

Social Development or Marketing: A Discourse Analysis of Female Borrowers in Lahore Pakistan

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Abstract

The microfinance organizations (MFOs) espoused marketing approach for financial sustainability over the shadows development agenda. Originally community-based organizations that were designed to bring lender-borrower closer for socio-economic development are now used to identify customers with repaying capacity. The MFOs derived international financial organizations' financial sustainability discourse remains predominant and community organizations (CO) are means to develop relationship building for commercial goals. The interdisciplinary study uses an interpretive methodology, discourse analysis and case method, interviewing 120 female borrowers individually and collectively in more than 120 hours juxtaposing MFOs, and international financial organizations discourse with the borrowers' text. The findings show there is a mismatch between stated social development goals and microloans only meet social and consumption needs. The study suggests MFOs dual strategy barely serves social development goals and there is a need to reinvigorate the original purpose of CO.

Keywords: Social development; relationship marketing; community organization; microfinance.

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1. Introduction

Microfinance organizations (MFO) were envisaged by practitioners for socio-economic development and sustainable financial services to the poor excluded women (Yunus, 2007). Over the years MFOs experienced impressive growth in borrowers and high repayment rates. The impressive growth of MFOs operations drew the attention of international financial institutions (IFIs) engendering financial support to MFOs social development discourse. Gradually the development discourse of the two synced, particularly MFOs adopted many aspects of the IFIs development discourse (Khavul, 2010). The critics; however, also noted the influence of commercial banking on MFOs, overshadowing socio-economic development goals.

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The MFOs notable development goals targeted the poor women, assuming credit inaccessibility a limitation for capacity building to independently manage the income-generating enterprise. The MFOs philosophy, therefore, builds on women's prudent use of money, and loan repayment manageability (Strøm et al., 2014). To avail the female strength a community organization (CO), a foundational structure comprising five to ten females was created for female capacity development and lending. The core idea of CO rested on female prudent use of money, building trust relationships among members; and members-loan officers (Godfroid, 2019) and for social development.

Over time the MFOs used CO for relationship building for increased product sales (Cornwall & Karen, 2005) and financial sustainability, which transformed MFOs into a dual-purpose organization pursuing both the goals (Yunus, 2007; Battilana et al., 2012; Kent & Dacin, 2013). The MFOs profitability became contingent on maximum credit outreach in a bid to secure funding from IFI, provide space to serve the poor and cover the high cost of reaching out to micro borrowers (Im & Sun, 2015).

The paper argues that MFO vie for IFIs fund (Kleinman, 2014), therefore, they adopted their discourse for financial sustainability and in the process the social development discourse drifts towards relationship building with the communities to increase the number of borrowers for profitability. The study draws on Nordic School relationship marketing theory, though still maturing (Brito, 2008; Palmer & Koeing-Lewis, 2009; Gummesson & Gro'n-roos, 2012; Efrat et al., 2020) where firms identify consumer needs, provide incentives, build trust, create interdependencies, and serve the loyal customer. There are a few studies that view MFOs and borrower relationships from this perspective. The research adds to the existing literature in two ways. One, it presents the problem from a unique perspective of relationship marketing, largely ignored in the extant literature and secondly, it shows development goals mutation into service relationship for commercialization employing CO for the latter purpose. And lastly, the critical discourse analysis approach is seldom used in MFO studies. The study is contextualized in the poor area of Lahore, the second-largest city of Pakistan and the thirtieth largest in the world in terms of population. The incidence of poverty in the Lahore District in 2015 was 4.3%.

The study addresses three questions: Does the development discourse of IFIs reverberates in the selected MFOs text? Is this discourse translated into MFO's stated objectives and loaning operations? From the borrowers' perspective does the credit enhance their socio-economic development (capacity building, empowerment and poverty alleviation)? In order to explore answers, the study adopts interpretive critical discourse analysis (CDA) methodology, compares the selected MFO's socio-economic development discourse, with an international organization and consumers' text.

The rest of the paper is structured as follows: Section 2 and 3 presents a brief review on IFIs, MFOs and capacity building followed by relationship marketing and the MFO, section 3 explains the methodology, sample, data collection and the context of the study. Section 4 presents text analysis and discussion of global organizations and borrowers, and finally, section 5 presents the conclusions.

