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Neoliberalism, Race and Empowerment: A Study of Microenterprise Programs in Toronto and Los Angeles

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in Sociology

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Abstract

This dissertation focuses on microenterprise in Toronto and Los Angeles. Two related research objectives are pursued in this dissertation. The first and overarching question concerns empowerment. 1) To what extent do microfinance and microenterprise programs empower their clients? The second broad theme concerns neoliberalism. How is the experience of empowerment shaped by neoliberalism? To gain further insight, I consider the following questions. 2) What are the objectives, intended outcomes and structures of microenterprise programs? 3) Who are the key actors in the space and are there any patterns in relation to race, gender and class? 4) What role does structural location (specifically race and class) play in one's experience or in empowerment outcomes? 5) What are the intended and unintended consequences of microenterprise programs? I rely on qualitative data gathered from fifty-eight, semi—structured interviews with three groups (microenterprisefunders, workers, and clients). Evidence is presented that demonstrates the ways in which empowerment approaches had been shaped by neoliberal reforms. On the one hand, participants were sometimes empowered and leveraged social capital developed through program participation. On the other hand, neoliberalism constrained actors. Additionally, neoliberalism was not only correlated to racial inequality, it was accelerated by racism. Racism (especially colour-blind racism) was normalized and was a defining feature within the microenterprise field, despite the language of equality and empowerment (Delgado & Stefancic, 2017). Microenterprise actors embraced neoliberalism and idealized the entrepreneurial citizen, propagating the myth of individualism and meritocracy. Colour-blindness played a role in the blaming of microenterprise clients for system failures. This highlights a problem for those who seek to empower the poor as it illuminates the risk of engagement that takes place in ways that may be harmful. Given that the structure of inequality and racism are entrenched by neoliberal economic policy, both must be disrupted. Only by turning our attention to system failures, exploitation, and oppression, can individuals be empowered. I offer a new Empowerment Model as an analytical tool but also as a pathway to a better way forward. Centering the voices, experiences and lives of racialized individuals will lead to more beneficial outcomes.

Keywords

Microfinance, Microenterprise, Neoliberalism, Empowerment, Poverty, Race, Racism, Community Development, Community Organizing, Entrepreneurship, Social Capital

Summary for Lay Audience

Why do some people seem to struggle more to get ahead or survive in today's economy? How do aspects of our identities or experience – such as race, gender or class – impact our ability to get ahead and realize the “American Dream?” How can those who struggle most be supported or empowered? Is entrepreneurship part of the solution to their troubles? This study wrestles with these questions, and more. The author interviewed clients, workers and funders of microfinance and microenterprise programs in Toronto and Los Angeles. Microfinance programs traditionally provide small loans to people living in poverty to start small businesses, in order that they may support themselves and their families. It is frequently referred to as a way to provide a ‘hand-up’, as opposed to a ‘hand-out’. Today's programs also offer loans, savings, business training, financial literacy training, business advisory services and support. The study found that people coming together on a regular basis and forming social connections, as well as trust, belonging and a willingness to help one another, played a role in improving their lives. This, however, was not the whole story. Community members' awareness of the barriers that made life more difficult for some, and a desire to do something about those challenges, was an important part of becoming empowered. Also, understanding race and racism contributed to worker's effectiveness and the degree of empowerment experienced by clients. The findings provide some guidance for government, industry, and charitable organizations, as well as improved ways of helping struggling families facing hard times.

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Chapter 1

1 Introduction

Recently, the twin pandemics of COVID-19 and systemic racism (brought to the forefront by the Black Lives Matter movement) have highlighted the preexisting vulnerability of marginalized peoples. Calls by researchers and poverty experts to address vulnerabilities through the introduction of basic income programs or through strengthening safety nets, broadly speaking, were suddenly brought to the forefront with programs such as Canada's Emergency Response Benefit (CERB) and the US's Covid Economic Relief Program payments. Decades of neoliberal economic policy reforms and cutbacks, precarious employment (and a lack of good, fulltime, permanent, jobs with benefits), average incomes that have failed to keep up with the cost of living, and a lack of access to affordable housing have left many people more insecure and vulnerable (Ball & Tepperman, 2016; McMullin & Curtis, 2017; Stiglitz, 2012). Like the 2007-2008 financial crisis, the global pandemic crisis revealed cracks in the system.

The gap between the top and the bottom, in terms of both wealth and income, has been widening for decades. Leading up to the crisis, many middle-class people increasingly faced mounting financial pressures, low-income people were trapped in a race to survive while the top 1% maintained or increased their wealth. For example, "thirty years ago the top 1 percent earned 12 percent of the nation's income" (in the US) whereas in 2007, the "average after-tax income of the top 1 percent had reached 1.3 million" as compared to \$17,800 for the bottom 20 percent (Stiglitz, 2012, P. 5). Additionally, the top 1 percent earn more in one week than the bottom fifth earn in an entire year (Stiglitz, 2012). Similar poverty and inequality trends persist in Canada. The distribution of wealth in Canada, since 1999, has been heavily skewed towards the benefit of the wealthy. For "every new dollar of real wealth", 66 cents "has gone to the wealthiest 20 percent of Canadians.....23 cents.....to the upper-middle class, leaving a paltry dime for the bottom 60 percent." (Employment & Social Development Canada, 2022, p. 1). Disparities in wealth and income alone do not tell the whole story. The pandemic also highlighted the ways in which some groups are disproportionately impacted by market

failures, especially in times of crisis. Factors such as race, gender identity, immigration status, and disabilities play a role. Colonialism, discrimination, racism, sexism, ableism, homophobia, transphobia place people at risk, and are intimately related to the experience of poverty, wealth, food security, health, housing, safety, access to opportunity and quality of life more broadly (Braun & Woller, 2004; McMullin & Curtis, 2017; Miller & Martinez, 2006; Stephens & Tazi, 2006; Sullivan et al., 2016; Westover, 2008).

Despite a measure of consensus that poverty is a social problem requiring intervention, some of the political, policy and public discourse remains focused on transforming the poor as opposed to eradicating poverty (Gazso et al., 2019). Many people still believe that individual skills, talent, motivation, work ethic, education and positive lifestyle choices lead to economic rewards. It is not difficult to understand how beliefs about individualism and meritocracy are embraced alongside unfavourable views about the poor. Those living in poverty may be perceived as lacking in work ethic, motivation, as making poor “lifestyle” or “moral” choices, as complacent, as content to remain welfare dependent or as unwilling to work hard enough to change their circumstances (Gazso et al., 2019). These ideas and beliefs about the poor or welfare dependency play a crucial role in poverty responses and reforms, as well as shape broader debates within government, media and the public (Gazso et al., 2019). It is this context through which we must examine “common-sense”, “pick yourself up by the bootstraps” and “bottom-up” approaches (such as microfinance) to poverty alleviation or poverty management.

I respond to this context by offering one of the first North American explorations of how race, neoliberalism and microfinance are experienced in Toronto and Los Angeles.

Although these two cities are geographically and culturally distinct, and have regional and even funding differences, I do not unpack these differences throughout. Instead, I focus on commonalities and broader patterns within this city study. I acknowledge that this approach comes with inherent limitations. Data are drawn from in-depth interviews with 58 microfinance funders, workers and microentrepreneurs all of whom had either participated in a microenterprise program, funded a program, led a program, volunteered, or were a microfinance knowledge worker/microfinance insider and part of the microfinance ecosystem. Adopting this qualitative method, my intention was to gain

insight into the effectiveness and degree of empowerment offered by microfinance programs.

Microenterprise development, encompassing programs that provide loans to individuals lacking capital to launch an entrepreneurial enterprise, has stoked the imagination of some, presented as a promising solution to poverty and the inequality problem (Schaberg et al., 2019; Yunus, 2007). Typically operated by non-profit or charitable organizations, microenterprise development programs provide training, consulting, and support services, as well as financing to prospective entrepreneurs (Bornstein, 2005; Maksoud, 2008; Visano, 2008; Yunus, 2007). Microfinance, the finance portion of the program, is presented to clients as a means to reach the aspirational home-based business that might generate sufficient income to supplement a low-wage, part-time, or flexible job, or allow them to grow a financially sustainable business that can allow them to provide for a whole family (Schaberg et al., 2019). Microfinance was initially described as the practice of granting small loans (microcredit) for the purposes of business startup; however, the term increasingly encompasses a comprehensive list of financial services including credit, savings, insurance, financial literacy, skills, and business training (Cohen, 2002; Dunn, 2002; Eyiah, 2001; Nourse, 2001; Woller, 2002). Microfinance ventures can be seen as an exit out of an undesirable job or a means to engage in the labour market after a bout of unemployment. Entrepreneurship is typically cast as a pathway to empowerment by microenterprise workers. Although definitions of empowerment on the ground may vary, the notion is often linked to the tangible outcome of improved financial security for low-income individuals and families living in low-income (Schaberg et al., 2019; Yunus, 2007).

The literature is rife with debate concerning how much empowerment microfinance offers its recipients in reality. Empowerment, although a contested term, generally refers to one's capacity to make choices or exercise agency (Kabeer, 1999). On the one hand, supporters view microfinance and microenterprise as a bottom-up, grassroots approach that enables individuals to help themselves out of poverty – ostensibly a hand-up as opposed to a handout (Bornstein, 2005; Daley-Harris, 2009; Schaberg et al., 2019; Yunus, 2007). Much of this research focuses on programs in the Global South where

microloans, with values as minute as \$25, are provided, primarily to women, to launch businesses. Women are organized into trust or solidarity groups, where they guarantee one another's loans and support each other over the duration of the loan cycle (Sanyal, 2009; Schaberg et al., 2019; Yunus, 2007). Training on business development, marketing, and financial literacy is typically provided as part of the program (Sanyal, 2009). Some research suggests that through the initiative, the participants see increases in their income and savings, but also improvements in their relational ties, which enhances their agency, decision-making and ability to take actions that improve their personal and familial well-being (Sanyal, 2009; Schaberg et al., 2019).

Critics of microenterprise question the validity of the overly aggrandized empowerment claims widely embraced by its supporters (Goetz & Gupta, 1996; Kabeer, 2001; Mayoux, 2005; Rankin, 2001). They argue that women's empowerment may be stymied by the fact that men often control the loan proceeds, over-indebtedness is common, and high interest rates penalize those with low-earnings. What is more, there is little evidence to suggest that such ventures are sufficient to remedy poverty. (Goetz & Gupta, 1996; Karim, 2011; Karnani, 2007; Lingam, 2008; Rankin, 2001). Indeed, some argue that microfinance programs align well with a neoliberal agenda; positioning the pursuit of economic interests as the solution to innumerable social problems (Bateman, 2010; Karim, 2011; Rankin, 2001; Selinger, 2008).

Having worked in the field of microfinance in the global south, I had seen firsthand some of the benefits of microfinance programs. On one trip to Rwanda, I met with dozens of women borrowers who shared their stories of transformation and empowerment. Stories of young children being able to attend primary school for the first time now that funds were available for uniforms, families being able to improve their housing by installing cement flooring or a more durable roof, or women hiring their neighbours were common. I visited a thriving village that would be best described as a thriving micro-economy. During the same trip, I visited another village where aid from the Anglican Church had been responsible for infrastructure development. In this village, I observed many residents without meaningful work to do. My anecdotal observation at the time was that

microfinance and entrepreneurship were more beneficial than long-term aid. I wondered if the same would be true at home.

Back in Canada, a local municipality hired me as a Management Consultant to develop a microfinance program to assist low-income individuals' transition from government assistance to self-reliance. Newcomers were also prioritized as they struggled with economic integration. I was awarded the project based on my microfinance experience in the global south and my career background as a banker. Upon investigating best practices in Canada, I learned there were many differences between the global south and the global north. This learning journey led me to have more questions than answers. This project originated from these early experiences.

The purpose of this study is to explore clients', workers' and funders' perceptions of, and lived experiences with, microenterprise development programs in order to advance our knowledge about the merits, limitations and empowerment claims attached to such programs.

To examine the degree of empowerment experienced on the ground, this dissertation begins with an overview of the current landscape and the inequality that microenterprise attempts to address. Growing social inequality, poverty and labour market opportunities are examined in the context of neoliberalism. Next, microfinance and microenterprise is explored as a potential solution to these challenges. The existing scholarship is explored as well as its context. After a detailed account of the methodological approach, various themes related to empowerment are considered. The first results chapter provides an overview of the organizations, their programs, intended aims, how they work and who the actors are. Next, the theme of neoliberalism is explored through a critical analysis of neighbourhood revitalization efforts. Neighborhood revitalization is relevant because microenterprise development is often taken up as part of collaborative efforts between the City, real estate developers and non-profit organizations. I explore the ways in which microenterprise development actors are enabled or constrained by these efforts and whether this impacts empowerment. Next, the degree of empowerment of microenterprise clients is assessed by examining the relational ties developed through

microenterprise development participation. Clients often build peer-to-peer connections as well as extended networks that enhance their business operations. Social capital is explored as a pathway to empowerment. Finally, I turn my attention to the structural location of the actors. Do race, class or gender impact one's understanding of empowerment or their actions to get there? In this chapter, I contrast the voices of white middle class workers with microenterprise development workers of colour. Through comparing and contrasting, we learn something new about empowerment that has not been previously discussed in the microfinance or microenterprise literature. Namely, that those with power understand empowerment differently than those without it. In fact, racialized, poor, and otherwise marginalized community members interpret empowerment to also involve processes with social justice aims that will also disrupt unequal power relations and minimize inequality. Finally, I conclude with a discussion of what this all means and a potential way forward.

