

The Political Economy of Microfinance: Financialising Poverty

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Abstract

Microfinance has commonly been understood as a tool of development. However, as a financial market-driven intervention deeply intertwined with transnational processes of financialisation, it showcases three dimensions of contemporary debt dynamics: shifting narratives, growing governmentality and extractive successes. First, microfinance's narrative representation in developmental and financial discourse shows an appeal built on (mis)understanding poverty as a problem of finance, where microfinance appears as superior to charity or redistribution. Second, the debt technologies embedded in microfinance build governmentality through technologies of the self which are deployed by disciplinary individuals in poor countries to uphold regularity in transnational capital flows. Third, microfinance facilitates extraction of surplus value at a considerable and quantifiable scale, drawing new resources into capital accumulation circuits.