2. International Financial Institutions, Microfinance organizations, and social development

In the 1970s the Grameen Bank started as a microcredit organization with the sole purpose to meet the small entrepreneurial needs of the poor women. Through community development workers it created awareness among female borrowers of their rights and responsibilities, growing kitchen garden, starting a small business, and sending girls to school. The success of this experience drew the attention of the IFIs and gradually the old model of Grameen became history. The ‘full cost recovery’, model overtook not just businesses but almost all other organizations as well, neoliberal policymakers were intolerant to the situation where the host of MFOs was subsidized. Hence, under the USAID umbrella, the microcredit earlier model was steered in the direction of commercialization and deregulation, to ensure its effective transformation into a financially self-sustainable for-profit model no longer in need of subsidies This commercialized model became so attractive that in the late 1990s and early 2000s new regulations for MF Banks were introduced in many developing countries (Bangoura, 2012; Siwale et al., 2021).

In a bid to receive support MFOs mimicked multilateral organizations’ development text often found in written and verbal discourse (Cornwall & Karen, 2005; Springer, 2012). Funds’ availability was contingent on MFO’s financial sustainability (Im & Sun, 2015) which was predicated on building relationships, trust and loyalty for increasing loan portfolio. World Bank criteria for sustainability included increased MFOs loan portfolio, outreach, and profitability (Nanayakkara, 2012; Kleinmann, 2014). IFIs and other “investors are testing the feasibility of engaging with MFOs and find these as attractive ventures” (www.findevgateway/paper/2007/11/international) funding. Dated 12 September 2020). Performance criteria for MFOs, repayment process, incentives for repeat loans, and non-compliant borrowers’ exclusion veil development discourse.

Development goals generally were the prime *raison d’être* for the microcredit industry. In underdeveloped countries, women are believed as less powerful and mobile, marginalized, lack independent decision-making, have low self-worthiness, are inadequately informed, unable to exercise their rights, and lack knowledge about fertility (Zaman, 2001). Schuler et al. (1997) used multivariate analysis to understand and measure eight dimensions of empowerment, and credit. Credit was used only to support family income, mobility and petty decisions. Family influence on fertility decisions and male domination continued.

Others (Banu et al., 2001) explicate empowerment as freedom from male domination, access to income opportunity, control over assets and household resources, domestic decision-making like daily shopping and the purchase of the moveable and immovable property. The development literature understands capacity building as the foremost in the empowerment of women. It is argued lack of variety of abilities, two of which are financial and technical (skills) causes poverty and consequently disempowerment. Essential to capacity building is dovetailing the two abilities for improved living.

The literature also shows that microfinance improves livelihood and living conditions (Rahman et al., 2009; Rooyen et al., 2012; Aninze et al., 2018). The alternative view holds misdirected use of credit (Okesina, 2021; Ali et al., 2012; Ali, 2019), apathetic and mechanical loan delivery mechanisms without informational support to the borrowers (Jose & Buchanan, 2013). The MFOs approach mismatched micro entrepreneurs' small working capital needs and underestimated their deficient entrepreneurial capacity and misdirected use of credit. The causes of the misdirected use of loans are barely mentioned in scholarly work. Most of the studies use positivist epistemology to show women's empowerment but overlook neoliberal development discourse pursued by MFOs, a greater focus on relationship and credit disbursement, and credit as a continuous income source to meet consumption needs in a patriarchal society. Thus, studies that highlight capacity building and empowerment due to microfinance ignore the misuse of credit, CO's changed role and MFOs' avant-garde credit sale strategy (Alam & Molla, 2012). The neoliberal social development overlooks the right and responsibilities considering freedom as the only empowering tool (Murshid, 2020)

To summarize, we learn that MFOs adoption of IFIs financial development discourse in the garb of social development discourse and giving little attention to capacity development of the female borrowers. The gradual 'full cost recovery model' overshadows the social development approach. Earlier, MFOs assumed a critical role to fill the socio-economic development gap, increase in income, legal awareness and mobility in developing countries, particularly for women. Misdirected use of credit increasing consumption, mismatched small entrepreneur needs, little attention to training in entrepreneurial skills for productive utilization of the microcredit were noted failures of microcredit. CO, established for self-organization, identification of collective problem solving was forgotten in the process, and it became a vehicle of relationship building for increased loan sale.

3. Relationship Marketing and MFO

Relationship marketing (RM), an emergent marketing sub-field having protagonists and critics (Palmer & Koenig-Lewis, 2009). The champions of RM consider losing a single customer is many times costlier to the organization than to attract a new customer actively participate and interact with the focal object (e.g., brand/organization/ community/ website/ organizational activity), [which] varies in direction (positive/negative) and magnitude

(high/low) depending upon the nature of a customer's interaction with various touchpoints (physical/virtual)". Thus, RM's foremost focus is developing long-term customer relationships (Nyongesa et al., 2020). Close proximity, trust, frequent communication, commitment, knowledge of customers' needs allows information to hone competencies necessary for product sale (Gonzalez et al., 2014). Relationship marketing is about developing long-term buyer-seller relationships, mutually rewarding to all parties. Studies recommend the use of relationship marketing factors for MFOs, particularly greater face-to-face communication with the un-bankable borrowers outside the financial system with limited debt repayment ability (Pralhad, 2005).