Chapter 2

2 Social Inequality, Neoliberalism, and Social Location

2.1 Contribution of Research

Recent sociological scholarship has focused on growing social inequality and the neoliberal restructuring that has exacerbated the problem over the last several decades (Ball & Tepperman, 2016). Scholars have examined issues such as a real decline in wages, structural unemployment, and underemployment (Ball & Tepperman, 2016; McMullin & Curtis, 2017; Mooney et al., 2015; Ore, 2019). They have also examined the relationship between poverty and low waged work. The evidence suggests that more vulnerable workers are more likely to work in more precarious forms of work (Ball & Tepperman, 2016). Race, class and gender also play a role in shaping labour market opportunities. Sociologists have embraced these issues as matters of sociological importance but largely left the examination of self-help approaches that respond to these challenges, such as microfinance and microenterprise interventions, to other disciplines such as business or economics.

Given the growing gap between rich and poor, and the alarming growth pattern of the working poor (those that have jobs and are unable to afford basic necessities such as housing and food) policy makers are trying to figure out what to do (Ball & Tepperman, 2016). The fact that work, even full-time work, provides no promise of a living wage has led some scholars to argue that policies have failed to address the root causes of poverty (Smith-Carrier & Benbow, 2019). Smith-Carrier et al. (2019) posit that “a lack of income due to precarious work, rising costs of housing and material goods, and dwindling social supports” are to blame. MacEwen (2016) highlights the fact that women make-up most minimum wage workers and still live in poverty. In Canada, most poor people work but non-standard work represents about one third of all jobs in Canada (Ball & Tepperman, 2016). The practice of turning to small business creation, as a way to address societal challenges, is a fashionable solution. Using market-oriented strategies to solve problems created or exacerbated by market failures is one peculiar and common practice under neoliberalism. Microfinance seems like a commonsense solution. But does

it really work? There is a lack of critical debate concerning self-help approaches in our own backyard, where individuals are expected to pull themselves up by their bootstraps and work their way out of poverty (Clow, 2014). Sociologists are uniquely situated to address this gap in this literature and address the ways in which neoliberalism may shape the extent to which self-help approaches are effective.

The link between neoliberalism and microfinance has been examined by critical scholars in the global south (Bateman, 2010; Karim, 2011; Lingam, 2008; Rankin, 2001; Selinger, 2008). Microfinance was initially popularized in the 1980s by Grameen Bank in the global south and has since been globally replicated (Bornstein, 2005; Clow, 2014; Simanowitz, 2011). Originally envisioned as the provision of small loans to unbankable individuals to start small businesses, microfinance grew to include training, savings and insurance (Bornstein, 2005; Yunus, 2007). The practice was praised by many as a providing a hand up as opposed to a handout and was seen as a grassroots bottom-up way to alleviate poverty and empower beneficiaries. Over time, scholars and practitioners became more critical (Bateman, 2010; Karim, 2011; Rankin, 2001).

Much of the critical scholarship emphasizes the relationship of microfinance with neoliberalism in the global south (Bateman, 2010; Clow, 2014; Rankin, 2001). It has failed to address these linkages in the global north (Clow, 2014). In the global north, the scholarship is organizationally specific, case based or focused on borrower success stories (Clow, 2014). In the global north, a gap exists in critical analysis or sector wide evaluations (Clow, 2014). For example, in Canada, there are only three, sector wide analyses and only one addresses neoliberalism. We still do not know about overarching trends or much about how these programs work on the ground in urban settings in North America and how participants experience them.

Many scholars consider microfinance to be a passé subject matter, but they fail to recognize the extent to which the idea of the micro business has been taken up in urban centers in North America (Schaberg et al., 2019). For example, in Los Angeles, microenterprise organizations play a crucial role in neighbourhood revitalization efforts.

Microenterprise programs are also offered to homeless individuals in Skid Row. Many of the recipients belong to vulnerable groups. Many are women and are visible minorities.

The existing scholarship is more about the politics of international development and less about a critical discussion of race or racism, for example, in urban centers in North America (Clow, 2014). Microenterprise programs have been increasingly used as a tool to improve the financial stability of low-income individuals and families, many of whom are visible minorities (Schaberg et al., 2019). Research is needed to understand the experience of brown and black individuals living in under-resourced communities such as Regent Park or Thorncliffe in Toronto or Compton, Watts or Leimert Park in Los Angeles. Research is needed that will contribute to our understanding of the production of neoliberalism by offering an analysis of race, racism, poverty policy and entrepreneurship as a self-help approach. I focus on how microenterprise workers write out race and racism as part of the production of entrepreneurial citizens. This process typically involves strategic communication about racialized individuals experience to fit enterprising logic. I seek to capture the underlying beliefs and ideological assumptions used to shape policy and programs. I apply Cornel West's theory of conservative behaviourists and liberal structuralists and critical race theory to analyze this colour-blind practice in the field. Contrasting the colour-blind narrative of white middle class educated practitioners with the race-matters narrative offered by brown and black practitioners exposes the reproduction of neoliberal policy patterns that promotes the idea of race-less subjects (Crenshaw et al., 1995; Delgado and Stefancic, 2017; Kothari, 2006; Sriprakash et al 2019; West, 2001; White, 2002; Wilson, 2012;).

Additionally, the existing microfinance literature often falls within one of two camps – either advocates or critics. I maintain that there are no easy answers. Current scholarship often oversimplifies both the problem and solutions. For example, a recent study by Gutierrez and Serrano-Cinca (2019) examined 20 years of research in microfinance. The paper reviewed 1874 papers published from 1997 to 2017. The data revealed two research traditions including papers focusing on clients (which the author labelled welfarists) and papers focusing on microfinance entities themselves (institutionalists). More papers now focus on institutionalism. Most researched topics included innovations

in practices, impact, “institutions’ peculiarities” and most recently the negative aspects arising from issues such as “mission drift”. The focus remains organizational effectiveness, organizational challenges and organizational changes that may improve outcomes. These topics do not emphasize the complexity associated with globalization, changes in work such as precarity, or race, for example. I conceptualize the lack of analysis of the messy middle ground as both a gap in the literature and an opportunity. Microfinance and microenterprise directors, funders and workers are often motivated by altruistic ideals and a desire to empower their clients. Their stories and rationales are often left out by the critical scholars. Similarly, advocates emphasize entrepreneurs’ success stories and organizational achievements. Neoliberal restructuring, agency, structure, power, race or other macro level factors are not usually considered. Both positions remain lacking. I focus on how microenterprise programs are intended to work but also how beneficiaries use these programs. The result is an understanding of the ways in which programs are constraining and simultaneously empowering. Sometimes the empowerment is in the unintended consequences of bringing people together.

Then, I use the varying experiences of informants - those with power (funders and directors) and those with less power (program participants who are often poor, and some workers who are community insiders) to demonstrate the significance of standpoint when it comes to empowerment, and critical consciousness raising, when it comes to disrupting unequal power relations (a goal of some program participants and racialized microenterprise workers). Drawing on Patricia Hill Collins and Paulo Freire, I offer a new perspective on empowerment that centers the voices of those who have been marginalized.

Finally, the existing literature (in both economics and sociology) often focuses on organizations that provide loans. Given the trend in the non-profit sector to achieve blended return and use more enterprising approaches, many are offering entrepreneurship training and self-employment programs to their clients. I extend the analysis to organizations that help low-income individuals start businesses, even if they do not provide credit (microenterprise). These organizations often refer their clients to lending partners when necessary. By doing this, I can focus on how non-profit and community

organizations are increasingly using entrepreneurship as a way to solve almost every problem. This sheds light on the ways in which neoliberal policy patterns are reproduced and reinforced, while strategically avoiding consideration of the root causes of poverty or the collective solutions necessary to address them.

To address the gaps in critical scholarship and the sociological literature in the global north, the following research questions will be examined. The first and overarching question concerns empowerment. 1) To what extent do microfinance and microenterprise programs empower their clients? To examine this question, I also consider how the various actors (e.g. funders, directors, clients) understand empowerment and whether there are multiple meanings of empowerment in the field.

The second broad theme concerns neoliberalism. How is the relationship between microenterprise program participation and empowerment moderated or shaped by neoliberalism? In other words, what are the connections between microenterprise in urban centers in the global north and neoliberalism? Particular attention is paid to outcomes associated with neoliberalism. To understand these outcomes, I consider the following questions. 2) What are the objectives, intended outcomes and structures of microenterprise programs? 3) Who are the key actors in the space and are there any patterns in relation to race, gender and class? 4) What role does structural location (specifically race and class) play in one's experience or in empowerment outcomes? 5) What are the intended and unintended consequences of microenterprise programs? 6) What does it mean to practice as, what Cornel West calls a liberal structuralist or conservative behaviourist (a more detailed descriptions found below), in the field of microenterprise? My emphasis on race and class, as it pertains to structural location, is not intended to imply that gender is less relevant. I acknowledge these are intersecting and ever present. I emphasis race and class because it was a central focus of many of the respondents. I also did so for practical reasons including analytical distinction and length of this project.

To address these research questions, I first orient the reader to the characteristics of the microfinance and microenterprise sector in Los Angeles and Toronto. These major

centres were ideal project sites given their significant activity respecting microenterprise programs, and because I had pre-existing contacts in these cities. Sector trends including organizational structure, mandates, governance, and funding are examined. Next, while exploring the empowerment question, I turn my attention to a critical examination of microenterprise and its links to neoliberalism. I focus on how community organizations are constrained or enabled as part of neighbourhood revitalization initiatives involving microenterprise programs. I consider how social capital is leveraged as a tool by funders and directors to fill the gaps left by neoliberal restructuring. Finally, I examine how race and racism are rendered invisible in exchange for a focus on economic rationality. Examining these outcomes associated with neoliberalism helps us to better understand the context, meaning and extent of empowerment experienced on the ground.

Prior to examining the microfinance literature, it is important to understand the context of microfinance in the global north. In other words, what are the conditions that microfinance and microenterprise hope to address? Microfinance and microenterprise in the global north are presented as solutions to growing social inequality (Schaberg et al., 2019). A review of the existing literature on inequality, poverty and labour market opportunities helps address the question “why does this matter”? A growing gap between rich and poor has policy makers and government frantically searching for answers. Encouraging self-employment and small business development as a response to the effects of inequality has become popular. But do microfinance and microenterprise programs really work? Are clients empowered in intended ways? To provide context, I examine the existing literature on inequality, poverty and labour market opportunities.

2.2 Growing Social Inequality

Recent scholarship on the growing social inequality problem examines poverty, low waged work, growing precarity, labour market opportunities and vulnerable workers (Ball & Tepperman, 2016; Mooney et al., 2015; Ore, 2019). Scholars increasingly argue that race, class and gender are closely intertwined in ways that produce and reproduce inequality and that these issues must be examined together. It is crucial to emphasize how multiple categories form a “matrix of domination” (Collins, 1990) and “complex inequality” (McCall, 2001). This structurally situates some workers in a more vulnerable

position in the labour market, increasing the likelihood that they will face the harsh conditions of poverty (Ore, 2019).

It is these conditions — facing difficulty finding a full-time job with benefits that can support a family, securing affordable housing, accessing healthy and affordable fresh food in one's neighbourhood, a newcomer's ability to find employment in their field of expertise — that makes microenterprise necessary (Schaberg et al., 2019). Examining the literature on inequality, poverty and labour market opportunities provides the foundation for understanding the motives of microenterprise practitioners and how microenterprise works on the ground. In the final sections of the chapter, I highlight the role that neoliberalism has played in shaping and restructuring the charitable sector and work of community organizations, those often charged with managing the poverty problem.

2.3 The Poverty Problem

Critical scholars have problematized policies designed to address inequality, poverty and unemployment because they have often drawn on discourses that portray the poor as undeserving. Individuals living in poverty are seen as lacking motivation, appropriate behaviours, attitudes, and morality (Lewis, 1996; Smith-Carrier & Lawlor, 2017; Van Kempen, 1997; West, 2001; Wilson, 1996). In other words, poor people are seen as being responsible for living in poverty (Misra et al, 2003).

At the same time, an era of neoliberalism has ushered in free-market evangelism, extreme individualism, austerity measures and unravelling social welfare protections (Harvey, 2005). In Ontario, for example, a poverty rate of 10.9 per cent in 1996 rose to 14.5 per cent by 2012, low-income measure, after tax (LIM-AT) (Smith-Carrier et al., 2017).

Policy makers have responded with poverty alleviation strategies. These strategies have formally moved away from the language of welfare dependency of the 1990s and moved towards poverty reductions or alleviation strategies that often involve the consideration of factors such as social inclusion/exclusion, economic benefit, expert knowledge and community engagement (Smith-Carrier et al., 2017). Smith-Carrier argues that in the current neoliberal context, “the agency of people experiencing poverty is largely

backgrounded in the Poverty Reduction Strategy [PRS] texts” and that “rather than recognizing the structural causes of poverty, and the system that reproduces them by subjecting particular groups to continual discrimination and exploitation, the PRS reifies the oppressed identities of poor people” (Smith-Carrier et al., 2017, p. 15).

