are defined centrally, the institution cannot take adequate account of the implications for capability to produce in the market of local cultures and identities, hence overlooking the importance of cultural embeddedness and the moral economy to the way the market works. As such, and despite the fact that it targets rural areas, the loan terms reflect urban commercial rates of income and turnover.

Although in my literature review I had explored the importance of the intersections of gender, ethnicity and rurality to inclusion in Bolivia, I had not considered the issue of religion. I found that Protestants involved in Prestec tended to have a different understanding of how the market worked and how development should advance. This suggests that there is a coincidence between the emphasis on industriousness in Protestant teachings and Prestec's strategic vision of development. However, it is important to note that cooperation and reciprocity were still important to Protestant families in Luribay, even if they understood these differently. Although Protestants disapprove of *ayni*, they still engaged in *compadrazgo*, the AU's *faena* days and work parties. Given that Protestant families are to some extent excluded from building networks via *fiestas* and reciprocal exchanges, investment in commerce supported by microfinance matched the way that they were seeking inclusion.

Women in Luribay did have differential access to credit, but this was not the only barrier they faced to competing in the market on equal terms. In terms of the inclusion of indigenous people by supporting their participation in the market, the fact that loan terms favour commerce has urban/*mestizo* implications in rural Bolivia. This indicates that the market promoted by Prestec is itself culturally situated. Rather than including indigenous peoples' negotiation of the market in order to maintain cultural autonomy, Prestec is extending an exclusionary system.

My third research question was whether financial independence is helpful in terms of women's citizenship in a development trajectory led by a male breadwinner model. One of the weaknesses of women's citizenship in neoliberalism is that as capitalism develops and as the divisions between public and private, production and reproduction sharpen, women are dependent on a male breadwinner. Financial independence could help to some degree.. The formulation of this question assumed that women were dependent on male kin for rights and resources. Finding out more about the Andes and the peasant economy there led me to question the idea that financial independence was a goal.

The liberal model of a male breadwinner household did not apply in Luribay, and there were many differences in household situations. The gender division of labour was complementary, (although not equal), and women's work was not solely in the private sphere. Women were already active in the market producing in Luribay and selling in the cities. Although there was gendered ownership of land, men and women worked the land together, but this work tended to be seen as helping the husband. Nevertheless women were responsible for managing production on the land. The credit did support this but it did not change the fact that women did all the work and the value system in place meant that it was still considered the husband's production.

Whilst the land tended to be referred to as the husband's property, shops go by the woman's name. As credit is most fitting to commerce, it may indeed help increase women's financial independence. But the women who made best use of

this had the safety net of having another breadwinner in the household or a family member sending back remittances from the city. This implies that the formulation of my original question reflected the presumptions about women's empowerment underpinning microfinance interventions. In some impact assessments of microfinance, it is implied that women's empowerment is a result of gaining a separate income from their own income generating activity (e.g. Robinson 2001). Within households working on land-based production the gendered barriers are different. Although there is a complementarity of tasks in production, reproductive labour is entirely women's responsibility. Time is an unequally distributed resource between men and women, and in targeting women and setting an onerous repayment schedule, Prestec is exacerbating this.

My fourth research question was whether Prestec is a useful neoliberal multicultural institution in rural civil society. The idea behind this was that the market and multiculturalism could coincide. Whilst state provided rights were historically on the basis of a *mestizo* norm in Bolivia, market citizenship could allow a space for community and local, cultural institutions to be reinforced, albeit by necessity. In this way the different traditions, identities and trust relationships of the moral economy which make economic activity possible, could become part of rural civil society and support both production in the market and cultural institutions.

The elements of Prestec's intervention which could not be negotiated, the loan terms and the obligatory savings, indicate that the institution is expanding a mainstream agenda, and women had limited scope to bring their views to bear on the lending technology used. Such views would include ideas about obligatory savings, internal loans and the repayment schedule. To fulfil the potential of microfinance to be an inclusive part of rural civil society there has to be more faith in women's decisions and stated needs.

As it targets women, I had considered that Prestec could potentially increase women's capability to participate in the market. However, women limited their own participation in some cases, and their reasons for doing so indicate the gendered barriers that are not taken into account in development discourses

framed by liberalism. The responsibility that women are expected to take on in running the bank is not supported. In a context where all NGO interventions are market focussed, there is insufficient socialisation of risk or support for the work involved in participating in the village bank.

Theoretical Implications

As I illustrated in Chapter One, market citizenship in Latin America is arguably framing the way that civil society, the market and citizenship are developing. As opposed to the socialist model, where the social rights to level the playing field come from the state, in market citizenship, these rights come from the market. Market citizenship represents opportunities for women and indigenous people to negotiate development on their own terms. State socialism undermined the citizenship of women and indigenous people by implementing policies based on a *mestizo* ideal and maternalism. However, market liberalisation harbours gender and ethnic biases which have resulted in the increased exclusion of women and indigenous people in Bolivia. With the state unable to mitigate these biases, civil society has taken on more responsibility for including citizens and cushioning the effects of free market reform. This situation has been referred to as neoliberal multiculturalism (Hale 2002; Poster 2006).