Central to redesigning of credit products is the borrower-lender relationship strengthened through CO. This helps in identifying small borrowers' needs and cost-effective products for financial sustainability (Chikako & Hamu, 2021; Arnett & Badrinarayanan, 2005; Godfried, 2019) based on mutual trust, loyalty and commitment to re-buy, patronize products and services in the future choice decision (Wairimu & Osieko, 2020). Studies show RM impacts customer loyalty, commitment and trust when customers' needs are focused (Alrubaiee & Nahala, 2010).

MFOs original philosophy incorporates a development strategy that rests on mutual trust, commitment and participation for social development. It encouraged borrowers to constitute CO which helped in the identification of common problems, search solutions, and execute them for collective benefits (Khavul, 2010; Bruton et al., 2011). The particular mechanism, however, shifted into a collateral and marketing tool ensuring regular repayment and indulging customers to borrow. The visits of loan staff also dissipated into repayment collection (Kent & Dacin, 2013) rather than social development and training in capacity building.

One of the purposes of RM is to reduce credit risk default in the short run. The magnitude of the relationship as it matures, in the long run, increases credit risk because borrowers' incentive to repay declines, as it graduates to sustainable business. Innovative measures for financial sustainability, therefore, reduce default risk (Shahriar & Garg, 2017). Thus, MFO borrowers seldom graduate to sustainable business, instead, dependence on the loan is encouraged.

RM engenders high loan repayment rates not due only to the product quality, loan staff behavior and customer satisfaction but attributed to peer pressure, fear of collecting agents, and future loans rejection (Noble & Joanna, 2004). The high repayment rates engender trust relationships riveted to financially sustainable customers (Kleinman, 2014; Aninze et al., 2018) who continue to borrow as long as they can repay.

In summary, relational attributes (trust, communication, loyalty, and commitment) create lasting lender-borrower relations. Considering micro borrowers' low income and small

needs the relationship and coercive means are employed for ensuring loan repayment. But CO facilitates the identification of credible borrowers with repaying capacity rather than fostering social development among borrowers.

It is argued that interdiscursivity found between MFOs and IFI financial sustainability discourse with the former mimicking the latter's discourse in pursuit of financial support. The CO of borrowers becomes a vehicle for need identification, relationship building disregarding social development.

4. Methodology, sample, data collection and the study context

Fairclough's critical discourse analysis (CDA), the order of discourse and the case study method are used. A discourse is a) an element of social process, b) the language associated with a particular field, and c) a way of interpreting an aspect of the world associated with a specific social perspective, for example, the neoliberal discourse of globalization. Fairclough (2003) suggests that semiosis has many modalities, like images, body language, and material things. Language and text are the semiotic objects that explain the social process. Elements of text are dialectically related while they are different but not 'discrete'; each 'internalizes' the others without being reducible to them (). So social relations, power, institutions and cultural practices are in part semiotic, they internalize semiosis without being reducible to it. Thus, business organizations, IFIs are partly and not purely semiotic objects. CDA focuses on semiosis, as well as relations between semiotic and other social relationships. CDA brings in the language (text) for the critical tradition in social analysis, and contributes to critical social analysis with a particular focus on discourse, and on relations between discourse and other social elements (power, ideologies, institutions, social identities, etc.) (Fairclough, 2003).

The discourse as used in the research is the text of the order of discourse (OD) that is the organization's (IFI & MFOs) text on their websites is a genre with a purpose. The semiotic dimension is the text of the organization on the websites. An order of discourse is a social structuring of semiotic difference, a particular social ordering of relationships between different ways of making meaning – different genres, discourses and styles (Fairclough, 2003). The order of discourse maintains financial influence on MFOs. The order of discourse is shared, and stable. Its analysis helps understand why and how discourses are chosen in a situation, drawn from previous discourse, events or practices and dominant force text used for aligning and seeking patronage (Fairclough, 1992; The interdiscursivity in IFI, MFOs and borrowers' discourse is analyzed. The themes and textual discursive practice were drawn to understand the power of IFIs discourse engendered at the global level, picked by the selected MFOs to receive patronage and support. The emerged textual themes of the selected IFI and collective interviews articulated nodal discourse assigned numbers to each line to draw meaning from the language which shapes borrowers' reality, contrasting with the text of IFI. For the analysis, the study combines and compares the IFI, MFO and borrowers' text.