Many microenterprise development programs in the global north aim to transition those living in poverty towards self-reliance (Alterna Savings, 2010; California Association for Micro Enterprise Opportunity [CAMEO] Report, 2008; Dua, Subbiah, & Visano, 2007; Schaberg et al., 2019). This is set against a backdrop of increased need and decreased services: “In Canada, this process (neoliberalism) has reduced the effectiveness of the social safety net in helping to curb poverty” (Smith-Carrier et al., 2017, p. 106). Despite cutbacks, the need for services has persisted. For example, Smith-Carrier argues that many of the strategies employed by governments have been unsuccessful: they fail to tackle the root causes of poverty—namely, a lack of income due to precarious work, rising costs of housing and material goods, and dwindling social supports (Smith-Carrier et al., 2017). The combination of multiple trends including a decline in real wages, structural unemployment, underemployment and neoliberal restructuring has meant government cutbacks have not only impacted those receiving government assistance, but also individuals working fulltime (Kendall, Thompson, & Nygaard, 2016; Teeple, 2000). This has led to extensive research examining the widening gap between rich and poor. For example, in Canada the top 20% of families have accumulated 39% of wealth since 1984 while the bottom 20% has decreased (Centre for Social Justice, 2001; Mooney et al., 2015). Additionally, the gap between the richest and the poorest families has increased since 1995, a period of time characterized by drastic government cuts in social programs (Bricker & Greenspon, 2001). These cuts have impacted low-income families most. Additionally, Canadian poverty reduction strategies have focused on employment readiness and training initiatives (Smith-Carrier et al., 2017). In the case of women, this ensures that are prepared for low-wage work that is often precarious or contractual (Vosko, 2006) and may not produce a living wage (Smith-Carrier et al., 2017). Most of the minimum wage workers in Canada are women and they live in poverty (MacEwn, 2016).

A poverty reduction strategy aimed principally at promoting paid employment alone, without recognizing the nature and quality of the precarious Canadian labour market, does little to address the financial insufficiency of the working poor. This reality is particularly true for lone mothers, who have additional costs associated with the emotional and domestic labour. (Smith-Carrier et al., 2017; p. 2)

The vast accumulation of wealth by a small percentage of families and the reality that individuals, particularly lone mothers, work full-time and may still live in poverty sheds light on the poverty problem.

Many individuals believe that Canada and the US are ripe with opportunity to realize the “American Dream”. This is the belief that all people, regardless of race, gender, age and ability will have access to equal opportunity to succeed and that one’s generation will achieve greater success than the generation before (Kendall et al., 2016). The underlying assumption is that of a meritocracy, where individuals advance based on their merits (Ball & Tepperman, 2016; Kendall et al., 2016; Macionis & Gerber, 2018). The widening gap challenges these notions and highlights the different life chances experienced by the affluent and the poor. Differential access is granted to healthcare, education, protection by police, nutrition, and more (Kendall et al., 2016). Statistics Canada (2008) reported that earnings increased for individuals at the top of the earnings distribution while they declined for those at the bottom. Given the growing income and wealth inequality, we can expect the narrowing of life chances of the economically disadvantaged with corresponding negative outcomes on mental and physical health (Kendall et al., 2018; Ropers, 1991). The rich are getting richer, the poor are getting poorer, and poverty steals individuals of their dreams, a sense of belonging or security and increasingly, even a roof over their heads (Ball & Tepperman, 2016).

Poverty is racialized. The racialization of poverty describes the phenomenon whereby poverty disproportionately impacts racialized members of society (Block & Galabuzi, 2011). “The word racialized... implies a process rather than a state. Using a process word is one way of suggesting that race should be understood as a social construction rather than a biological certainty” (Ball & Tepperman, 2016, p. 37). Many factors entrench this process, but most notably increasing precarity (Ball & Tepperman, 2016). Block and

Galabuzi (2011) found that poverty rates for racialized families in Canada were three times higher than non-racialized families. In Canada, non-standard work represents approximately one third of all jobs (Ball & Tepperman, 2016). The compilation of multiple trends (workplace precarity, immigration patterns, and discriminatory hiring practices) has led some scholars to forecast a worsening of racial inequality without intervention.

Many factors play a role in the changing landscape of poverty. A shortage of affordable housing is of particular concern for low-income individuals or those trying to survive on government assistance payments (Crowe, 2007; Kendall et al., 2016; Laird, 2007). In 2004, one in seven Canadian households spent 30 percent or more of their income on housing, illuminating an affordability crisis. George Laird (2007, p. 6), a homelessness researcher posited that “poverty has become a leading cause of homelessness, trumping substance abuse and mental illness, with some cities estimating as many as half of their street homeless have jobs”. Laird highlights the plight of the “new poor”, individuals who use shelter and foodbanks despite being employed (Laird, 2007). Food Banks Canada (2019) revealed that 4 million Canadians are food insecure resulting in 1.1 million visits to food banks each month. “Most poor people work full or part time” (Ball & Tepperman, 2016, p. 41). However, “many Canadians may not be able to meet their basic needs even with full time employment” (Ball & Tepperman, 2016, p. 66). Aart Shuurman Hess, the CEO of the Greater Vancouver Foodbank said, “most people who use food banks are hard working families with children... but this city has become so expensive that a lot of people can’t make ends meet” (Sherlock, 2018). This illustrates the ways in which economically insecure (low paid workers in the secondary labour market) are pushed to the margins by factors outside of their control.

An additional concern is the rising cost of living. Statistics Canada’s consumer price index rose 9.2 percent between 2002 and 2006 but the average household income rose 1.7 percent (Kendall et al., 2016). Combining the mismatch of rising costs, stagnated wages, fewer good jobs, weakened welfare state support, endless cutbacks and a lack of affordable housing are a perfect storm. Many individuals are forced to make difficult choices when there are inadequate resources to cover basic necessities. This is evident by

the increasing number of Canadians using foodbanks (Food Banks Canada, 2019; Kendall et al., 2016; Sherlock, 2018).

In the public discourse, a narrative of the poor presumes that individuals are lazy and unemployed (Mooney et al., 2015). These assumptions fuel calls for approaches that rely heavily on changing the poor themselves into more productive, rational and motivated citizens (West, 2001). The reality is that many are low wage workers, often juggling multiple jobs, because a good full-time job with benefits is unavailable (Ball & Tepperman, 2016). Therefore, it is important to include a discussion of job quality in any analysis of poverty or inequality.

2.4 Poverty and Low Waged Work

Discussions of job creation often leave out the valuable topic of job quality. Often the debates concerning employment revolve around “the language of Statistics Canada unemployment rates and raw numbers of jobs generated or lost” over set periods of time (Burke, Shields & Mooers, 2000, p. 103). The concern is that job creation figures can be deceiving as they fail to tell the story of those working in bad jobs and do not measure job quality (Burke et al., 2000). A larger and larger proportion of jobs generated have been part-time, low waged, temporary or forms of self-employment or otherwise less stable and secure (Fuller & Vosko, 2007). At the same time, there has been a relative decline of full-time work (Ball & Tepperman, 2016). Another trend is the increase in self-employment that has been “poorly compensated” and there is evidence that “many individuals are moving into self-employment because of the dearth of other employment opportunities” (Burke et al., 2000, p. 104). Finally, the labour market has become increasingly polarized (Mooney et al., 2015). Many scholars argue there has been an erosion of middle-income jobs thereby increasing the gap between the upper and lower end of the labour market (Burke et al., 2000; Mooney et al., 2016; Yalnizyan, 1998).

Some groups, such as women, youth and visible minorities have a greater incidence of what has been called more risky or volatile work than others (Block & Galabuzi, 2011; Burke et al., 2000; Fuller & Vosko, 2007). Wages are lower for more vulnerable types of

work (such as flexible, just-in-time, contract, contingent and part-time work) than full-time work (Block & Galabuzi, 2011). This is intimately connected to poverty.

One example that illuminates the relationship between poverty and vulnerable employment is that of single mothers. “Single mothers are heavily over-represented in the most marginal categories of the labour market” in unemployed, part-time or full-time temporary employment (Burke et al., 2000, p. 106). Women often work in low wage occupations where the earnings are not “enough to survive” (Ball & Tepperman, 2016, p. 41). Racialized women are more likely than non-racialized women to have lower incomes (Ball & Tepperman, 2016, p. 41). They have among the highest rates of labour market vulnerability. Given the rise in single mother households, this sheds light on part of the child poverty story. Single mother households made up a significant proportion of the lowest income scale (Burke et al., 2000). The erosion of middle-income jobs and the increase in low wage jobs is a crucial factor in the high rate of child poverty (Burke et al., 2000; Novick & Shillington, 1997).

In addition to single parent families, Indigenous peoples, the elderly (especially women) and recent immigrants to Canada (who face difficulty finding good jobs) experience higher rates of poverty (Grabb & Guppy, 2009). Although the poor are often portrayed as lazy individuals who are content to receive welfare payments, almost one third of people in poverty in Canada work full-time, full year jobs (Ball & Tepperman, 2016; Fleury & Fortin, 2006; Grabb & Guppy, 2009). This highlights the relationship between working a low wage job and experiencing poverty (Ball & Tepperman, 2016; Grabb & Guppy, 2009). The working poor face the trauma of long work hours and not being able to access basic necessities.

The working poor are not only disadvantaged by low wages; they are disadvantaged by the tax system. Tax breaks such as RRSP and RESPs allow middle class and upper-class families to minimize the portion of their income going towards taxes whereas the poor do not have this option available to them (Grabb & Guppy, 2009). In other words, it is expensive to be poor. The poor use a larger portion of their income for basic necessities, are unable to save and take advantage of tax breaks and in many cases pay more for

goods and services while paying a greater percentage of sales tax compared to the wealthy.

The widening gap between rich and poor and the relationship between poverty and low wage work are important areas of sociological concern. A large portion of low wage work is also precarious in nature, which has led many scholars to investigate this burgeoning phenomenon.

2.5 Race, Gender and Labour Market Opportunities

Despite extensive equal opportunity and diversity programs, inequality persists. In Canada, racialized Canadians experience higher rates of unemployment than non-racialized Canadians (Block & Galabuzi, 2011; Kang, DeCelles, Tilcsik, & Jun, 2016). For example, the unemployment rate for Chinese Canadians was 20% higher than non-racialized Canadians whereas the rate was 95% higher for west Asian/Arab Canadians and 73% higher for black Canadians (Block & Galabuzi, 2011). Racialized women are worse off and are more likely to be unemployed than non-racialized men as well (Block & Galabuzi, 2011).

Employment discrimination is an important process through which inequality is reproduced. It is pervasive. Numerous résumé studies – field experiments where researchers have responded to job advertisements with identical resumes but with or without racial markers – show evidence of discrimination (Oreopoulos, 2011; Quillian et al., 2017). Call-backs range from 30-50 percent lower for African or Asian sounding names (Henry & Ginzberg, 1985; Frenette & Morissette, 2005; Oreopoulos, 2011; Quillian et al., 2017).

Philip Oreopoulos (2011) randomly manipulated résumés and sent them to employers who had online job postings in Toronto. The purpose of the study was to investigate why immigrants struggled in the labour market despite being highly qualified (Oreopoulos, 2011). The study found discrimination towards applicants with foreign experience or those with Indian, Pakistani, Chinese, and Greek names compared with English names (Oreopoulos, 2011). Approximately sixteen percent (15.7) of résumés sent with English

sounding names, Canadian education, and Canadian experience received a call-back. This contrasted the six percent callback rate for workers with foreign sounding names from China, India, or Pakistan or who had foreign experience and foreign education (Oreopoulos, 2011). The callback gap was similar to the unemployment statistics (Oreopoulos, 2011). In other words, discrimination is one barrier to the economic integration of newcomers.

Racial prejudice not only affected newcomers but also native-born Canadians in the labour market (Oreopoulos, 2011; Quillian et al., 2017). A Toronto study compared equally qualified black and white candidates applying to the same job. Black candidates were offered fewer interviews and job offers. In some cases, they were advised that the position was no longer available even though a white member of the research team was subsequently offered the same position (Henry & Ginzberg, 1985). Similarly, Quillian et al conducted a meta-analysis of field experiments and showed there was no change in racial discrimination in hiring over time, and these patterns persist (Quillian et al., 2017).

2.6 Race, Gender and the Income Gap

When comparing fulltime secure jobs, racialized Canadians earned 81.4 cents for every dollar paid to non-racialized Canadians (Block & Galabuzi, 2011). When we add gender to the analysis, the figures are more dismal. Racialized women earn 55.6 cents for every dollar non-racialized man earns (Block & Galabuzi, 2011). The broader trend in earnings, when examining race and gender, are that racialized men, women and non-racialized women fall behind non-racialized men (Lewchuck, 2015).

Differences vary amongst workers in racialized groups. For example, Korean workers earn 69.5 cents for every dollar a non-racialized Canadian worker earns. Latin American workers earn 70.3 for every dollar a non-racialized Canadian worker earns. Black workers earn 75.6 cents for every dollar respectively. The gap persisted even during times of economic growth (Block & Galabuzi, 2011).