Neoliberal multiculturalism overlooks the informal institutions and traditions that also mitigate the effects of the market and the unequal share of labour and responsibility which women bear for maintaining these traditions. This is the root of the gendered paradoxes of neoliberalism (Lind 2002), which mean that women are taking on more responsibility for development and so are unable to take up the opportunities which the market offers as they lack the time. As NGO interventions in Luribay are all market focussed, women's reproductive and community labour is being overlooked, whilst at the same time they are being encouraged to participate in more productive activities. The intersections of gender, rurality and ethnicity mediate the effects of the free market. Urban women are more likely to have the education to enable them to work in the market, and are more able to hire domestic help to better manage their extra burden of reproductive labour. Indigenous rural women face direct

discrimination as well as biases in the market which overlook their labour in the community and the household.

Originally, I linked microfinance, citizenship and social inclusion to see if MFIs could build women's capability to negotiate the market on their own terms. Although the strategic aim of MFIs targeting women is to increase women's market participation, as Mayoux points out, there is a difference between the ways in which women are targeted. For a feminist approach, the macro level development agenda has to be questioned. Prestec and other MFIs which target women for the sake of financial sustainability or community development cannot challenge the biases in development agendas based on liberalism as their own approaches are also premised on liberal assumptions.

As a result of this qualitative field study it is clear that other ideas of belonging support the market in Luribay, and are at the same time being worn away by interventions looking to promote an individual entrepreneurial market. This is reflected in Sayer's comment on the moral economy: that someone who actually does follow the ideas of formalist economics would be an ineffective economic actor, as they would not have the trust necessary to be able to produce and trade (Sayer 2004). The importance of cooperation and reciprocity to land-based production is clear in the way the land is worked, the traditions of *ayni*, *faena*, *compadrazgo* and *fiestas*. The importance of cooperation also comes through in the interviews - not only relating to land-based production but also what constitutes 'the good life'.

The neutral, abstract individual is a deep-seated part of liberal theory, in part because the individual is at the centre of liberal ideas of equality and notions of rights. But my research has shown that the collective is necessary to the capability to convert rights into entitlements. In terms of market citizenship, wherein rights are acquired via the market, the collective is important because of the need to socialise risk and trust and the safety nets and infrastructure involved in market participation. In terms of multicultural citizenship, building up cultural traditions is more than a question of recognition, and cannot be done within a

liberal context, as Kymlicka suggests (1995b). Local institutions are necessary for individuals to access rights and resources.

The historical context of this study in Bolivia was the gendered biases of neoliberal policies of the 80s and 90s and the maternalism of state socialism past and present. I wanted to investigate microfinance as a possible third way between undermining women's citizenship with welfarist policies and not compensating for the gender biases in liberal institutions. In order for this potential to be fulfilled, there needs to be a deeper challenging of the gendered precepts of development policies, framed as they are by liberalism, whether it be from the point of view of state socialism or market liberalism. The value system involved which demeans reproductive labour needs to be challenged. The institutions operating in Luribay were all market focussed. The fragmentation of neoliberalism is not sufficient for equality in the market.

Looking at microfinance in terms of citizenship is one way of explaining one of the main problems of gender and development: that the effect of development policies rely on women's unpaid labour. By this I mean that market-focussed development interventions necessarily intend to increase production and activity in the market, and as such may take for granted the work spent in non-explicitly valued and unpaid labour in the reproductive sphere. This reiterates the problem with predicating citizenship on participation in the market, and the idea that multiculturalism and neoliberalism coincide conceptually (Hale 2002; Postero 2006). The market depends on social relationships and political institutions, both formal and informal, and if the time and investment in these is taken for granted then the effects are gendered and indirectly discriminate on the grounds of culture, rurality and ethnicity. 'Other' cultures' situations are not reflected in the market.

Solutions developed in the urban mainstream to encourage development in deprived, often rural areas cannot impose a one-size-fits-all approach or make presumptions about the barriers that women face to participating, as the market and citizenship develop. My study has shown the importance of the intersections of gender, rurality and ethnicity to the way that women make use of the loan, and

the advantages and disadvantages which they find in this. If a one-size-fits-all model is inappropriate, or if it is based on categories which do not adequately analyse the barriers and capabilities present, then participation at local level needs to be supported.

Policy Implications

My broad policy recommendation is to encourage more participation from beneficiaries. However, this is problematic from two angles. Firstly, there is the issue of women's time and their burden of responsibility. Secondly, given the funding realities of the microfinance sector, MFIs have to meet demands of sustainability. Funding priorities also have to change to further recognise the importance of the moral economy from which they intend to profit. Although Prestec goes some way to achieving this, it does so for the good of expanding sustainable institutions. My conclusions can hence be expanded to relate to microfinance interventions that are targeting women as a means to the ends of building financially sustainable institutions or community development.

MFIs should encourage the active involvement of their beneficiaries in setting agendas and policies. Specifically, there is a need to recognise the difference in repayment schedules in commerce and land, and open up parameters for members to determine this themselves. Financial discipline, as construed by MFIs aiming for financial sustainability, is not neutral, but embedded in the urban/mestizo mainstream. The repayment schedule adopted by Prestec is more suited to commerce. The internal loans are the device which Prestec uses to make the repayment schedule more flexible, but given the length of the winter, members have the same problems in repaying. If Prestec aims at gender equity then recognising this bias is more important than sustainability, as the pressure to repay increases women's burden of labour.

One of the aims of microfinance in general is to reduce reliance on exploitative moneylender relationships. My study shows that although Prestec may undercut local money lending in terms of interest rates, the unsuitability of its repayment schedule may force people back onto these other forms of lending. Researching the nature of the informal lending institutions already present would incur costs

for Prestec. An alternative would be to use the structures they already have to consult members and open up flexibility to negotiate the loan terms.