4.1 *Sample and data*

The three-lead development funding organizations' websites include IFC /World Bank (WB), Consultative Group to Assist Poor (CGAP) and Mixmarket.org (<https://www.themix.org/what-we-do>) respectively. The WB's "Open Knowledge Repository" was accessed and relevant studies were downloaded. CGAP, a think tank engaged in financial inclusion to "empower" poor women and Mix market provides data analytics to show market risk and opportunities for "inclusive" finance. The mix data provides insights into the market dynamics of 1500 MFOs in developing countries covering 94 million micro borrowers. They disseminate knowledge, strategize operations, propagate norms, values and channel funds to retail MFOs.

Likewise, the three local organizations, Pakistan Poverty Alleviation Fund (PPAF) (<http://www.ppaf.org.pk/>), and two retail MFOs, "DAMEN" (<http://damen-pk.org/wp/>) and National Rural Support Programme working in the study area were selected. Of the six selected organizations material from websites including relevant research studies, and reports from 2016 to 2019 was downloaded.

"Poverty alleviation", "empowerment", "capacity building/ development", "financial sustainability", "outreach", and "financial inclusion" are the six frequently used text in the development literature extracted from the documents, mission, objectives, strategies and research studies. From the 100 identified documents of the six organizations, two coders independently categorized and determined six words frequency using NVivo 12 pro. To ensure coder agreement and reliability the researcher worked on a demarcated text comprising six constructs. The paragraph text is a unit of analysis for inter-coder reliability both for document and interview text. The same was done for the interviews text cross-sectional collected in 2019. Using NVivo Cohen Kappa score and overlapping Kappa scores a 0.79 intercoder reliability was estimated.

Table 1 T

The frequency of the six text words in the study.

	poverty alleviation	Women empowerment	capacity building/ development	outreach	financial sustainability	Financial inclusion
IFC/World Bank	55	60	45	53	57	48
CGAP	54	45	30	52	47	50
Mixmarket.org	40	10	48	52	60	67
Pakistan Poverty Alleviation Fund	56	61	59	55	50	55
DAMEN	35	20	25	18		15
NRSP	28	32	30	35	31	30

4.2 Data collection

The participants were borrowers of Development Action for Mobilization and Emancipation (DAMEN) and National Rural Support Programme (NRSP) Urban Poverty Alleviation Program (UPAP), with branches in other areas of the city, operated in Shahpur Kanjran. Table 2 shows the loan portfolio, number of active borrowers and number of loan officers of the two MFOs.

Table 2

The gross loan portfolio, number of borrowers, savings and loan officers of the selected MFOs (2016-2017)

	Gross loan portfolio (million US\$)	No. of active borrowers	depositors	No.loan officers
DAMEN	17.17	58000	0	148
NRSP (UPAP)	115.75	649000	0	3014

A semi-structured, open-ended interview template was developed after a thorough literature review, to understand borrowers' discourse. The template was slightly modified after the pilot test (20 out of 120 samples). The interview template was prepared in the local language, translated into English by the language expert. The recorded and written text was carefully transcribed ensuring meaning retention of borrowers' discourse need and loyalty, relationship, loan use, capacity building, poverty alleviation and empowerment.

A purposive 120 female random sample, 60 NRSP and 60 DAMEN selected. Collectivelyⁱ and individually interviews were conducted. The individual interview was conducted in the interviewees' house, lasted approximately 60 minutes entailing 120 hours of interviewing. Ethnographic observation of social practices, artifacts, noted along with the recorded interview. The nodal discourse articulated textual analysis, derived and assigned meaning. For example, "need", "relationship", "loyalty/ dependence", "empowerment", "poverty alleviation", "capacity building", "repayment" are nodal points around which other signs are organized. All nodal discourses are constructed linguistically (Jorgensen & Phillips, 2002). The interview text was also member-checked to ensure the credibility of the data.

To summarize, we collected 1000 pages of archival data and 120 in-depth collective and individual interviews. This wealth of data allowed us to gain insight into the borrower-MFO relationship, interdiscursivity of text, nature of relationship posture, borrowers' loyalty, capacity building, loan repayment process, outreach and poverty alleviation and empowerment.

4.3 *Context of the study*

The study is contextualized in a poor and less governed area of Lahore, the second-largest city in Pakistan in the South Asian region. It is the twenty-third most populous city in the world (<http://worldpopulationreview.com/world-cities/> dated December 2019). The reason to select the Lahore district is that it is populous, and is a home to the head offices of many MFOs assuming a better understanding of the social development phenomenon. The study area, Shahpur Kanjran, is located on the South edge of Lahore, on the Multan Road. The location was selected for two reasons. One, two credible MFOs worked for the last thirty years alongside money lenders. Second, the locality comprised a sizeable 1000 rich and poor households.