Another study by Hou, Balakrishnan and Jurdi (2009) found that Filipinos who were the highest educated at entry fared poorly even after many years. Nearly two thirds of

Filipino workers had a university education but less than 5% had a managerial occupation and only 16% were in a professional occupation (Hou, Balakrishnan, & Jurdi, 2009). The implication of these findings is that education does not guarantee labour market rewards. There is some evidence of improved conditions for Canadian born Filipinos with 11% securing a managerial role and 40% a professional one.

In the same study, black workers fared quite poorly (Hou et al., 2009). Rates of managerial or professional occupations were less than half the rate of Filipino workers and significantly below the national average (Hou et al., 2009). Blacks also had lower rates of educational attainment. However, education does not tell the whole story. Even after controlling for variables such as educational attainment and years since immigration, visible minorities continue to earn less than white Europeans (Beaujot & Rappak, 1988; Herberg, 1990; Kalbach & Richard, 1988; Li, 1990). This is important because often differences in outcomes in the labour market are explained by human capital differences, such as educational levels or immigration status and related challenges with credentials. Race is often downplayed. The persistence of differences in outcomes despite controlling for human capital differences suggests that race and racial discrimination play a significant role in determining the life chances of individuals (Block & Galabuzi, 2011).

2.7 Race, Gender and Precarious Work

Race and gender also shape access to good jobs (Lewchuk et al., 2015). Racialized Canadians are more likely to work in less secure, temporary, and low paying jobs (Lewchuk et al., 2015). To understand precarity, one must begin with the labour market. A labour market can be defined “as the processes and institutions through which workers are allocated to paid jobs” (Lowe & Lehmann, 2009, p. 134). Given that jobs are the vehicles through which many access income and rewards, they affect quality of life. Labour markets are therefore crucial to the understanding of societal inequality (Van den Berg & Smucker, 1997).

Many studies have examined the growth of temporary, precarious work and its relationship to inequality (Fudge & Vosko, 2001; Fuller & Vosko, 2007; Hira-Friesen,

2018). Broader trends such as “changing global economies”, the “diversity of labour markets” and a move towards more market-oriented employment relationships have resulted in more flexible arrangements (Fuller & Vosko, 2007; Hira-Friesen, 2018). Employers seek flexibility and precarity as a way to manage the demands of globalization and competitive markets (Fuller & Vosko, 2007).

Temporary employment typically refers to non-standard employment relationships (Krahn, Hughes, & Lowe, 2015) that include contract, term, agency, seasonal and casual (on-call) employment (Fuller & Vosko, 2007). Temporary employment is related to precariousness. Rodgers (1989) identifies multiple dimensions of precarity. These include the “degree of certainty of continuing employment, control over the labour process, degree of regulatory protection and income level” (Rodgers, 1989, pp. 3-5). Both temporary employment and the degree of precarity impact the well-being of workers (Lewchuk et al., 2013). Precarious work is often characterized by lower income levels. Many aspects of health and illness are linked to income (Mooney et al., 2016). For example, lower income households in Canada were “four to seven times more likely to report poor health.” (Mooney et al., 2016, p. 51). Those with lower incomes and no benefits also have limited access to “eye care, dentistry, mental health counselling, and prescription drugs” (Mooney et al., 2016, p. 51). Access to additional benefits is also an issue for self-employed workers (Fudge et al., 2002; Fuller & Vosko, 2007). Today we see a movement away from the standard employment relationship, which came to be understood as the full-time, full-year job with a social wage after World War II. Instead, we see more ‘risky’ work “characterized by greater individualism, job insecurity, risk and instability” (McMullin, 2017, p. 184). Kalleberg (2009) defines precarious work as uncertain, unpredictable and risky from the worker’s perspective.

Growing precarity is problematic for worker well-being (Fuller & Vosko, 2007; Lewchuk et al., 2013). Along with the flexibilization and the casualization of work, less secure work also features lower pay, less access to social benefits and lower rates of control over the labour process (Fuller & Vosko, 2007; Lewchuk et al., 2015; Rodgers, 1989). The degree to which one may provide for one’s family, save for a home, save for retirement or the education of one’s children are in large part enabled by adequate income and

connected to one's sense of well-being. Precarious work is a problem for all workers but disproportionately affects more vulnerable workers (Lewchuk et al., 2015). Scholars have argued that precarious work is "organized in highly gendered and racialized ways in industrialized countries", prompting additional concerns about how this will worsen labour market inequalities (Cranford & Vosko, 2006; Freeman & Gonos, 2005; Fuller & Vosko, 2007; Lewchuk et al., 2015; Oreopoulos, 2011).

Opportunities in the labour market and the likelihood of working in a temporary or precarious job are shaped by social location (Fuller & Vosko, 2007; Lewchuk et al., 2015; McMullin 2017). White women, immigrants, migrants and visible minorities have higher levels of participation in part-time, seasonal or other insecure forms of employment (Fuller & Vosko, 2007; Lewchuk et al., 2015). Although it is important to note that social location does not have a uniform effect in all cases at all times, we find a general pattern whereby "disadvantaged labour market status increased one's odds of being found in the most precarious type of employment" (Fuller & Vosko, 2008, p. 43).

There are many examples that illuminate the relationship between social location and precarious employment. For example, women are more likely to be employed in casual work than men, even after considering human capital, demographic, and geographic characteristics (Fuller & Vosko, 2008). Visible minority women and women who are recent immigrants face even higher odds of employment in casual work (Fuller & Vosko, 2008). This pattern has persisted. Based on 4,193 surveys collected during 2014, and an additional 28 interviews conducted during early 2015, Lewchuk et al. found that "racialized workers and foreign-born workers face(d) significant discrimination in finding secure, high-paying employment. Even when they find secure employment, they still face discrimination in accessing training, sustaining healthy households and in socializing" (Lewchuk et al., 2015, p. 114).

A second example is agency employment. Agency employment is significant because it tends to have the lowest wages. Women have higher odds of being employed by a temporary agency (Fuller & Vosko, 2008). However, visible minority women who are

also recent immigrants are 4.5 times more likely than other women to find themselves employed by a temporary agency (Fuller & Vosko, 2008).

Temporary and precarious employment is a reality for many workers. However, some workers such as visible minorities, newcomers or women are significantly more likely to accept non-traditional employment. McMullin argues that “the likelihood of being employed in a good job or bad job or... employed at all – depends not only on one’s class, but also on gender, ethnicity, race and age” (McMullin, 2010, p. 185). The disparities in labour market outcomes (between racialized and non-racialized individuals) “arise from a variety of sources, including employment discrimination, lack of geographic access to jobs and disparate social capital” (Sullivan et al., 2016, p. 67). Barriers to accessing a good job result in brown and black families having lower median incomes than white families (Sullivan et al., 2016). In the US, the typical white family makes \$50,400 a year, a Latino family earns \$36,840 and a Black family has an annual income of \$32,028 (Sullivan et al., 2016). Given that many microenterprise development programs are aimed at helping newcomers economically integrate, this chapter also includes a review of immigration trends. Unemployment, underemployment and slower economic integration of some immigrants are all factors that play a role in newcomers seeking entrepreneurship and non-profit agencies offering programs to facilitate business start-up or expansion.

These trends are concerning given the country’s shifting demographic composition. It is estimated that by 2031, racialized Canadians will comprise 32 % of the population. If countries such as Canada and the US continue to attract racialized immigrants and do not address the barriers to economic integration, many citizens will be left behind. This has serious implications. First, it calls into question a commitment to progressive ideals such as multiculturalism, equality and diversity. It also has policy implications. How will the government address the challenges born of growing inequality? The argument that immigrants economically integrate with time is no longer a relevant explanation. Even when you control for age and education, for instance, first generation racialized Canadians earn 68% of non-racialized first-generation Canadians. This suggests there are barriers in the labour market and discrimination is at work.

These trends – the trend away from traditional employment, the polarization of work and the racialization of poverty have all been shaped by over thirty years of neoliberal economic policy. However, poverty strategies increasingly embrace approaches that align with neoliberalism. An examination of the neoliberal context is foundational to understanding entrepreneurial interventions such as microenterprise.

2.8 Neoliberalism

Neoliberalism plays an important role in community work and poverty alleviation more specifically. David Harvey defines neoliberalism as:

the first instance a theory of political economic practices that proposes that human well-being can be best advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong property rights, free markets and free trade. The role of the state is to create and preserve an institutional framework appropriate to such practices (Harvey, 2005, p. 2).

Similarly, Peck and Tickell (2003) describe the neoliberal phenomenon as one that is far removed from the post- World War II social contract that prioritized the greater good. Two essential components of neoliberalism are relevant to community focused initiatives, including microfinance and microenterprise development; they are “the primacy of the market and the decentralization of the state” (DeFilippis et al., 2010, p. 67).

Neoliberal scholars argue that, increasingly, community organizations have accepted that the market is the best way to address societal issues (DeFilippis et al., 2010). Although community organizations are critical of market failures, they still resist notions of alternative economic arrangements or relations (DeFilippis et al., 2010). Microfinance and microenterprise development initiatives often operate locally within community non-profit organizations and as such have not been immune to this market thinking. In fact, market thinking has further accelerated the embrace of entrepreneurial initiatives such as microenterprise development. Market-based approaches have been embraced by both the left (Shuman, 2000; Shuman & Fuller, 2005) and the right (Porter, 1997), with an increasing popularization of social enterprise, social innovation, the social economy as well as the practice of Community Economic Development in Canada and the United States.

Next, there is a rejection of larger scale organized initiatives with a resulting shift of responsibility from the state to the local community and individual citizens (DeFilippis et al., 2010). Giddens (1998, 2000), Osborne (1990; Osborne & Gaebler, 1992) and Bashevkin (2002) describe this trend. Increasingly an individual's self-sufficiency and self-reliance has become prioritized.

The post-World War II Keynesian social contract embraced the welfare state and policies that were in favour of full employment and collective bargaining (Burke et al., 2000). Eventually, some groups such as women and visible minorities were also permitted, to some extent, to advance their interests collectively (Burke et al., 2000). A degree of acceptance amongst political parties existed until the mid-1970s (Burke et al., 2000). Neoliberal restructuring sought to unravel this social contract, to eradicate welfare supports and undermine workplace bargaining (Burke et al., 2000). According to neoliberal scholars, the features that define neoliberalism include "privatization, deregulation, cutbacks, downsizing, lean production, contracting out, increased state coercion and social discipline (Burke et al., 2000). The result has been increased social inequality and marginalization (Burke et al., 2000).

2.9 Neoliberalism and the Charitable Sector

The growth of the charitable sector is an integral part of the neoliberal story. First, the increase in social needs that has resulted from long-term structural unemployment, underemployment and the growth of the working poor are just a few relevant trends (Smith-Carrier & Lawlor, 2017; Teeple, 2000). Additionally, the dismantling and privatization of the services of the welfare state are also relevant (Smith-Carrier & Lawlor, 2017; Teeple, 2000). Given these trends, social needs such as health, education and social services have been reallocated to service markets, often within the charitable sector (Teeple, 2000). This shift since the 1980s presumes that public policy is best achieved in partnership with community organizations using market strategies (Defilippis et al., 2010). "Most community-based efforts have adapted to a conservative.... context", and have therefore "ignored or rejected prior social action or conflict models"; in so doing they have ultimately opted for "bottom-line" models that rely on "partnerships with local businesses and corporations" (Defilippis et al., 2010, p. 29) These assumptions (that

community organizations are best to leverage market approaches, bottom line thinking and partnerships) are real in their societal consequences.

There are many examples of this dual logic. In 1986, the Low-Income Housing Tax Credit was created; the CDC tax credit to enable economic development and the Federal Enterprise Zone/Empowerment Communities Legislation followed in 1994; the community development financial institution act was developed in 1994. These policies linked the dual imperatives of the market and the community (Defilippis et al., 2010). Housing and inner-city development was reimagined as privatized endeavours (Defilippis et al., 2010). This privatization was a way to further shift the responsibility away from the state to the individual and the social. Yet these social needs were born out of the structural conditions of unjust systems (Teeple, 2000). By primarily meeting the needs of society through the charitable sector, the collective needs of marginalized groups must be met by private gifts (Teeple, 2000). Additionally, such policies create market-oriented funding opportunities for non-profit and charitable organizations with limited financial resources. This significant funding opportunity can influence or pull the community organization to further embrace the market (Defilippis et al., 2010).

Some neoliberal scholars suggest that the very existence of the third sector is evidence that the capitalist society is simply a “marketplace” where only “productive” citizens “in an economic sense” have any sense of membership or inclusion (Teeple, 2000, p. 113). If one does not produce anything of economic value in a capitalist society, they are situated outside of the social system. This includes individuals such as “homemakers, the handicapped, the ill or injured, the old or young, the unemployed, the artist” or any others that may be marginalized (Teeple, 2000, p. 113).

Beyond exclusion, the marketplace model fails to provide the most basic needs to members of society. Whether housing, food or employment, there are fewer ways to address the system’s shortcomings other than the charitable sector (Teeple, 2000). This leaves “the non-productive” citizens dependent upon the donations, gifts and good will of donors (Teeple, 2000). It does nothing to reshape existing power relations. It is important to note that increasingly the working poor also become dependent on the same

goodwill as more and more people are unable to survive on such low wages. For both the “non-productive” and the working poor, their survival becomes dependent on donations and tax revenues (redistribution of wages of those working) to handle worsening conditions of those living in poverty (Teeple, 2010). The trend is to move further away from redistribution and towards voluntary tax-deductible contributions in the form of charity (Teeple, 2010). Thus, the charitable sector under a neoliberal policy direction is paradoxical in nature as “charities are both a substitute for and an instrument in the demise of the welfare state” (Teeple, 2010, p. 114).