A main point of contention in the literature on microfinance in Bolivia (e.g. Rhyne 2001; Velasco and Marconi 2004) and impact reports on Prestec itself is whether the financial and social elements of microfinance should be combined in this way. I have provided some evidence that could support the idea favoured by proponents of the Financial Sustainability approach that financial and social elements should be separated. People complained that the meetings and savings did not always fit in with their work schedule. One alternative is that people could save during summer and get credit, perhaps from these savings, during winter.

However, what this represents is a return to formal credit systems which themselves are too minimal to really address the barriers women face in the market. Although there are disadvantages to the savings and internal loans, which also form a component of the village banking approach, members are using these facilities to reduce the risks involved in participating and socialise risk. Training is also important, and the most successful training in terms of appreciation and utility was carried out in partnership with an appropriate service provider. The women I interviewed expressed a need for more training rather than less, even though in some cases the educational themes were not relevant to them. However, the barriers to participation in the group need to be addressed, namely time and safety nets.

Evidence from the present study indicates that members were uncomfortable with the group guarantee, which is fundamental to the way that Prestec operates. In Luribay people limited their own participation in the group by, for example, avoiding involvement on the board. The need for more training before taking on the responsibility of being on the board was also cited by some. Obligatory savings were being used to cushion the effects of defaulting on the guarantors. It needs to be recognised that social collateral in some cases is worth a lot more than the loan.

This raises the question of whether the village bank should just be for women. Whilst my recommendations point to the need for more participation in the definition of loan terms, I am aware that participation is resisted by women in Luribay, again due to the time commitment and the responsibility involved. The barriers to participation need to be addressed and support for the risks involved in participation provided. This could be achieved if Prestec coordinated its intervention more with other institutions present in their areas of operation.

My research in Luribay has shown the ways in which women's work is overlooked in development discourses, and how MFI's use of social collateral compounds this, as reproductive and community labour are not supported. My study also shows the importance of involving women in the design of the intervention, as assumptions about women's position and what would constitute their inclusion in development overlook intersections of gender, ethnicity and rurality. I hope to have demonstrated that cooperation, reciprocity and tradition constitute capability to participate in the market and need to be built up alongside institutions and programmes to promote market development. As well as using social bonds and trust as collateral, these elements, and the work which women do to maintain them need to be supported.

Appendix One: Microfinance Institutions in Bolivia

Name	Type of Institution	Gross Loan Portfolio in US\$	Number of Active Borrowers	Target group	Lending technology
AgroCapital	Non-Profit (NGO)	17,903,477 (31/12/06)	6,768 (31/12/06)	Experienced small & micro entrepreneurs; rural areas 43.8% women	Individual loans; mortgage loans
Banco Los Andes ProCredit	Bank	242,912,000 (30/09/07)	89,389 (30/09/07)	Experienced small & micro entrepreneurs; rural areas 50% women	Individual loans; voluntary savings
Banco Sol	Bank	163,049,612 (31/12/06)	103,786 (31/12/06)	Lower income micro entrepreneurs; urban areas; urban informal sector 46.4% women	Individual loans; group loans; voluntary savings; insurance; training, consulting
CRECER	Non-Profit (NGO)	23,015,416 (31/12/06)	88,435 (31/12/06)	Rural areas; 95% women	Village banking; group loans; obligatory savings; voluntary savings; training
Diaconia	Non-Profit (NGO)	14,798,719 (31/12/06)	30,120 (31/12/06)	Urban areas; peri-urban areas; rural areas 62.6% women	Individual loans; group loans
Eco Futuro	FFP	23,859,162 (31/12/06)	18,020 (31/12/06)	Small and micro entrepreneurs; urban and rural areas 53.1% women	Individual loans; group loans; voluntary savings
Emprender	Non-Profit (NGO)	728,893 (31/12/06)	3,391 (31/12/06)	Small and micro entrepreneurs; urban, peri-urban and rural areas 70.8% women	Individual loans; group loans
FADES	Non-Profit (NGO)	20,037,591 (31/12/06)	20,260 (31/12/06)	Small and micro entrepreneurs; urban and rural areas	Individual loans; group loans;
FASSIL	FFP	12,849,499 (31/12/06)	8,724 (31/12/06)	63.3% women	Individual loans; voluntary savings