Thirty years ago, Shahpur Kanjran comprised seven villages, controlled by powerful landlords benefiting from cheap labor and lending money to small peasants, agriculture labor and other menial workers. The urban growth towards the south-west, guzzled many villages, this being one. The growth transformed physical appearances, lifestyle, and other visible artifacts little affecting rural culture, temperaments and values. On the east side of Shahpur Kanjran is Multan Road, a highway, connecting Lahore city to Multan (the fifth largest city). The western side of the village touches River Ravi, and the North and East have middle-class gated housing schemes.

Lavishly constructed big houses and humble abodes of rich and poor show socio-economic contrast. While the rich own agricultural land, trucking business, money lending and coveted drug dealing. The poor male-population works as agricultural labor, run small businesses and is factory workers. A large number of women work as domestic employees for sustained income in the nearby middle-class localities. The encroachments, unstandardized narrow streets, meandering and uneven road, difficult even for a standard vehicle to drive broken and dusty roads, filth piles, roaming cows and domestic fowl give a rural site. Christians and Muslims inhabit the area no difference in poverty, except the Christians and Muslims live in respective cohorts with an equal amount of sub-standard living. Figure 1 shows the location of Shahpur Kanjran on Google map.



Figure 1: Location of Shahpur Kanjran on Google map

5. Text Analysis and discussion

5.1 Organizations' text analysis

The IFC (<https://www.ifc.org/>) a subsidiary of the WB (<http://www.worldbank.org/en/topic/poverty/overview#2>) engaged in investment of “exclusively for-profit projects in developing countries, and charge market rates for products and services”. It is the main investor of the WB in MFO. The WB also “aspires to fight poverty in all its dimensions”. The text of both organizations shows the lack of women’s economic participation as the barrier to poverty alleviation. IFC/ WB are protagonists for women capacity building, poverty alleviation and empowerment.

CGAP (www.cgap.org/about) envisions “a world where poor are empowered to capture opportunities and build resilience through financial services”. The strategy supports the vision to “deliver financial services, incorporating digital technologies to outreach”. The strategies’ main thrust is on women and maximizes reach out for most innovative enterprise”. The text’s tone is formal, marketing and business-centered, like “creating customer value”, “emerging business model”, “financial markets work for low-income people”.

PPAF(siteresources.worldbank.org/INTPAKISTAN/RESOURCE/PPAF.pdf) WB-funded wholesale organization supports retail MFOs engaged in poverty reduction and empowering rural and urban poor. It provides “access to microcredit and grants for infrastructure and capacity building and gender and women empowerment”.

DAMEN credit is for women only. Its logo symbolizes three women, each woman’s right hand on the other woman’s shoulder and left hands of all the three as tree branches (Figure 2). The symbol depicts the collective strength of women. One of the most recurring themes in the selected MFO text is “capacity building”, “poverty alleviation”, and “empowerment”. The motto, “strong women, strong society”, encapsulates the values of the MFO,



Figure 2: DAMEN Logo

to provide credit directly to women only. These terms appear in DAMEN’s vision, mission, and organizational objectives. DAMEN’s vision states: “Development” as a process of “capacity building” of the people in order to “empower” them to solve their socio-economic problems through collective action and their own “participation”. “Empower” is an adjective that describes the condition to solve own problem “together” (participation). DAMEN’s text further states: “To make the people of marginalized communities understand the true notion of development and build their capacity, which would enable them to organize themselves into groups for collective action leading towards self-reliance and empowerment”. The objectives of DAMEN state:

1. “Concentrate on activities for the integrated, self-reliant and long-term development of the communities through various programs of education and health.
2. Enhance the cause of women development by initiating programs for income generation, provision of credit and awareness of their legal and basic rights”.

The bold phrases in item 1 above claim communities’ self-reliance and development contingent on education and health programs. The word ‘integrated’ is used in the ‘participatory’ sense. The second item underscores women’s development through credit, assuming it will be utilized in income-generating activities. The second item is more lucid because the text is understood as women’s capacity development for self-reliance supported through credit. Misdirected use of credit and low female literacy, alone in patriarchal societies may not ensure women’s autonomy and empowerment (Ali et al., 2012). The text further adds:

“This is achieved through a variety of training programs and awareness sessions for the community that deals with relevant social issues and mechanisms to cope with them, Community capacity building is primarily achieved by holding regular Women Social Organization (WSO) meetings.....”

The text shines, on the social development of women through collective initiative; information sharing and solving common social issues. The text assumes the creation of WSO for dealing with social issues enhancing women’s capacities.

The text of NRSP (UPAP) states: “NRSP’s Social Sector Services encompasses education, health and nutrition and the ‘social development’ aspects of water, environment, and sanitation (WES). The latter complements the engineering inputs”.