Common sense neoliberalism causes an over emphasis on economically viable subjects and approaches. This moves decision makers to be more concerned with the actions, choices, and moral behaviours of those in need of transformation. These approaches are intimately related to race, gender, and class.

2.10 Intersectionality and Standpoint Theory

Recent scholarship increasingly situates race, class and gender as foundational to the analysis of inequality. Feminist scholars have argued that race, class and gender are inadequately theorized if done separately as they constitute a “matrix of domination” (Collins, 1990) or “complex inequality” (McCall, 2001). Race here is used not as a “natural” or biological category but as a socially constructed one (McMullin & Curtis, 2017). Although race is socially constructed, and some scholars contest its’ use, many others emphasize that race is real in its consequences and should be considered in sociological analysis (McMullin & Curtis, 2017; Omni and Winant, 1994) Additionally, Omni and Winant’s argue that “by noticing race we can begin to challenge racism” (Omni and Winant, 1994, p. 159). This “intersectional” (Crenshaw, 1991) lens finds its origins in black feminist epistemological thought. Early theorizing by black feminist about intersecting identities emphasized the ways in which multiple forms of oppression were experienced in certain social locations (Collins, 1990). It was a reaction to earlier feminist theorizing that presumed all women were white with a common identity and experience of subordination to men (Smith, 1987). The aim was to make visible the invisible women of colour given their unique standpoint (Choo & Ferree, 2010).

Standpoint theory illuminates the role of social and historical location in shaping the knowledge project (Collins, 1996; Harding, 1987; Harstock, 1987; Smith, 1987). What one knows is shaped by social location. One of the principal claims of standpoint theory is that certain social locations (especially marginalized groups) may actually be a source of privilege in terms of knowing. Marginalized individuals' lived experience of oppression makes it more possible for them to ask questions, form critiques and assess the conditions of oppression differently than non-marginalized individuals (Collins, 1996; Smith, 1987). Given the advantage of this double vision or consciousness, and the ability to shed light on the truth about inequality and oppression, the marginalized should be at the center of analysis, debate and activism (Collins, 1996; Smith, 1987).

Standpoint theory makes a significant contribution to epistemology, methodology and activism (Collins, 1996; Smith, 1987). Smith claimed women's standpoint was a crucial factor in reshaping social theory. For Smith, gender is the most important factor in social analysis. Gender structures individuals and institutions. Women are responsible for the caring and nurturing work that leads to a specific way of knowing. Women's standpoint has been excluded from dominant knowledge. Sociology is a knowledge project controlled by men and produced for men. Smith argues that the public/private sphere divide for men and women structures "relations of the ruling" (Smith, 1987). Thus men come to value impersonal, objective and rational thought which in turn shapes the production of the social sciences. For Smith, women's standpoint sheds light on social relations and the political nature of sociology. Women's standpoint draws attention to who has the power to shape and define knowledge production and who benefits.

Similarly, Harding (1987) posits that by centering the lived experience of women we will gather a less distorted analysis of the social world. Harding stresses the importance of social and historical location in shaping women and their experience in the world. This enables a significant advantage in the pursuit of knowing. Harstock (1987) argues that the collective experience of political struggle is required to achieve the feminist standpoint. All of the standpoint theorists agree that social location shapes knowing.

Collins (1996) argues that the value of standpoint may be found in black women's "everyday acts of resistance" (Collins, 1996, p. 22). Resistance suggests that the marginalized have both an independent understanding of their own oppression, separate from their oppressors, and that they are at least equally capable of articulating that standpoint (Collins, 1996). This negates the presumption of inferiority and lack of capacity to form an "independent consciousness" from the oppressor (Collins, 1996, p. 223). In other words, everyday resistance and standpoint illuminates agency.

According to Collins, "black women's political and economic status provides them with a distinctive set of experiences that offer a different view of material reality than that available to other groups" (Collins, 1996, p. 223). Factors such as the paid and unpaid work, the neighbourhoods, and the social relations experienced by black women lead them to develop their own worldview (Collins, 1996). A different lived experience than one's oppressor results in a "distinctive Black feminist consciousness concerning material reality" (Collins, 1996, p. 223). This relationship between "what one does and how one thinks" helps to explain the different viewpoints between those who aim to alleviate poverty through microenterprise strategies, and those are targeted by these strategies.

According to Collins, black women's "material positions" foster a "unique standpoint" (Collins, 1996, p. 223). I will argue that the study participant's unique standpoints shaped the way they experienced and made meaning of microenterprise development programs and broader empowerment strategies.

Collins also suggests that expressing an "independent black feminist consciousness" is also "problematic" because the dominant group is invested in maintaining the status quo (Collins, 1996). In other words, the dominant group has control over institutions and resources making it easier to control the narrative. Therefore, an oppressed group may struggle to articulate a "self-defined standpoint" (Collins, 1996, p. 224). Standpoints may be discredited because they may signal to their oppressor signs of resistance. This is relevant to this microenterprise study because we may seek to understand whether any of the study participants engaged in covert and overt resistance and direct actions to overcome their collective oppression. Additionally, we may explore any instances of

skepticism or awareness (by program participants) of how power dynamics may or may not shape programs. Collins description of black feminist thought, and unique standpoint will help to shed light on this phenomenon.

Collins also identifies two levels of standpoint specific knowledge (Collins, 1996). The first level describes the everyday knowledge shared by an oppressed group. This may describe, for example, a Latino or a black microentrepreneur who juggled domestic life, along with cultural understandings of a woman's role within her family and running a small business aimed at lightening the domestic burden of the wealthy white professional woman who hired her. Standpoint theory also identifies the importance of more specialized knowledge of experts, which may help enhance the understanding of racialized microenterprise development workers, who are "part of the group and who express the group's standpoint" (Collins, 1996, p. 224). The literature describes the benefits of double consciousness, and the ability to move between and understand two standpoints. Collins argues that the "two levels of knowledge are interdependent" and that Black Women's standpoint both sheds light on the everyday knowledge of the oppressed and assists black women to "create new self-definitions that validate black women's standpoint" (Collins, 1996, p. 224). For Collins, the oppressed can create independent and specialized knowledge and foster collective identity by offering the marginalized a different view of themselves than what has been given to them by their oppressor (Collins, 1996).

Standpoint theory, specifically Collins' work, provides an analytical tool to assess the intersecting identities and complex inequalities on the ground. Although this dissertation does not specifically address gender in the way that the standpoint theorists have in the past, I have taken the idea to explore the differences between racialized and non-racialized microenterprise development participants. Interestingly, standpoint was also highly correlated to another concept advanced by Cornel West, in his work *Race Matters*. West's notion of behaviourists and structuralists is a discussion to which I turn now.

2.11 Liberal Structuralists and Conservative Behaviourists

Critical theorist, Cornel West, advances a theory of the structuralist-behaviourists' dilemma that illuminates the ways in which poverty policy makers and practitioners try to solve the problem of poor black urban dwellers and how these approaches are often ineffective (West, 2001). West's ideas can be used to understand approaches to addressing not just the black-people- problem, but also approaches aimed at addressing challenges faced by the

In *Race Matters*, Cornel West posits that the liberal idea that government programs can solve racial problems is an oversimplified one because it emphasizes "solely" the "economic dimension" of the change required (West, 2001, p. 5). By contrast, the conservative position emphasizes behavioural change. The focus of progress then is to reshape "the moral behaviour of poor black urban dwellers (especially poor black men, who, they say, should stay married, support their children, and stop committing so much crime)" which relegates structural considerations or "public responsibility for the immoral circumstances" that poor people face to the sidelines (West, 2001, p. 5). West suggests that both the traditional liberal and conservative approaches are problematic.

For West, the behaviourists view race along simplified lines where black people are a "problem people" as opposed to "fellow...citizens with problems" (West, 2001, p. 5). In his work *Race Matters*, he recalls the words of W.E.B. Du Bois in the *Souls of Black Fold* (1903).

They approach me in a half-hesitant sort of way, eye me curiously or compassionately, and the instead of saying directly, how does it feel to be a problem? They say, I know an excellent coloured man in my town.... Do not these Southern outrages make your blood boil? At these I smile, or am interested, or reduce the boiling to a simmer, as the occasion may require. To the real question, how does it feel to be a problem? I answer seldom a word.

West suggests our discussions of race are limited to the "problems black people pose to whites" rather than consider what our views reveal about us (West, 2001, p. 5).

West further teases out the mechanisms through which racial inequality is discussed, framed, managed and reproduced. He introduces the idea of liberal guilt to describe the motivation behind supporting public funds made available to manage the problems. He also problematizes the reluctance of liberals to “exercise principled criticism of black people” (West, 2001, p. 5). At the same time, conservatives engage in victim blaming. This “renders black misery invisible or unworthy of public attention” (West, 2001, p. 6). Both liberal and conservative notions are missing the point, according to West. Liberals want to include and integrate black people into “our” society and culture, while conservatives expect black people to be “well behaved” and “worthy of acceptance” by “our” way of life (West, 2001, p. 6). Both views are not anomalies to American life but “rather constitutive elements of that life” (West, 2001, p. 6).

West raises an important concern that is particularly relevant to the behavioural and structural arguments and rationales used by microfinance practitioners who serve low-income individuals, who are often racialized peoples. To discuss race in a meaningful way, “we must begin not with the problems of black people but with the flaws of American society” (West, 2001, p. 6). The implication is that without examination of the root causes of historical inequalities and stereotypes, there can be little progress. Additionally, West argues that the very way we talk about race shapes our perceptions and proposed solutions. In other words, our language matters. Language offers insight into the beliefs, values and views of people. Language that situates black people as the “other” burdens “them” to do “all the cultural and moral work necessary” for improved race relations and a better society for all (West, 2001, p. 6). If blacks and other visible minorities are “them”, then they are not granted the privilege of defining what it means to be an American or a citizen. The other must attempt to fit by reshaping herself.

An alternative approach, according to West, is to begin with a “frank acknowledgment of the basic humanness and Americanness of each of us” (West, 2001, p. 8). He also suggests that in order to create a new vision, there must be recognition of a shared and common history (West, 2001). Next, attention must be given to the common good. Concern must be shifted from individuals or separate groups to “the quality of our lives together” (West, 2001, p. 12). This involved “large scale public intervention” to ensure

that all have access to basic necessities such as housing, food, health care, education, childcare and jobs (West, 2001). A combination of government, business and labour is required, West posits (West, 2001). Finally, he argues that new leadership is required. New leadership must be willing to move beyond old paradigms. New leadership grounded in the complexities and messiness of the past and present. Visionary leadership grounded in “grassroots organizing” that emphasized “democratic accountability” (West, 2001, p. 12). West also offers instructions for how the debate may be reframed between the “liberal structuralists” (who emphasize the structural constraints) and the “conservative behaviourists” (who stress the “waning protestant ethic” of hard work, frugality and responsibility).

West argues that the debate must move beyond the two positions in three important ways. The liberal structuralists call for full employment, health, education, and even affirmative action programs. The conservative behaviourists emphasize “self-help programs, black business expansion and non-preferential job practices” (West, 2001, p. 18).

Behaviourists, according to West, are free market advocated and depend on changes to how people act and live. First West suggests we must acknowledge that “structures and behaviours are inseparable, that institutions and values go hand in hand” (West, 2001, p. 18). The behaviour of people is shaped in large part by their circumstances.

Circumstances can be improved.

Second, West argues that we must “reject the idea that structures are primarily economic and political creatures” (West, 2001, p. 19). This view limits understanding of culture to behavioural attitudes and values (West, 2001). West argues that “culture is as much a structure as the economy or politics” and is “rooted in institutions” such as schools, churches and the media (West, 2001, p. 19). Additionally, the economy and political life are in turn shaped by values. They also highlight particular cultural ideals (West, 2001). Finally, West argues that architects of change must deep-dive into the despair and hopelessness of unemployment, mortality and incarceration (West, 2001). Only by facing the loss of hope can a hopeful future be pursued. For West, liberal structuralists and conservative behaviourists miss the point – that is the “nihilistic threat to its’ (black America’s) very existence” (West, 2001, p. 19).

They miss the point for many reasons. They are too focused on economics or politics. They view people in rationalist terms as though they are concerned only with self-interest. They miss the point that the “degraded” other is also in search of “identity, meaning and self-worth” (West, 2001, p. 20). They miss the point because of “failure of nerve” (West, 2001, p. 20). Liberals fail to discuss honestly the values and beliefs because they keep a safe distance from conservative notions of race. Too much interest in values, from a binary or oversimplified perspective, distances those values from structures. West argues that this tendency does not allow for the embrace of the “psychological realities” of black people and neglects [their] battered identities” (West, 2001, p. 20). For the conservatives, they misunderstand and add to the nihilism. Talk of values and belief without recognition of structures further batters the consciousness of many. They also suggest that black people themselves see themselves as agents as opposed to victims (West, 2001). The challenge is that empowerment “slogans” cannot “substitute substantive historical and social analysis” (West, 2001, p. 20). It is important to note that discussing agency is only appropriate if it is done within the context of their victimization as agency will be enabled or constrained by context (West, 2001). He warns against separated self-help and responsibility out of “historical context and contemporary circumstances” (West, 2001, p. 22).