Appendix 1 continued

Fomento a Iniciativas Economicas (FIE)	FFP	101,009,894 (31/12/06)	71,334 (31/12/06)	Micro entrepreneurs; urban areas 41.2% women	Individual loans; voluntary savings
FONCRESOL	Non-Profit (NGO)	2,067,477 (31/12/06)	6,055 (31/12/06)	Peri-urban areas; rural areas 61.6% women	Group loans; village banking; group savings
FONDECO	Non-Profit (NGO)	5,101,801 (31/12/02)	6,894 (31/12/02)	Rural areas; 56.2% women	Individual loans; group loans; voluntary savings
Fortaleza FFP	FFP	32,487,999 (31/12/06)	4,308 (31/12/06)	Small and medium enterprises 31.5% women	Individual loans; voluntary savings
FUNBODEM	Non-Profit (NGO)	5,351,080 (31/12/06)	4,954 (31/12/06)	Women micro entrepreneurs; 73.4% women	Individual loans
Fundación SARTAWI	Non-Profit (NGO)	321,548 (31/12/06)	1,800 (31/12/06)	Small and micro entrepreneurs; Urban areas; Rural areas 53.8% women	Individual loans; group loans; voluntary savings; training
IDEPRO	Non-Profit (NGO)	3,957,889 (31/12/06)	2,101 (31/12/06)	Small, micro and medium entrepreneurs;	Individual loans; training
IMPRO	Non-Profit (NGO)	650,681 (31/12/06)	1,230 (31/12/06)	Small, and micro entrepreneurs 52.6% women	Individual loans
PRODEM	FFP	134,579,193 (31/12/06)	77,476 (31/12/06)	Urban areas; Peri-urban areas; Rural areas 50.5% women	Individual loans; group loans; voluntary savings; training and consulting
ProMujer - Bolivia	Non-Profit (NGO)	13,561,700 (31/12/06)	74,106 (31/12/06)	Urban and peri-urban areas 95% women	Village banking; group loans; obligatory savings; voluntary savings; training

Ratios are calculated from US dollar conversion of local currency financial information.
Table adapted from Mixmarket, no date, c

Appendix Two: Timeline: Political Events in Bolivia, 1952-2006

1952	Revolution led by MNR. Paz Estenssoro president
1953	Land reform and universal suffrage
1964	General Barrientos led a military <i>junta</i> to overthrow Paz Estenssoro. This started 20 years of military rule
1966	Peasant-Military Pact
1971	General Hugo Banzer installed as president by military and MNR coup
1974	Banzer replaces civilians in the govt with members of armed forces
1978	Banzer calls for elections. There were inconclusive elections in 1978, 1979 & 1980
1981	Military coup led by Garcia Meza. There were three other military governments in the space of 14 months
1982	Siles Zuazo starts term as president. Calls early elections due to failing economy
1985	Banzer wins plurality of vote, but MNR and MIR form a coalition and choose Paz Estenssoro as president President Paz Estenssoro initiates orthodox adjustment policy with decree 21060
1989	Paz Zamorra inaugurated as president after MNR and MIR form coalition
1993	Gonzalo Sanchez de Lozada elected president
1994	Sanchez de Lozada unveils new constitution, <i>Plan de Todos</i> , Law of Popular Participation and Law of Capitalisation
1997	Banzer elected president by a coalition of the MIR, UCS and Condepa
2000	Cochabamba anti-privatisation protests in Cochabamba, government declares martial law and rolls back privatisation
2001	Banzer resigns diagnosed with lung cancer. Vice President Jorge Quiroga assumes presidency
2002	Sanchez de Lozada wins election, inaugurated as president
2003	Bolivian 'gas wars' anti- privatisation protests cause widespread civil unrest, resulting in Sanchez de Lozada fleeing the country. Carlos Mesa assumes presidency
2005	Carlos Mesa resigns Rodriguez Veltze, president of the supreme court, assumes presidency
2005	MAS part elected with a majority
2006	Evo Morales inaugurated as president Constitutional Assembly agreed in order to re-write the constitution Hydrocarbons Nationalised Referendum on Departmental Autonomy. Continued demands for Autonomy departments in the East of the country

**Appendix Three: Total Population of The Town and Hamlets of
Luribay**

Location	Families	People		
		Male	Female	Total
San Pedro	28	60	53	113
Achocara Alto	32	48	45	93
Achocara Bajo	21	45	37	82
Luribay Town	49	103	127	230
Calvario	38	75	75	150
Peña Colorada	17	35	33	68
Catavi	26	68	61	129
Cutty Pampa	37	90	95	185
Cutty Rincón	26	58	71	129
Cutty Molino	19	45	48	93
Callaviri	20	56	44	100
Bambaru	26	57	48	105
Collpani	67	94	100	194
Cachualla	120	300	250	550
Cachualla Alto	35	104	70	174
Pinani	31	68	56	124
Alto Collpani	24	51	45	96
Tamasa	38	68	84	152
Samaca	10	20	21	41
Bravo Alto	38	79	73	152
Vilacora	41	87	77	164
Bravillo	22	42	46	88
Anquioma Alto	62	120	128	248
Anquioma Bajo	71	138	146	284
Bravo Salviani	38	81	71	152
Aucamarca	24	55	41	96
Palca	10	18	22	40
Azambo	99	252	243	495
Alto Rosariani	12	27	21	48
Lacayani	5	9	11	20
Villa Florida	6	14	16	30
Pocuma	59	91	86	177
Carayapu Bajo	26	58	46	104
Carayapu Alto	32	61	67	128
Mulincati	23	47	45	92

Appendix 3 continued

Mojon	18	35	37	72
Peña Taucarasi	15	25	35	60
Taucarasi	16	34	30	64
Llapallapani	15	34	26	60
Uyupampa	14	29	27	56
Rincon Uyupampa	14	22	34	56
Altos Huyo	9	17	19	36
Rancho Grande	30	58	62	120
Ancharate	5	9	11	20
Chapichapini	18	35	37	72
Ajata	11	26	18	44
Poroma	32	80	50	130
Choquepampa	23	38	54	92
Capinota	29	79	67	146
Condado	29	65	78	143
Villa Huancane	40	80	100	180
Huancane	26	68	61	129
Chirimaya	60	129	111	240
Matara	68	132	140	272
Oquepampa	38	81	71	152
Villa San Juan	10	18	22	40
Cotaña	39	74	82	156
Calacala	32	68	60	128
Murumuntani	109	227	209	436
Luquiri	16	32	32	64
Choquesa	30	58	62	120
Porvenir	113	232	220	452