The NRSP’s discourse confirms the iniquitous distribution of services in health and education as a governance challenge:

“..Since the Government is responsible for health and education and has the financial resources to ensure that services are provided, NRSP works on two fronts: (a) building people’s capacities to access services from schools and health facilities and to have a say in the local management of those facilities and (b) working with Government Departments to improve infrastructure, managerial and teaching skills, nurture an ethics of responsibility to and from those seeking services”.

The NRSP text confirms the poor governance in government services (education and health), works with the government to improve school and health infrastructure (lines 3). The text asserts government alone possesses resources to provide health and education (Lines 1-2) and emphasizes social development but does not particularly mention women.

After the textual analysis of the global and local level organizations, the borrowers’ perspective on credit use for social development is analyzed and contrasted with the organizations’ claims.

5.2 Customer’s text analysis and discussion

Three interconnected themes, borrowers’ needs, relationship/interaction, capacity building, poverty alleviation, and empowerment from literature are combined with the participant’s interviews.

5.2.1 *Borrowers' need*

The lynchpin to the relationship between borrowers and the MFOs is the “need” discourse. Women borrowers’ needs are embedded in the social context, social capital and espoused cultural values. Their latent consumption needs are hyped by media (watching local soap operas in spare time is common among female borrowers), social comparison, and imitation inducing compulsive consumption. Most of the borrowers in the sample are employed and own houses with an average size of 1360 square feet. Only fifty respondents lived in rented accommodation. The average income ranged between Rs. 20000ⁱⁱ to 40000 per month. But the large family size (4 to 12), owing to son desire a socio-cultural value, the per capita income dilutes. Despite, income and assets, the demand for credit mainly stems from social needs. Ten respondents replied:

1. *“It was brothers (or sisters) wedding and I wanted to look my best.*
2. *My husband’s income is low to buy nice clothes for the family.*
3. *I borrowed before from MFO and repaid the amount”* (Interview, Shahpur Kanjran, 20 January 2018).

Line (1-3) the cultural values and “need” as the nodal discourse around which other signs are organized. Participation in the “Wedding” participation is the external force compelling subjective modality (line 1) for borrowing. It shows text has roots in her viewpoint when borrowing becomes an objective modality. But it also shows the repaying capacity and credit accessibility. Thus, borrowers’ social needs, like social position and ostentation are the foremost reasons for borrowing. Others narrated:

1. *“Our social needs are met from the loan. We pay off a loan and prepare for the next.*
2. *Is this not enough for us? Loans keep life going.*
3. *We borrow, either from a moneylender or MFO. But MFO loan terms are better”.* (Interview, Shahpur Kanjran, 20 January 2018).

Lines (1-3) reveal the diverse needs and the subjective modality. Repeated borrowing and repayments are means to meet social needs. It gleans MFOs are preferred over moneylenders (line 3) for ease of borrowing and repayment. Borrowing is a way of life among poor households, not because the incomes are meager, but poor mental accounting and prioritizing needs and expenditures. Thirty females responded, *“When we receive monthly salaries, we are unable to prioritize our expenditure and the urgent expenses overtake important ones”*. Others responded: *“For us joining family gatherings is important because we exchange cash as a gift”*. (Interview, Shahpur Kanjran, 22 January 2018).

Based on need information the MFOs leverage daily consumption and social needs for designing the loan product and building relationships. Interestingly, the social consumption needs and not the entrepreneurial needs drive product design and CO formation. Most of the women in the sample are domestic employees and have permanent income sources therefore, they are not aspiring for a self-generating income source.

5.2.2 *Relationship/interaction*

Information about customer needs enables MFOs to identify the best customers, retain them to maximize customer value for profitability and design relationship for selling the loan. It is a process of engaging customers in collaborative endeavors for mutual benefit (Parvatiyar & Sheth, 2000). Some relationship programs include loyalty cards, company credit cards, and discount offers, personalized offers delivered through the mail and email list. Microcredit products link borrower-lender through a lending process involving prompt payment of loans to borrowers, incentivize timely installments repayment, creating trust and reciprocity on one side and ensuring the financial sustainability of MFO on the other. Retaining the compliant and weeding out non-compliant customers (Churchill, 2001) is a strategy for sustainable profitability. According to the NRSP (UPAP) customers textual discourse,

1. *“Credit disbursement and recovery methods are based on effective supervision and borrowers’ follow-up.*
2. *This is done through regular monitoring and by developing a relationship of respect with the community members”.*