2.12 Critical Race Theory

Critical Race Theory (CRT) is a school of thought advanced by activists and scholars who aim to both examine and transform the “relationship between race, racism and power” (Delgado & Stefancic, 2017, p. 9). It emerged, in part, as a response to the idea that the Civil Rights Movement and the resulting legislation had resolved racial inequality (Crenshaw et al, 1995; Delgado & Stefancic, 2017). Additionally, it challenges the traditional civil rights literature, that “stress(es) incrementalism and step-by-step progress”. Instead, it “questions the very foundation of the liberal order, including equality theory, legal reasoning, Enlightenment rationalism, and neutral principles of constitutional law” (Delgado & Stefancic, 2017, p. 9).

CRT originated among legal scholars like Derrick Bell and Kimberlé Crenshaw, and Richard Delgado (Crenshaw et al, 1995; Delgado & Stefancic, 2017; Valdes et al, 2002).

They argued that racism was “normal” and “not aberrational” (Delgado & Stefancic, 2017, p. 13). It was a defining feature of society, and the legal system, despite the language of equality. They sought to examine the law within its social and historical context, to reveal the ways in which seemingly neutral concepts within the law reinforced racial inequality. They did this in order to fight white supremacy and oppression of people of colour. In addition to this idea of ‘racism as normal’, CRT also posits that the “system of white-over-colour ascendancy serves an important purpose...for the dominant group’ (Delgado & Stefancic, 2017, p. 13). This notion of “interest convergence” originates from the work of Derrick Bell, an important figure in CRT. Amongst his many theoretical contributions, he is best known for arguing that desegregation resulting from the *Brown v. Board of Education* decision was more about the self-interest of white people than it was about social justice (Delgado & Stefancic, 2017, p. 14).

Black feminists have been influential thinkers within CRT. Crenshaw named both the field of CRT and coined the term “intersectionality” (Crenshaw et al, 1995). Referring to the overlapping systems of oppression that women of colour experience, intersectionality is a central idea within CRT (Crenshaw et al, 1995; Delgado & Stefancic, 2017).

Patricia Williams and Angela Harris have also been key figures with the field.

The basic tenants of CRT include the following. First, as mentioned above, racism is “normal” in that it is the typical way society does business and is therefore, not the exception (Delgado & Stefancic, 2017, p. 13). This makes racism difficult to address because it is so pervasive and naturalized as part of everyday life. Next, racism serves a purpose, both “psychic and material”, for the dominant group (Delgado & Stefancic, 2017, p. 13). In other words, white people benefit from racism and are therefore not incentivized to eliminate it. One of the most influential ideas in CRT is the “social construction thesis” (Delgado & Stefancic, 2017, p. 14). Race is a social construction and not rooted in any “objective, inherent or fixed” biological or genetic reality (Delgado & Stefancic, 2017, p. 14). It is however, real in its consequences in terms of access to resources, opportunities (educational, professional) and or experiences with systems (such as legal, housing, finance, etc). Of course, there are physical traits, such as skin colour or hair texture, that may be shared between people of similar origins, but this is a

small fraction of one's genetic makeup and is unrelated to traits such as personality, intelligence, or moral behaviour (Delgado & Stefancic, 2017, p. 15). Society ignores this scientific reality and creates races. CRT also examines differential racialization, or the ways in which "dominant groups racialize different minority groups in different ways", in response to self-interest, such as a need in the labour market (Delgado & Stefancic, 2017, p. 15). Finally, are the ideas of intersectionality, anti-essentialism and "unique voice of colour" (Delgado & Stefancic, 2017, p. 16). Anti-essentialism refers to the idea that no individual has a single easy stated identity. Voice of colour refers to the idea that the shared experience of oppression comes with an enhanced ability for black, indigenous, latino, Asian writers to be able to "know" and convey what white writers are unlikely to know (Delgado & Stefancic, 2017). Together, CRT, Intersectionality, and West's theoretical insights draw attention to the need to explore the perspectives and voices of the racially and economically marginalized. This study adopts such an approach to explore micro-enterprise and its impact on empowerment.

To understand "why microenterprise", the context of inequality, poverty and labour market opportunities must be understood. Neoliberalism has shaped how these issues are framed, addressed, and experienced on the ground. Race is also intimately related to these challenges. Neoliberalism makes microenterprise seem like a commonsense solution. Does microenterprise really solve these problems and leave low-income individuals empowered? The next chapter explores the microfinance literature as a response to growing inequality.

Chapter 3

3 Microfinance and Empowerment

3.1 Microfinance as a Solution

The purpose of this chapter is to review the existing literature on microfinance. Since much of this literature is focused on the global south, I start the chapter by introducing the practice in Canada and the United States, the focus on this dissertation. The literature in the global north emphasizes economic self-reliance and economic integration. In the final section of the chapter, I include a discussion of community development, empowerment, and social capital.

Community development is important because many microfinance and microenterprise development practitioners work for community organizations that espouse community development principles. It is important to highlight the scholarship that explores the ways in which community organizations are constrained by neoliberalism. This has implications for the extent to which community organizations can pursue social justice goals and empower their clients. Some scholars suggest this neoliberal context actually diminishes the emancipatory potential of microenterprise development programs. On the other hand, some scholars suggest empowerment is achieved through the development and leverage of social capital. They disregard the broader picture and focus more on the relational context. This dissertation considers both the ends of the debate and the messy place in the middle. A brief discussion of social capital as it has been taken up by the microfinance industry is also included.

3.2 What is Microfinance?

Microenterprise in the United States and Canada has been compared to microfinance in the global south given shared interests in poverty reduction. Popularized globally by Grameen Bank, microfinance aimed to empower disadvantaged people. The Grameen Bank defined microcredit as programs that provided “small loans to very poor people for self-employment projects that generate income, allowing them to care for themselves and their families” (Yunis, 2007). Earlier versions of microfinance were focused on small

loans (microcredit) for business start-up or growth, whereas later ones included additional financial services such as credit, savings, insurance, financial literacy, and business training (Cohen, 2002; Dunn, 2002; Eyiah, 2001; Nourse, 2001; Schaberg et al., 2019; Woller, 2002).

Microfinance is different from traditional lending in its focus on un-bankable or high-risk clients that lack credit history or collateral (Schaberg et al., 2019; Yunus, 2007). Instead, character collateral and group-based loans where borrowers guarantee one another's loans are used (Schaberg et al., 2019; Westover, 2008). Microfinance programs are typically implemented by non-governmental organizations (NGOs) in the global south and are funded by external agencies.

3.3 Microenterprise Programs in Canada and the United States

All microfinance programs aim to provide financial services to low-income individuals to improve the quality of their lives (Schaberg et al., 2019). In Canada, microcredit programs offered loans to individuals who are otherwise financially excluded from accessing traditional banking services. (Visano, 2008). Canadian microfinance emphasizes human capital as opposed to credit worthiness (Visano, 2008). Often programs include training in business and finance (Schaberg et al., 2019). In the United States, microfinance on the ground includes “access to capital and other business development services....microenterprise programs are currently helping individuals and families realize the promise of financial security and mobility”(Edgcomb & Klein, 2005; p. 3). These microfinance programs typically use individual loan dispersal methods (Maksoud, 2008), with loans typically ranging from \$5000 - \$10 000 (Friendly & Wright, 2001). One exception is Grameen America that requires borrowers form a group to participate (Schaberg et al., 2019).

In the United States, the microfinance movement flourished from an “antipoverty program culture in the late 1980s, as an alternate to job training and social welfare modalities” (CAMEO Report, 2008). Similarly in Canada, the government had reduced state responsibility for social welfare and shifted programming toward self-reliance.

Microfinance was viewed as one way to move people towards self-reliance and away from state support (Dua et al., 2007). At the same time, microfinance was moving toward commercialization, scale, and diversification (Coyle & Wehrell, 2006). Many microfinance organizations in Canada reported significant government, foundation and private funding or were programs of member-owned credit unions, which absorbed the increased costs of offering microcredit programs. In the United States, microfinance has largely been funded by a “patchwork of government grants” (CAMEO Report, 2008).

In 2008, fifty-seven microfinance organizations existed in Canada (Clow, 2014). Alterna Savings, a member owned credit union in Ontario and a major player in Canadian microfinance illuminated the theme of self-reliance in its 2010 annual report, stating that half of the loan recipients who were on social assistance no longer relied on government subsidies. (Alterna Savings, 2010). Similarly in the United States, microfinance and microenterprise is believed by practitioners to improve the incomes and financial well-being of low-income participants, and reduce poverty (Schaberg et al., 2019).

Much of the scholarly evaluation of microfinance has focused on the extent to which individuals, trust groups, or communities are economically empowered (Sanyal, 2009). On the one hand, advocates praise microfinance as an effective poverty reduction and women empowerment strategy (Bornstein, 2005; Counts, 2007; Schaberg et al., 2019; Yunus, 2003, 2007). On the other hand, critics question empowerment claims as well as its very foundation (Banjeree, Karlan, & Zinman, 2015; Bateman, 2011; Crépon, Devoto, Duflo, & Parienté, 2015; Morduch, 1999). Some scholars argue microfinance is an instrument of “neoliberal” economic decision making that leads to a “poverty trap” (Bateman, 2011; Karim, 2001). They question whether microfinance is a sustainable long-term solution. Much of this scholarly debate focuses on the global south. One exception was Erin Clow’s dissertation (2014) *Entrenched and (Un) Spoken: Neoliberalism and Canadian Microfinance* that described the basic characteristics of the sector in Canada and critically examined microfinance and its connections to the principals of neoliberalism. Clow’s study found evidence that Canadian microfinance organizations play a crucial role in entrenching neoliberalism and rendering invisible the structural correlations of inequality.

Few studies have examined microfinance's empowerment beyond economic considerations. Limited studies in the global south have examined the social empowerment of individuals (Hashemi, Schuler, & Riley, 1996; Kabeer, 1998; Pitt, Khandker, & Cartwright, 2006). Sanyal (2009) found that microfinance enhanced individual and collective empowerment of women in the global south through "social capital, normative influence and social cooperation" (Sanyal, 2009, p. 530). These studies raise many questions. Are microfinance and microenterprise development programs empowering, economically or otherwise? How do different actors define empowerment and how do practitioner beliefs and values shape the ways actors go about empowering their clients? Does participation in programs improve the individual's ability to resist oppression and take action in oneself or community interest? Given these questions, I reimagine empowerment (beyond economic self-reliance) to include individual and collective empowerment through critical consciousness raising, direct actions and social capital and argue that microfinance is both empowering and disempowering in surprising and unintended ways.

3.4 Community Development

Community organizations play an important role in addressing many social problems and achieving the goals of social justice. Governments and foundations turn to community organizations to provide social services, to create new public sector initiatives and to collaborate and partner for the greater good (Defillipis, 2010). Historically, the community has also been the site of grassroots social activism, mobilization and resistance (Defillipis, 2010). Community organizations and communities are important to the practice of microfinance and microenterprise development because they are often the sites where training and loans are delivered, and relationships fostered. Community organizations often lead microfinance and microenterprise development initiatives.

Scholars have grown concerned about the trends in community development practice, community organization's activities and the politics and policies influencing them (Defillipis, 2010, Teeple, 2000). Although critics acknowledge the importance of community in the struggle for positive social change, they disapprove of the "marginalization of the longer-term goals of economic and social justice as part of the

agenda of community organizing” (Defillipis, 2010, p. 1). A limited practice focused on economic rationality shaped by neoliberal context and priorities has replaced much of the former social justice emphasis.

3.5 What is Community Development?

Community development approaches are often considered empowering (Brown & Harris, 2012; Checkoway, 2001; Homan, 2016; Rubin & Rubin, 2008). Community development is a contested term with little consensus on its definition but with some shared key descriptive features (Homan, 2016). Rather than working as individuals, a community development approach brings people together to work on their collective problems (Brown & Harris, 2012; Checkoway, 2001; Homan, 2016; Horvath, 2001; Rubin & Rubin, 2008). Community development has been defined as “a process designed to create social and economic progress for the whole community with its active participation and the fullest reliance upon the community’s initiative” (Pizandawac, 1997, p. 9). Community members must believe that working together will benefit their collective interest and demonstrate a willingness to work together (Checkoway, 2001; Rubin & Rubin, 2008). Community members commit to work together to try to change their economic, social, cultural, or environmental circumstances. In other words, they aim to generate solutions to community problems. Herbert Rubin and Irene Rubin (2008) argue that “community development occurs when people strengthen the bonds within their neighbourhood, build social networks, and form their own organizations to provide long-term capacity for problem solving” (Rubin & Rubin, 2008, p. 3). Community development aims to increase the choices that individuals, families, and communities have (Checkoway, 2001). It is a process that fosters participation, civic engagement and involves local leaders, activists, citizens, and professionals (Homan, 2016).