Source: PDM 2005

Case Study Locations, (The Town, Peña Colorada, Pocuma and Mojon), are highlighted

Appendix Four: Informed Consent Letter

Original version:

FORMULARIO DE PERMISO PARA LA PARTICIPACIÓN EN UNA INVESTIGACIÓN (para entrevista)

Yo.....

siendo mayor de edad, mas de 18 anos acepto participar como encuestado en la investigación de la Señorita Katie Maclean sobre el micro crédito

1. Los detalles de los procedimientos han sido explicados de manera satisfactoria
2. Estoy de acuerdo para que mi información y participación sean grabadas
3. Yo entiendo que
 - Soy libre para retirarme del proyecto en cualquier momento y libre de no responder a preguntas particulares
 - Aunque la información conseguida en el estudio será utilizada en el tesis de Katie Maclean, y eventualmente publicada, no estaré identificado/a, y la información individual se mantendrá confidencial
 - Puedo pedir que la grabación se detenga en cualquier momento, y que puedo retirarme en cualquier momento de la sesión o investigación.

Firma del participante.....fecha

Yo certifico que he explicado el estudio al voluntario y considero que ella/el entiende lo explicado y acepta libremente su participación

Nombre de la investigadora

Firma de la investigadora.....fecha

Translated version:

**RESEARCH PARTICIPATION CONSENT FORM
(FOR INTERVIEW)**

I.....

being of legal age, (over the age of 18) consent to participate as an interviewee in the research of Ms. Katie Maclean on the subject of microcredit

4. The details of the procedures have been explained to my satisfaction
5. I agree that my information and participation can be recorded
6. I understand that
 - I am free to withdraw from the project at any time and free to not respond to individual questions
 - Although the information gathered in the study will be used in Katie Maclean's thesis and possibly published, I will not be identified, and personal information will be kept confidential
 - I can ask that the recording be stopped at any time, and I can withdraw from the session or the research at any time.

Participant's
signature.....date.....

I certify that I have explained the study to the participant and consider that she/he understands what I have explained and freely accepts to participate

Name of researcher

Researcher's
signature.....date.....

Appendix Five: Fieldwork Timeline

February	<p>17th Arrived in La Paz</p> <p>24th Started Aymara lessons</p> <p>Met with people working in the microfinance sector and the NGO sector in La Paz: FDTA, CIPCA, <i>Cooperacion de la Mujer</i>, OMAK, Prodem, IS, ANED, <i>Finrural</i>, <i>Crecer</i>, and <i>Promujer</i></p>
March	<p>5th–9th Visited a women’s artisan centre in Curuara de Carangas (Department of La Paz) that was seeking support from Prodem.</p> <p>14th–21st Visited FDTA <i>los Valles</i> in Cochabamba, and visited a rural community nearby interested in microfinance</p>
April-	<p>3rd First went to Luribay.</p> <p>20-27th Returned to La Paz for one week to negotiate access with Prestec</p>
May	<p>Attended 21 Prestec meetings</p> <p>20th Attended quarterly meeting of the Municipality with the AUs</p>
June	<p>Attended 11 Prestec meetings</p> <p>Held 2 focus groups</p> <p>8th Attended emergency meeting of Neighbour’s Assembly</p> <p>25th <i>Fiesta</i> of San Juan in Porvenir</p>
July	<p>Attended 7 Prestec meetings</p> <p>Conducted 12 interviews</p> <p>1st Attended AU monthly meeting in Pocuma</p> <p>4th Attended meeting of the OMAK group</p> <p>16th <i>Fiesta</i> of Santa Carmen, Patron Saint of the Town</p>
August	<p>Attended 4 Prestec meetings</p> <p>Conducted 13 interviews</p>
September	<p>Left Luribay, Reported to back to Prestec</p> <p>16th Returned to the UK</p>

Appendix Six: Main Characteristics of Interviewees

HAMLET 1

Doña Lucia (participant in interview and focus group)

Age 50

De pollera

Bilingual Spanish-Aymara; first language Aymara

Catholic

Doña Lucia has been in the group for one cycle but was in a group in the town for two years. She lives with three of her children who are still at school, her nephew and her husband. Her eldest daughter lives in Buenos Aires, and her second oldest daughter is finishing school there. She inherited a lot of land as her sisters now live in Cochabamba. Her husband is from the Town and is renowned for his drinking.

Doña Begonia - (participant in interview and focus group)

Age 22

De pollera

Bilingual Spanish-Aymara; first language Aymara

Catholic

Doña Begonia has been in the group for one cycle. She is from the neighbouring municipality of Sopahaqui. She moved to Luribay to live with her husband on his land. She has one baby son. She is good friends and sister-in-law with Doña Julia, who married her husband's brother. Doña Begonia has also worked in La Paz as a domestic servant. She went to school in Sopahaqui for eight years.

Doña Josefa - (participant in interview and focus group)

Age 22

De pollera

Bilingual Spanish-Aymara; first language Aymara

Catholic

Doña Josefa has been in the group for one cycle and is also from Sopahaqui. She moved to Luribay to live with her husband, but as he does not have any land they are considering moving back to her home where she does own land. She has one baby son. She went to school in Sopahaqui for eight years.