The text language, ‘methods based on effective supervision and borrowers’ follow up’ show the discourse on recovery which is important for financial sustainability. The phrase “relationship of respect” is conditional to compliance text which affects financial sustainability. But at the same time, MFOs are respectful of a meaningful long-term relationship to sell financial products. The adjective “effective” used in the website and other text, shapes meaning to social practice when non-compliant borrowers are treated otherwise. The discourse makes an oblique reference to the relationship which is not well elaborated. On the other hand, the MFO-borrower relationship is more noticeable in the social practices where the loan operational staff interact with the community. According to the NRSP (UPAP) borrowers:

1. *“Our experience is very satisfying.*
2. *They came and asked us to borrow.*
3. *They formed the group*
4. *We live in rented houses and our ages are 60 plus, but we are credible and permanent borrowers.*
5. *They have our personal information, we gave them hypothetical business information”* (Interview, 15 February 2018).

The borrowers experience trust and reputation for the MFO (lines 2-4). The lenders reach out to borrowers and are persuasive to sell the product. For credible borrowers, the lending criteria like age and rented accommodations are waived (line 3) for the maximum sale of the loan product. It is the mutual exchange and trust, a criterion in relationship marketing that is adopted on both sides.

The house ownership tacit collateral manifests some level of repayment capacity. According to DAMEN borrowers:

1. *“The loan is given to a group of five women, who own a house.*
2. *We are each other’s guarantors.*
3. *Women living in rented accommodations are not given loans. They check owner’s name on the electricity bill”.* (Interview, Shahpur Kanjran, 21 February 2018).

CO is carefully constituted considering members’ debt repayment capacity from the physical asset ownership as noted in the text, in line 1. Tacitly this action ensures financial sustainability for MFO (Murdoch & Barbara, 2002), however, very poor’s exclusion dilutes the stated development text showing CO’s original purpose placed in the back-burner.

The prompt credit payment also leverages relationship which is reciprocated as complying with the repayment schedule, rivets mutual exchange and trust. It ensures loyal customers who purchase the product when needed are rewarded. According to the respondents of both the MFOs:

1. *“If we pay our installments regularly, we have the incentive to receive a greater loan amount next time.*
2. *Each time we pay installments as per schedule, the future loan amount is increased with a cash reward. We got Rs. 500 each”* (Interview, Shahpur Kanjran, and 15 March 2018).

Line 1 and 2 show loan recovery incentivized to compliant customers and MFOs leverage to reward and punish borrowers alongside maintaining the trust and mutual exchange. Despite low literacy, borrowers understood verbal text and the meaning which modifies repayment behavior, practices and the relationship.

According to Aliceⁱⁱⁱ:

1. *“It is for the first time a little difficulty is encountered, but when you become a regular borrower, trust develops and the MFO differentiates between compliant and non-compliant borrowers.*
2. *Timely installment repayment is more important.*
3. *Loan utilization is of least concern”* (Interview, Shahpur Kanjran, 20 March 2018).

The identification of loyal, trusted, repaying borrowers is more important than credit utilization and non-economic use of money. Though the loan temporarily improves living the capacity-building goal is deferred in the long run.

The MFO incentive induces obedience and compliance discourse changing customers' economic aligning it to their goal of profitability. Incentives, disincentives and the use of shame in the community cause loyalty, while non-compliance is dealt with high-handedly. Both the NRSP (UPAP) and DAMEN borrowers responded:

1. *"A delay of a day or two is acceptable but if we are unable to pay monthly installments, they sit at our doors till night.*
2. *We have to repay, either sell household things or borrow.*
3. *It is socially humiliating when people sit outside your house for installment"* (interview, Shahpur Kanjran, 3 April 2018).

'Shame' and 'carrot and stick' approach exudes high-level intertextuality inducing borrowers to disciplined repayment. These subtleties modify repayment behavior, maintain MFO financial sustainability and the continued presence (Czura, 2015) in the area.

The MFOs main concern is selling products and establishing a relationship with credible borrowers. The repaying capacity is the foremost criteria for selling products instead of capacity building. The borrowers' discourse corroborates CO's newly defined task as leverage for need identification for product design and relationship building through carefully constituted CO to sell product to loyal customers rewarding the compliant repayment behavior.

5.2.3 Capacity Building, Poverty Alleviation and Empowerment

"Capacity building", 'poverty alleviation' and 'empowerment' are interlinked. Enhancing the capacity to independently establish, organize and graduate a micro-enterprise, helps reduce poverty which slowly empowers an individual. One of the barriers to capacity building is the lack of education and skill in self-organizing. For capacity building CO, a participatory tool originally conceived for the purpose degenerated into a loan sale tool and for identifying needs of credit-worthy borrowers evading the original development purpose. The customers' discourse shows social needs and the MFOs recognize contextual realities, however, their imitated discourse hardly has a benchmark to evaluate MFOs social development performance (Mosedale, 2005).