Community developers often take an asset-based approach where they identify what is working well and the assets and resources the community has, as opposed to a deficit approach that emphasizes what is missing or broken (Homan, 2016). Assets are identified and used to improve confidence, willingness, opportunities, and viability (Checkoway, 2001; Homan, 2016). The goal is to improve community health and resilience. The values often associated with community development are equality, social justice, participative

democracy, consensus building, empowerment and sustainable development (Brown & Harris, 2012; Burkey, 1993; Campfens, 1997; Checkoway, 2001; Homan, 2016; Horvath, 2001; Kretzman & McKnight, 2012; Rubin & Rubin, 2008). Community development also values capacity building approaches that empower people to develop the skills they need to make the change they perceive as needed in their communities (Brown & Harris, 2012; Checkoway, 2001; Horvath, 2001).

There are different approaches to community development that have been widely used internationally. Among the diversity of practices are community organizing (Rubin & Rubin, 2008), asset-based community development (Mathie & Cunningham, 2003), faith-based community development (Corbett & Fikkert, 2009; Perkins, 1993), community economic development (CED) (Boothroyd & Davis, 1991), and community capacity building (Brown & Harris, 2012). Many share common strategies or values but some focus more on processes while others focus more on outcomes. Beyond tactic, most scholars and practitioners agree that transformative social change and social justice work is historically situated within the community and is the product of the mobilization of local communities (DeFillipis et al., 2010). Examples include the women's movement, labour movement, and civil rights movements (DeFillipis et al., 2010). This historical context is important because it highlights the role that conflict has played in achieving positive social change.

Community efforts have often been focused on resisting or changing the status quo to benefit the greater good (Rubin & Rubin, 2008). However, it is also true that community organizing may also be used for less progressive ideals. The political right has been organized to protect property rights and reinforce existing power relations (DeFillipis et al., 2010). Despite the inherent political nature of communities and community organizing, many perceive community to be a "politically neutral term" that is often romanticized as a place of mass consensus representing a "mythic" and "sanitized" past (DeFillipis et al., 2010, pp. 12-13).

Some scholars and practitioners have argued that community work and community organizations have become more conservative since the 1980s while at the same time

community has been embraced by policy makers and the state, analysts, academics, advocates, and the growing non-profit sector as a pathway to achieving progress (DeFillipis et al., 2010). In the United States, the United Kingdom, and Canada, “community-based efforts are being promoted as the solution to a whole host of social, political, economic, and cultural issues and problems” (DeFillipis et al., 2010, p. 3).

This conservative embrace of community has resulted in the political constraint of community organizations and the reimagining of community as “largely distanced from the goals of social economic and political justice” (DeFillipis et al., 2010, p. 3). Instead of a transformative agenda, community-based initiatives have become part of the “regulation and management of social problems” such as poverty (DeFillipis, 2010, p. 3).

Community has been embraced by the state and capital because it can serve the interests of the powerful and their beneficiaries (DeFillipis et al., 2010).

Community-based organizing and ideas like community collaboration, asset mapping, and community sustainability are positive ideals; they even seem like common sense solutions to community problems. What could be the problem with improving community health or consensus building with the wealthy? DeFillipis (2010) argues that it is not possible to solve massive social inequalities based on class, gender, race, with local programs alone. Rather massive systematic state policy and programs are also required (DeFillipis et al., 2010). The community must still organize and have the power to make demands on both government and corporations (DeFillipis et al., 2010). In other words, consensus approaches may have their limitations.

The risk is that community acts exclusively as providers and coordinators of restructuring relations between “government and communities” under an ideology of “increased individual, family, and community responsibility for managing social problems” (DeFillipis et al., 2010, p. 123). The consequence of this is a “romancing of community as well as a narrowing of practice” (DeFillipis et al., 2010, pp. 123 – 124). In other words, market-based ideas and practices may reshape the direction of local work. This may narrow the meaning of community and the strategies they employ. What remains are activities and goals that are “antithetical to the long-term solution of serious social

problems” (Defillipis et al., 2010, p. 123). Communities may act in ways that are not in their long-term interests. Thus, in recent years, “changes have brought community work in line with the general policy orientations of the transition to neoliberalism and they do so at the expense of building opposition through local organizing” (Defillipis et al., 2010, p. 123).

Many of the ideas and practices of Community Development themselves are not inherently problematic; rather, the ways in which they are implemented are an issue. Another issue is the impact on the direction and function of organizations (Defillipis et al., 2010, p. 123). The trend of community and community organizing being shaped along neoliberal lines is relevant to microfinance and microenterprise development because it potentially explains much of the strategies, tactics and even mission of practitioners today. Their work is enabled or constrained by these trends and the restructuring of relations between government and communities. This has implications for empowerment.

3.6 Empowerment

Much of the microfinance literature in the global south focuses on the empowerment of women. Women’s empowerment describes the ability of women to improve self-reliance, their right to determine choices; and their ability to influence change through the control of material and non-material resources (Moser, 1989; Sanyal, 2009). In the global south, disempowerment is related to both poverty and social factors such as the norms and rules governing women’s conduct (Sanyal, 2009). For example, in South Asia Muslim and Hindu women are constrained by practices such as patrilineal descent and inheritance and early marriage (Sanyal, 2009). When girls marry young, they may leave their family home and village to join their husband’s family and village. Extended-family decision making, especially by senior male relatives may influence a couple’s decision making. Women are seen as extensions of the family’s honour and are often ‘confined within the household’ (Sanyal, 2009, p. 530). A broader practice of ‘social seclusion’ contributes to ‘women’s isolation’ (Sanyal, 2009, p. 531). Microfinance self-help groups are seen as a means to empower women economically, while simultaneously building social ties

beyond the family (Sanyal, 2009). These ideas have been explored (within the literature focused on the global north) in only limited ways.

The microfinance empowerment literature in the global north has focused on the extent to which participants are economically empowered. Clow (2014) found that many Canadian microfinance practitioners emphasized concepts such as “self-reliance”, making better choices that will lead to self-reliance, earning income, “getting off ... different forms of government support”, helping people “become more independent” to reduce dependence on government and converting government dependent individuals into tax-paying citizens (Clow, 2014, p. 154). Furthermore, she found that expressions of self-reliance were connected to transitioning “employment insurance recipients to self-sufficient entrepreneurs” (Clow, 2014, p. 155).

Empowerment in the global north is often understood as increasing behaviours that will lead to financial stability (saving, borrowing, and planning for one’s financial future) growing one’s business, taking responsibility for one’s circumstances, improving one’s income, getting off government assistance programs and paying taxes (Alterna Savings, 2010; CAMEO Report, 2008; Clow, 2014; Visano, 2007). Dua, Subbiah, and Visano (2007) stated that Canadian microfinance organizations aim to “promote economic self-reliance in which either individuals or community groups become less reliant on state sources of income support” (2007, p. 1). Similarly, Alterna Savings, in a 2010 report, emphasized moving individuals towards independence from government subsidies (Alterna Savings, 2010). Finally, CAMEO, the California Association for Micro Enterprise Opportunity, posited that the “the micro enterprise movement evolved out of the anti-poverty program culture in the late 1980s, as an alternative to job training and social welfare modalities” (CAMEO Report, 2008, p. 1). CAMEO makes a case for moving beyond the poverty alleviation view to one where microenterprise development is seen as a “strategy of economic integration” (CAMEO Report, 2008, p. 2). For many microfinance and microenterprise development practitioners in the global north, “economic self-sufficiency” is the means through which empowerment is achieved (CAMEO Report, 2008, p. 2). To the extent that empowerment is framed narrowly along

economic dimensions, broader considerations of decision making, influencing change or gaining control over material or non-material resources are not considered.

Some studies of women's empowerment (in the global south) have considered other dimensions of empowerment (Hashemi et al., 1996; Kabeer, 1998; Pitt et al., 2006; Sanyal, 2009). Kabeer (1998) found improvements in women's self-worth, social exposure, and individual power. Scholars also suggest that through microfinance participation women gained knowledge of laws and politics as well as increased participation in family purchasing decisions, control over resources and improved social networks (Hashemi et al., 1996; Pitt et al., 2006). Similarly, Sanyal (2009) found that through improvements in social capital and normative influence, a woman gained a greater capacity for collective action. Women were able to mobilize in response to issues such as domestic violence, men's sexually permissive behaviour, annulling underage marriage, and acquiring public goods (Sanyal, 2009). Sanyal suggested that women met regularly and discussed their finances but also "personal worries and domestic troubles." They also discussed community issues (Sanyal, 2009, p. 537). Women gained knowledge about finances and bookkeeping, but also legal rights and critical perspectives on social attitudes (Sanyal, 2009). Her findings illustrate how individuals brought together solely for economic purposes were able to mobilize around their collective interests and along altruistic lines (Sanyal, 2009).

Notably absent from the discussion of empowerment (in Canada or the US) are the unintended ways programs may also be empowering, as well as the ways in which empowerment may be shaped by race. To what extent are microfinance actors empowered (in a broader sense) in their ability to not only improve self-reliance, but to determine their choices and influence the direction of change in the global north? And what do we make of such marginal improvements, if applicable, given neoliberal priorities and context. These questions have not adequately been considered.

3.7 Empowerment Critiques

Much of the critiques of microfinance and the degree to which it is empowering emphasize two themes: gender and neoliberalism. Gender based critiques are born out

the practice of microfinance in the global south where women borrowers are the priority. Borrowers in the global north tend to be both men and women in relatively equal numbers. For those who are critical, some are concerned that identifying women as ideal local recipients is strategic. Women make sense from a business perspective (Harper, 2011). Women are presumed to be more reliable, predictable, and less risky (Harper, 2011). Harper (2011) is critical of the ways in which this narrative may reproduce prevailing gender stereotypes. Microfinance then leverages existing myths about gender difference to enhance market outcomes.

Another gender-based critique is related to definitional issues concerning women's empowerment. Empowerment is a contested term with no standard method of measurement (Clow, 2014; Kabeer et al., 2011). Further, some scholars note that different microfinance actors prioritize women's empowerment to varying degrees (Mayoux, 2005). Although Mayoux (2005) believes that microfinance may be beneficial, she encourages caution against overstating or generalizing conclusions (Mayoux, 2005). Others such as Deshmukh-Ranadive and Murthy (2005) and Kabeer (2001) are also cautious although they do not rule out the possibility of empowerment completely. Still others such as Lingham (2008), Karim (2011), Selinger (2008) and Faraizi, Rahman and McAllister (2011) reject the potential for women's empowerment completely. Concerns over the short-sighted nature, lack of real evidence, conflation of rhetoric with poverty alleviation and empowerment are identified. Some also question who has control of the loan proceeds. Although many reasons are provided to reject the emancipatory and empowering potential of microfinance participation for women, there is another theme within the existing literature that extends the debate to linkages to capitalism and neoliberalism. For the purposes of this dissertation, this literature is most relevant.

Scholars are polarized on the value offered by microfinance to beneficiaries. On the one side, there are scholars and practitioners who believe that capitalism can be turned on its head and used to empower and include disadvantaged individuals (Yunis, 2007). Yunis (2007), founder of Grameen bank and noble peace prize winner, advocates for a transformation of the very character or essence of capitalism into something more compassionate and broad – focused on the greater good. Market based solutions ought to

be harnessed to solve the greatest challenges of our time, whether it be poverty, environmental degradation, food security or unemployment (Yunis, 2007). This approach emphasizes the need to take action immediately and work within the existing system as opposed to waiting for a Marxian-style revolution and changing the system altogether. Instead of a pure profit focus, capitalism is to be reimagined with a double (or even triple) bottom line that focuses on the financial and social returns on investment, or in the case of a triple bottom line, environmental returns (Yunis, 2007).

On the other side, there are scholars who problematize the underlying principles of capitalism and neoliberalism and find its use to relieve suffering and to solve social problems as inappropriate, ineffective, and off-putting. Microfinance (a type of social enterprise) and other market-oriented approaches to addressing social needs promote the free market and the dismantling of the welfare state (Burke, Shields & Mooer, 2000; Clow, 2014; Teeple, 2010). Microfinance scholars such as Bateman (2011, 2010, 2006), Rankin (2001), Bond (2007), Karim (2011) and Clow (2014) discuss the ways in which microfinance aligns with neoliberalism. Karim (2011) is critical of the way that microfinance is delivered through NGOs. This is part of a greater trend of a weakened welfare state. She explains how NGOs have come to provide many of the services formerly provided by the state, causing her to describe NGOs as a “shadow state” (Karim, 2011, p. 200). As the results chapters will show, NGOs function in similar ways in the global north.

Another criticism is that microfinance opens the door for multinational corporations to enter developing countries and to expand their markets (Karim, 2011). The poor and their communities are recast as investment opportunities. This is a segue to the ills of consumer capitalism as formerly rural areas are filled with the capitalist’s products such as processed foods and cellular phones. Karim expresses concern about poor families who cannot afford rice but who are then recast as customers expected to buy Danone yogurt (Karim, 2011). She is also critical of the ways in which multinational corporations commodify and apply a profit matrix to necessities such as water once they have entered the “new market”. Privatization leads to poor individuals paying small fees for commodified human needs (Karim, 2011). Although studies have focused on this

process in developing countries, similar processes may still impact developed countries as priority neighbourhoods are recast as investment opportunities and new markets for developers.