Doña Alexandra - (participant in interview and focus group)

Age 36

De pollera

Bilingual Spanish-Aymara; first language Aymara

Catholic

Doña Alexandra has been in the group for one cycle. She is from Cairoma and moved to Luribay with her husband. As he does not have any land, they are considering moving away. They chose to stay in Luribay because of the children's school. Doña Alexandra and her husband rent land from his extended family.

Don Paco - (participant in interview and focus group)

Age 45

Bilingual Spanish-Aymara; first language Aymara

Catholic

Don Paco has been in the group for one cycle. He is a widower who lives in Luribay with his youngest daughter, Betty. His other son and daughter live in La Paz. He owns land in Hamlet 1 where he was born. He went to school in the Town for five years.

Señorita Betty - (participant in interview and focus group)

Age 18

De vestido

Bilingual Spanish-Aymara; first language Aymara

Catholic

Señorita Betty has been in the group for one cycle. She is don Paco's daughter. She has a brother and sister who are younger and still at school in La Paz. She was born in Hamlet 1 but after her mother died she went to work with her uncles for two years in a different hamlet. She went to school in the Town until she was 14, then went to school in La Paz but left one year before completion.

HAMLET 2**Doña Teresa – (participant in interview and focus group)**

Age 49

De pollera

Bilingual Spanish-Aymara; first language Aymara

Catholic

Doña Teresa has been in the group for four cycles and lives on her own in the hamlet. Her husband and grown-up children live and work in La Paz. She has a shop at the entrance of the town and stays in Luribay to look after the family's land, which is originally her husband's. She went to school in Cachualla for six years.

Doña Soledad – (participant in interview and focus group)

Age 68

De pollera

First language Aymara; speaks Spanish as a second language

Catholic

Doña Soledad has been in the group for four cycles. She is an older woman who lives with her husband in the Hamlet 2. Her two grown up children are working in Sao Paolo, Brazil. She has land and a small shop. She organises work on the land, originally her husband. She did not go to school.

Doña Sofia – (participant in interview and focus group)

Age 34

De pollera

Bilingual Spanish-Aymara; first language Aymara. Also fluent in Portuguese

Catholic

Doña Sofia has been in the group for two cycles. She is a divorcee who lives with her mother, six children and sister-in-law. She does not own any land and works as a day labourer. She worked in the clothing industry in Sao Paolo Brazil for five years. Her family is from Hamlet 2, and she returned from Brazil when her father died. She went to school in Cachualla for five years.

Doña Magdalena - (participant in interview)

Age 64

De pollera

First language Aymara; speaks Spanish as a second language

Catholic

Doña Magdalena has been in the group for four cycles. She lives with her husband, don Pedro. Her husband is from Oruro and works as a mechanic, but does less and less as he gets older. She has six children living in El Alto, Spain, the UK and Cochabamba. She was born in Hamlet 2 and did not go to school.

Doña Gloria – (participant in interview and focus group)

Age 26

De pollera

Bilingual Spanish-Aymara; first language Aymara

Catholic

Doña Gloria has been in the group for six cycles. She has one five-year-old daughter. Her husband lives in Buenos Aires. She lives with her in-laws in Hamlet 2. She was born in the hamlet of Cutty. She went to school in the Town for 12 years and graduated from high school.

Doña Sandra - (participant in interview and focus group)

Age 41

De pollera

Bilingual Spanish-Aymara; first language Aymara

Catholic

Doña Sandra has been in the group for six cycles. She lives with her four young children. Her husband is the head of the hamlet's Agrarian Union. She was born in a different hamlet and moved to Hamlet 2 to live with her husband. She went to school for six years.

Doña Carlota – (participant in interview and focus group)

Age 62

De pollera

Bilingual Spanish-Aymara; first language Aymara

Catholic

Doña Carlota has been in the group for six cycles and lives with her husband. Her daughter and her husband live in La Paz, but often come to stay with her in Luribay to help with the land. She has five other children. She did not go to school.

HAMLET 3

Doña Juana (participant in interview)

Age 52

De pollera

Bilingual Spanish-Aymara; first language Aymara

Catholic

Doña Juana has been in this particular group for six cycles, and was in a different group prior to that. She has three grown up children. Her eldest son died in 2005. Her second eldest son rents land in Taucarasi where he lives with his wife,

from the Altiplano area of Luribay. Doña Juana and her husband live on their land in the Hamlet 3. Born in Taucarasi, she came to Hamlet 3 when she got married. She went to school in Taucarasi for three years only until she was 12.

Doña Elenor (participant in interview)

Age 38

De pollera

Bilingual Spanish-Aymara; first language Aymara

Catholic

Doña Elenor has been in the group for six cycles. She lives with her three young children and husband in the hamlet of Taucarasi. She owns land and sheep. Her husband is from the Altiplano and lives with her in Taucarasi because she has more land. Doña Elenor went to school in Cachualla until she was 16 (ten years).

Doña Glenda (participant in interview)

Age 26

De pollera

Bilingual Spanish-Aymara; first language Aymara

Catholic

Doña Glenda has been in the group for two cycles. She is originally from the Altiplano are of Luribay. She arrived in the valley seven years ago with her husband, from the community of Taucarasi. She is Doña Juana's daughter-in-law. She lives on rented land with her husband and infant son and daughter. They grow peaches and keep sheep. She went to school for 11 years.