When asked from the participants about capacity building and awareness workshops organized at CO level by MFOs, the collective text was:

1. *“There was no capacity building, financial or social training workshops.*
2. *They only form CO for lending microloans.*
3. *Even details of our business are not solicited and a loan is readily given.*
4. *they don’t even monitor the business, nor do they give any advice”* (Interview, Shahpur Kanjran, 3 June 2018).

Customers’ discourse, lines (1-4), show COs function as a conduit in the identification of credible borrowers and product sale. It bespeaks contrary to the MFOs text. It can be safely inferred capacity building and poverty alleviation are relegated to relationship marketing.

Repeat borrowers of both the MFOs were specifically asked, about capacity building, poverty alleviation and empowerment discourse. They responded:

1. *“Small amount does not reduce poverty.*
2. *This loan only meets recurring expenditures.*
3. *Can your life be better, with an Rs. 20000 or Rs. 60000?*
4. *As an old borrower, see my house, do you see prosperity?*
5. *We take loan after loan to meet expenditures.*
6. *There are happy occasions and tragedies in our lives.*
7. *My nephew died and we had to go to the funeral.*
8. *You have to pay for groceries, sickness, electricity bill, and much such expenditure”* (Interview, Shahpur Kanjran 2 June 2018)

The repeat borrowers’ text lines (1-8) show that capacity building, poverty alleviation and empowerment appear in the textual discourse while the reality remains unaddressed. The discourse lucidly shows the perpetuity, and dependence on loans for consumption needs (lines 4-8).

The development text of the customers does not align with the formal discourse of the two retail MFOs. The lenders focus on borrowers repaying capacity and adherence to the repayment schedule and are intolerant to loan default aligning with the discourse of IFIs.

6. Conclusions

Enunciated international organization’s social development discourse (capacity building, poverty alleviation and empowerment) and the similitude in MFO text are found. It is concluded that interdiscursivity found between MFOs and IFI financial sustainability discourse with the former mimicking the latter’s discourse in pursuit for financial support. The CO of borrowers becomes a vehicle for need identification, relationship building disregarding social development. Yet the consumers’ discourse is at variance with the former

two. In the instant case, the emphasis is on relationship building to sell the products (credit). Emphasis on relationship building, (Understanding borrowers' needs, and developing product characteristics according to consumers' needs) and financial sustainability (debt repaying capacity, loan payment and repayment criteria) constitute a deeper meaning of microcredit, veiled in multilateral organizations' development discourse to seek financial sustainability and profitability. The original cooperative ideals to enhance capacity building and empower women to appear to recede to the back lane.

To maintain financial sustainability a considerable trust and credibility in borrowers' repayment capacity is created for the MFOs to design products and its sale for only those who can repay. In this process, the adherent customers are discounted by giving increased future loans and cash awards which is a kind of loyalty tool used in relationship marketing strategy. MFOs have endeavored to familiarize themselves with customers in identifying loyal customers and their needs to create dependence which consequently ensures multiple borrowings and regular repayments. These strategies are to sell loans to those with debt repaying capacity and the written claims of social development goals diffused in the relationship marketing which ensures only financial sustainability.

The CO originally envisaged to identify collective problems and empower communities to self-organize to seek a solution to the problems, however, for marketing the sale of product it is used to identify the need and create dependence on loans to meet non-economic expenditure and create a relationship of trust and loyalty. The instance community's low education and skills hinder capacity building and empowerment, the microcredit can only increase consumption but may not enhance capacity, poverty alleviation and empowerment. The small number of loans can only meet recurring expenditures, social needs and create perpetual dependence where poverty is managed and not alleviated.

It is, therefore, suggested to policymakers and the MFOs to focus on capacity building. Social development requires training of staff, monitoring staff and ensuring social development happens. Use of relationship marketing just to sell loans to poor (and not to very poor) for financial sustainability, and continuously identify potential borrowers' repaying capacity, incentives and rewards to improve repayment rate, ensure promptness, create credibility and trust alone would be a disservice to social development. Reviving and strengthening CO's original development philosophy is necessary for capacity development for small entrepreneurs. It is suggested to maintain development agenda in the fore.

As a qualitative case study, the researcher does not generalize the findings, however, presents a rich contextual understanding of the interdiscursivity of MFOs and IFIs discourse for commercial purposes affirmed by juxtaposing it with borrowers' discourse which is rarely undertaken in literature. The suggested future research is the social development through CO as a change agent.

ⁱ A focus group comprising 10 women borrowers

ⁱⁱ Rs. 110 to \$1 (Jan 2018)

ⁱⁱⁱ All names used in the paper are fictitious.

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