Doña Veronica (participant in interview)

Age 32

De vestido

Bilingual Spanish-Aymara; first language Aymara

Protestant

Doña Veronica has been in the group for eight cycles and was in a different group prior to that. She is a Protestant who lives with her husband, a musician and two young children in the hamlet of Carayapu Alto. As a teenager she worked as a street seller in Santa Cruz for three years.

Doña Janeta (participant in interview)

Age 39

De pollera

Bilingual Spanish-Aymara; first language Aymara

Protestant

Doña Janeta has been in the group for eight cycles and was in a different group prior to that. She is a Protestant who lives with her husband, a pastor and official at the municipality, and four young children in the hamlet of Carayapu Alto. Her parents-in-law have a house on the same land. She had previously lived in Santa Cruz for two years working in a restaurant. Born in Carayapu Bajo, her mother died when she was eight and the whole family moved to La Paz to work. She was there until she married her husband. She went to school in La Paz for three years

TOWN 1

Doña Margarita (participant in interview)

Age 50

De vestido – a residente

First language Spanish; understands but does not speak Aymara

Catholic

Doña Margarita has been in the group for 12 cycles. She is a *residente* who divides her time between Luribay and La Paz. She has three children. Her two eldest are married and live in Cochabamba, the youngest is 14 and goes to school in La Paz. Her husband is a teacher in the city and she has one 14-year-old daughter. She was born in Luribay town stayed until she was ten years old. She then graduated from high school in La Paz.

Doña Georgina (participant in interview)

Age 64

De pollera

First language Aymara; speaks good Spanish but as a second language

Catholic

Doña Georgina has been in the group for 12 cycles. She is an older woman who lives in the town where she has a shop. She is originally from the hamlet of Porvenir, and came to the town to live with her husband, although she has also lived in La Paz when she was younger, working in domestic service. Her two children live in the cities and send her money regularly. She did not go to school.

Doña Feliza (participant in interview)

Age 38

De vestido

Bilingual Spanish-Aymara; first language Spanish

Catholic

Doña Feliza has been involved in the group for 12 cycles. She grew up in La Paz and moved to Luribay where she lives with her husband and two children. Her husband owns land and they also own a truck and a business transporting produce from Luribay to La Paz. Doña Feliza's children are grown up and live in the city, and she often spends time in the city. She went to school in La Paz until she was 14.

Doña Penelope (participant in interview)

Age 65

De pollera

First language Aymara; speaks Spanish as a second language

Catholic

Doña Penelope has been with Prestec for 12 cycles, but in different groups. She is an older woman who lives with her husband and four grand children in the Town. She and her husband do not own any land, and rely on income from his work as a construction worker and gardener, and money sent from her niece in Tarija. She was born in Luribay and her husband is from La Paz. She did not go to school.

TOWN 2

Doña Celia (participant in interview)

Age 51

De pollera

Bilingual Spanish-Aymara; first language Aymara

Catholic

Doña Celia has been in the group for 12 cycles. She lives in the town with her husband. She has eight children, five boys and three girls aged from 13-28. All are living and working in El Alto, where the younger ones go to school. She works alone on her husband's land, and is involved in several NGO projects. She was born in the town and went to school in the town for four years.

TOWN 3

Doña Carol (participant in interview)

Age 48

De vestido

Bilingual Spanish-Aymara; generally speaks Spanish

Catholic

Doña Carol has been involved in the group for four years intermittently. She owns a shop, a hostel and runs a small bakery in the town. She lives with her husband and her two grown up children live in La Paz. Her husband's father is from Oruro and owned a truck. Two children, boy and girl, married with children working in La Paz. Has a small patch of land but it's just for the family, the business is the hostel and the shop.

OTHERS

Doña Rita (participant in interview)

Age 38

De pollera

First language Aymara; speaks Spanish as a second language

Catholic

Doña Rita was in the group for two cycles, but left. She lives with her two young sons and her second husband. Her eldest son lives in La Paz. She had been in the group, but had recently decided to leave. She was born in Hamlet 2 but has also lived in La Paz and Cochabamba. She has been active in the union movement in El Alto.

GLOSSARY: ACRONYMS AND SPANISH/AYMARA TERMS

Acronyms

ANED	<i>Asociación National Ecuménica de Desarrollo</i> , National Ecumenical Development Association
AU	Agrarian Union/ <i>Sindicato</i> , the AU is the local authority in rural hamlets, instituted after the 1952 revolution. They organise communal works and administer community justice.
CGAP	Campaign Group to Assist the Poorest
CIPCA	<i>Centro de Investigación y Promoción del Campesinado</i>
COB	<i>Central Obrera Boliviana</i> , Bolivian Workers Centre
CONDEPA	<i>Conciencia de la Patria</i> , Conscience of the Fatherland, political party related to the Katariast movement
CRECER	<i>Credito con Educacion Rural</i> , Credit with rural education
CSUTCB	<i>Confederación Sindical Única de Trabajadores Campesinos de Bolivia</i> , Confederation of Rural Labourers of Bolivia
ESF	Emergency Social Fund
FADES	Foundation for Alternatives in Development
FDTA <i>de los Valles</i>	<i>Fundación para el Desarrollo Tecnológico Agropecuario de los valles</i> , Foundation for the Development of Agricultural Technology in the Valleys
FFP	<i>Fundos Financieros Privados</i> Private Finance Fund
FINRURAL	<i>La Asociación de Instituciones Financieras para el Desarrollo Rural</i> , The Association of Rural Development Financial Institutions
FONDESIF	<i>Fondo de Desarrollo del Sistema Financiero y de Apoyo al Sector Productivo</i> , The Development of the Financial System and of Support to the Productive Sector
FS	Financial Sustainability approach to microfinance
GDP	Gross Domestic Product
Ha	Hectare
IGA	Income Generating Activity
IMF	International Monetary Fund
INE	<i>Instituto Nacional de Estadísticas</i> , National Statistics Institute
IS	International Service
LPP	<i>Ley de Participación Popular</i> , Law of Popular Participation
MAS	<i>Movimiento al Socialismo</i> , Movement towards Socialism
MFI	Microfinance Institution
MIR	<i>Movimiento de la Izquierda Revolucionaria</i> , Revolutionary Left Movement
MNR	<i>Movimiensto Nacional Revolucionario</i> , National Revolutionary Movement
NGO	Non-Governmental Organisation

OMAK	<i>Organización de Mujeres Aymaras de Kollasuyo</i> , Organisation of Aymaran Women from Kollasuyo
OTB	<i>Organizaciones Territorios de Base</i> , Territorial Base Organisations
PDM	<i>Plan de Desarrollo Municipal</i> , Municipal Development Plan
PL	Poverty Lending Approach to Microfinance
ROSCAs	Rotating Savings and Credit Association
SEWA	Self-Employed Women's Association
UCS	<i>Unión Cívica Solidaridad</i> , Civic Solidarity Union
UMSA	<i>Universidad Mayor de San Andres</i>
UN	United Nations
UNDP	United Nations Development Programme
UNIFEM	United Nations Development Fund for Women

Spanish/Aymara Terms

<i>Altiplano</i>	High plain. Mainly Aymara area in the Department of La Paz
<i>Anticresis</i>	'Property given in usufruct against a loan' (Lagos 1994: 90)
<i>Arriendo</i>	Land lease
<i>Ayllu</i>	Corporate group based on bilateral kinship (Isbell 1978)
<i>Ayni</i>	Tradition of reciprocity and direct, commensurate return
<i>Banco Sol</i>	<i>Banco Solidario</i> , Bank of Solidarity
<i>Blancon</i>	A white person
<i>Bolivianos/Bs.</i>	Bolivian currency, approximately 8 Bolivianos to the US dollar in 2006
<i>Chachawarmi</i>	Literally 'man-woman', complementarity of gender roles in the Andean organisation of the household
<i>Challar</i>	Ritual libations of alcohol to the Pachamama
<i>Cholita</i>	Unmarried indigenous woman
<i>Cholo</i>	Indigenous city resident
<i>Choto</i>	Pejorative term for indigenous city resident who has adopted Western dress
<i>Comadre</i>	Relationship between godmother and the godchild's parents
<i>Compadrazgo</i>	Co-parenthood, fictive kin, 'godparenthood'
<i>Compadre</i>	Relationship between godfather and the godchild's parents
<i>Comerciantes</i>	People in trade, retail or service provision as opposed to land production for sale in La Paz
<i>Criollo</i>	Someone from South America with European ancestry
<i>De pollera</i>	Wearing the traditional Aymaran dress of derby hat and pleated skirt
<i>De vestido</i>	Wearing Western dress

<i>El Alto</i>	Satellite city of La Paz, literally ‘the Heights’
<i>Faena</i>	Obligatory public work day, organised by the AU
<i>Fiesta</i>	A party. <i>Fiestas</i> are held for the patron saint day of a town.
<i>Gringo/a</i>	Foreigner or outsider, generally someone from Europe or North America of European descent
<i>Hacienda</i>	A land estate. The <i>hacienda</i> system was the feudal organisation of peasants by European colonisers in Bolivia.
<i>Junta Vecinal</i>	‘Neighbours’ Assembly’, administrative body instituted after the 1952 revolution
<i>Luribayeña/o</i>	Inhabitant of Luribay
<i>Machismo/ Machista</i>	Excessive masculinity, male chauvinism
<i>Madrina</i>	Godmother
<i>Marianismo</i>	Glorification of motherhood
<i>Mestizaje, mestizo/a</i>	Someone of mixed Amerindian and European ancestry
<i>Minka</i>	Day labourer, in Luribay this word implies that the labour is paid for rather than exchange in kind.
<i>Moseñada</i>	Traditional Quechua dance
<i>Pachamama</i>	Andean nature deity
<i>Pacto Campesino- Militar</i>	Peasant-Military Pact
<i>Padrino</i>	Godfather
<i>Plan de Todos</i>	Plan for Everyone
<i>Pollera</i>	Pleated skirt worn by Aymaran women
<i>Preste</i>	Organiser of a <i>fiesta</i>
<i>Productores</i>	People who work in land-based production
<i>Promarena</i>	<i>Proyecto de Manejo de los Recursos Naturales</i> , Natural Resources Management Project
<i>ProMujer</i>	<i>Programas para la Mujer</i> , Programmes for Women
<i>Residente</i>	Someone living in the city whose family originates in Luribay, and who maintains links with the valley
<i>Singani</i>	Spirit alcohol made from grapes
<i>Tinkus</i>	Traditional Quechua dance

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