The profit maximization principle is also evident by the interest rates charged in the global south (Bateman, 2011; Karim, 2011). The rationale for high interest rates is that the poor are more concerned about credit availability and that revenues are ultimately used for their benefit (Bateman, 2011; Yunis, 2007). However, Bateman (2011) argues that this harms the poor and that there is plenty of evidence that the poor want lower interest rates and longer loan amortization periods, similar to middle class borrowers in the traditional financial services sector. Bateman argues that microfinance organizations subordinate the needs of the poor to the desires of investors. The profit maximization principle leads to the reproduction of the status quo and in some cases redistributes wealth from the poor to the wealthy (Harvey, 2005; Karim, 2011). The desires of investors in urban centers are also prioritized in ways that direct the actions of community organizations. Additionally, community organizations in the research sites similarly adopted profit maximization and business principles in ways that shaped the focus and scope of their practice.

3.8 Social Capital

Policy makers, including the Canadian Government, have turned their attention towards social capital theories to inform initiatives that leverage the power of social networks and associational life in efforts to alleviate poverty. The potential of the social is that it is an untapped resource to foster economic growth. The appeal of leveraging the social is multifaceted, and includes enhanced social and financial inclusion of marginalized people into the formal economy, more efficient use of scarce resources, and more sustainability given the focus on the individual's and/or the community's capacity. The conceptualization of social capital referred to by the majority of policy makers and development scholars is the one advanced by Putnam.

Putnam's (1993) empirical analysis of social capital demonstrates at aggregate levels a positive correlation between social capital and the effectiveness of regional governments.

He defines social capital as levels of associational activity and trust in communities. To measure social capital, Putnam uses the proxy of membership and civic associations. Social networks have value. This value materializes in the form of benefits from trust, reciprocity and cooperation. This view led Putnam (1995) to argue that US economic decline resulted from declining levels of social capital in communities. According to Putnam, “feature[s] of social organization, such as trust, norms, and networks, can improve the efficiency of society by facilitating coordinated actions” (Putnam, 1983, p. 167). When people come together in networks they develop and share common values and beliefs. Putnam calls this a “moral resource” (Putnam, 1983). Shared values lead group members to think and act collectively and to sanction any individual action that would bring harm to the greater good (Putnam, 1993, 1995). Putnam argues that trust and norms of reciprocity enhance the capacity and desire for “collective benefits” (Putnam, 1995, p. 67). Even the government of Canada has taken up Putnam’s view of social capital, suggesting that “social capital is considered a set of resources available to individuals and communities as a result of social networks. The value of social capital resides in the overall positive consequences resulting from the creation in maintenance of social contacts: flow of information, trust, reciprocity, cooperation, and productivity” (Statistics Canada, 2015, p. 1). Putnam argues that social capital is a characteristic of communities whether they be neighbourhoods or countries. It is a more collective view that values social networks to the extent that they foster community engagement. In this sense, trust is understood in a more generalized sense. In other words, the general tendency of citizens to trust one another leads to positive outcomes for society. Social capital is therefore crucial for the production and maintenance of societal institutions.

In his book *Bowling Alone*, Putnam discussed bonding social capital and bridging social capital. Bonding social capital is within a group or community and is crucial for “getting by” (Putnam, 2000). Bridging social capital is between social groups or other sociodemographic or socioeconomic characteristics and is crucial for “getting ahead” (Putnam, 2000). Some of the features of bonding social capital include strong ties, within a social group, an inward-looking focus, association between people who are similar to each other. Conversely, bridging social capital involves weak ties, between social groups, outward looking focus, association between people who are different from one another.

Scholars at the World Bank added linking social capital, as a third type, to describe relationships between people at different levels of hierarchy. The conceptualization of bonding and bridging capital builds upon Granovetter's (1985) work on embeddedness that differentiated between weak ties and strong ties. This approach to social capital theory has been called the network approach. Influential scholars in this tradition can be traced to James Coleman, Ronald Burt, Nan Lin, and Alejandro Portes.

Coleman advanced the use of the concept of social capital as a theoretical strategy for resolving two conflicting theories to explain social action, one used by sociologists and the other by economists. Sociologists focus on norms, rules, and obligations to explain how action is shaped and constrained by social context. Economists see rational and self-interested actors motivated by maximizing utility. Coleman argues for a theoretical orientation in sociology that views actors as both rational and shaped by social context. Coleman hoped this new approach would address his concern that sociologists often diminish the role of agency whereas economists diminish the potential for social or collective action. Social capital, he posited, would address the defects found in both intellectual streams. For Coleman, social capital is "defined by its function" (Coleman, 1988, p. 98). Coleman emphasizes the role of strong ties and social closure. According to Coleman, social capital explains the efficiency of information channels. Individuals use information to make decisions and take action. Acquiring information can be costly from the perspective of time and money. Social relations may improve this process of acquisition. An individual may be able to leverage everyday interactions to stay up to date on information in their field of study or work, for example. Coleman also suggests that norms constitute a form of social capital. Norms in the community may provide rewards for actions that benefit collective interests and sanctions for harmful actions. Coleman expressed concern that family and community ties were weakening with time.

Lin offers a new network theory of social capital while also identifying the controversies, debates and issues for building a theory. Lin defines social capital as embedded resources in social networks. Like Coleman, Lin's approach is an instrumental one that clearly identifies the investments made in one's social networks, the resources embedded within those networks and the returns on those investments. One of the key differentiating

factors in Lin's work is his emphasis on pure and middle hierarchy. He argues that social capital is facilitated by superior positions in hierarchy, accessing weaker ties, and accessing upper positions. Unlike Coleman, Lin specifies the importance of structural position and network location. Lin identifies many crucial problems found within the vast literature on social capital. These include "conceptualization, measurement, and causal mechanism." Such controversies include whether social networks themselves are social capital, whether trust itself is social capital, and whether participation in involuntary associations is social capital. By offering a highly detailed network model, he attempts to address these challenges.

The conceptualization of social capital advanced by Putnam and embraced by development scholars differs from that embraced by many sociologists. Sociologists frequently link social capital with social inequality, seeing in it a mechanism for navigating fields of power, and facilitating the reproduction of social hierarchies. These ideas are perhaps most clearly articulated by Pierre Bourdieu (1986) who contends that social position and social class are determined by one's access to capital. For Bourdieu, capital presents itself in three primary ways, as economic capital, cultural capital, and social capital. Economic capital refers to wealth, money and property rights. Cultural capital refers to culturally specific competencies and knowledge valued by the dominant class. It may be institutionalized in the form of educational qualifications. Social capital refers to social connections, networks, and group membership. It also plays a role in one's life chances and social class, as it may be convertible into economic capital in certain conditions. Bourdieu argues that social relations have value for individuals, but the unit of analysis is social structure rather than the individual. "Individuals do not generate social capital and are not the primary unit of analysis. Rather, social capital inheres in the social structure and must be conferred value by a society consenting to its cultural logic. Within this logic differently positioned individuals experience associational life differently, some benefit at the expense of others. The benefits and costs of participation are distributed unequally" (Rankin, 2002, p. 6). Unlike Putnam, who focuses on the collective good resulting from social networks, Bourdieu emphasizes how group membership enriches some individuals at the expense of others. Bourdieu's approach is critical of those who imagine a "universe of perfect competition or perfect

equality of opportunity, a world without inertia, without accumulation, without heredity or acquired properties, in which every moment is perfectly independent of the previous one, every soldier has a Marshall's baton in his knapsack, and every prize can be attained, instantaneously, by everyone, so that each moment anyone can become anything" (Bourdieu, 1986, pp. 241-242). Bourdieu, then, provides a helpful corrective to other approaches to social capital which appear to assume that social capital is available to all, and that its use can be empowering to all, reminding us that the use of social capital, like the use of other forms of capital, occurs in social fields infused with power inequalities, and often serves to reproduce those inequalities. It is no surprise he receives little mention in the microfinance literature and development discourse.

Within the development discourse, many scholars believe that social capital may be leveraged to alleviate poverty (Rankin, 2002; World Bank, 2001). Influenced by Putnam (1995), they hold that associational life is correlated with citizen engagement and sustainable economic growth (Rankin, 2002). This, in turn, encourages bottom-up approaches to poverty alleviation that emphasize the role of the individual in the process (Rankin, 2002; Yunus, 2007). To that end, solidarity or trust groups (used in microfinance programs) are thought to offer opportunities to develop and leverage resources for development (Rankin, 2002). This notion that "social networks enhance social opportunity is relatively uncontroversial" (Rankin, 2002, p. 3). It appeals to our collective 'common sense'. Who one knows certainly plays a role in job searches, business growth or overall success. Rankin argues, however, that "never before have social networks and associational life been featured as prominently among the leading development institutions as prescriptions in sustainable development and economic growth" (Rankin, 2002, p. 4). Economists, in particular, also view social capital as a way to correct market failure (Rankin, 2002). It is important to emphasize the degree to which a "liberal rational choice theory" work view has shaped development scholarship and practice. Although some sociologists such as Alejandro Portes and Patricia Landolt (1996) have highlighted the potential pitfalls, social capital is still widely perceived as the missing ingredient to development.

To understand the relevance of social capital within micro-finance, it is valuable to take multiple conceptualizations of social capital into account. The work of Coleman and Putnam illuminates social capital as a potential resource, where there is trust and information sharing. At the same time, it is important to keep Bourdieu's insights in mind. Social capital can be used to reproduce social inequalities, and the contexts in which social capital may be leveraged are infused with entrenched power hierarchies which may benefit the elite at the expense of the poor.

In this chapter, I have reviewed the literature on microfinance and microenterprise, which accompanies the growth of self-employment in the US and Canada. The literature indicates that there are some differences between the global north and global south, and that there is a dearth of literature in the global north. The work of microfinance and microenterprise is often done by community organizations using community development principles and other empowerment approaches. The logic of these approaches often contrasts some of the other aims in the global north, such as the production of economically rational citizens more capable of self-reliance. Additionally, the work of community organizations are often constrained by broader trends such as government cutbacks and others factors of neoliberal restructuring.

The literature on empowerment is varied and contested. On the one hand, scholars of the global south emphasize agency, decision-making and the ability to influence change. However, the literature in the global north focuses more on the economic dimensions of empowerment. By broadening the understanding of what it means to be empowered, this study aims to explore empowerment on the ground. Finally, social capital is considered as a pathway to empowerment.

Chapter 4

4 Methodology

The purpose of this study is to explore the perceptions of microenterprise developments by clients, workers, and funders in the Global North. Specifically, I aim to understand the extent to which microentrepreneurs are empowered through microfinance and microenterprise schemes, and how neoliberalism shapes the relationship between microenterprise participation and empowerment. As demonstrated in the literature from the Global North, microfinance actors are presumed to be either empowered entrepreneurs working their way out of poverty or exploited, and displaced workers engaged in survival strategies in an increasingly precarious and unstable labour market. I explore the ways in which micro-entrepreneurs and microfinance workers participate in microfinance and microenterprise programs in both expected and unexpected ways illuminating their complex and nuanced position as empowered and exploited.

To explore the experience of microfinance program participants, I utilize a thematic analysis of qualitative data gathered from fifty-eight, semi-structured interviews in two sites: Toronto, Ontario and Los Angeles, California. Research candidates included three participant groups: (1) clients (who were either current participants in a program or had formerly participated); (2) microenterprise workers (paid workers, volunteers, board members, experts) who worked at a microfinance or microenterprise organization, or in some cases a settlement services or youth services organization that offered microfinance programs; and (3) funders (who administered MF programs).

The study employed a thematic analytic approach (Braun & Clarke, 2006) to analyze in-depth qualitative methodological data exploring the perspectives of research participants. Research ethics approval was secured prior to study commencement.

Individuals from organizations were recruited based upon their direct involvement in related service or funding provision, program participation, or microfinance knowledge generation or dissemination. Service providers designed program models, defined outcomes and evaluated program effectiveness. They also had direct contact with

program participants and readily observed the effects of micro-enterprise in its respective micro-entrepreneurs. Funders yield significant power due to their ability to define the program parameters and determine eligibility criteria. Accordingly, funders impact the degree to which the microfinance service providers and program beneficiaries are empowered (if indeed they are) and the ways in which participants come to understand their subjective experiences.

Participant recruitment for the study was conducted primarily in two phases, the first over the summer and fall of 2015, and the second in the summer of 2017. In-person interviews took place at a time and location convenient for the participant (usually in a private room or board room in the microfinance agency's office) and lasted approximately 30-60 minutes. The interviews were often supplemented by marketing materials or organizational reports at the offering of the participant (provided by the participant for the purposes of data collection). In a few cases, the participant requested to participate by phone due to scheduling difficulties. In-person interviews were digitally recorded and transcribed. Some interviews were not digitally recorded at the request of the participant and, in such cases, handwritten interview notes were taken and written up immediately afterwards. In some instances, a follow up email was sent to ask a few additional questions to clarify information provided at the interview.

4.1 Sampling and Recruitment

I used convenience and snowball sampling strategies (Patton, 2015) for this study. The total population of interest was small in the two study sites. As a result, I began making a comprehensive list of all practitioners and proceeded to invite them to participate in the study. Given that I had worked as a management consultant for a municipal organization designing a microfinance program in the past, I was fairly familiar with the key actors and overall landscape. The list of organizations was drafted through an Internet search using google search to locate organizations that operate microfinance and microenterprise programs.

Using a convenience sampling approach, relevant organizations were contacted first by email, using the publicly available contact information on the organization's website. The

email outlined the details of the study, and requested that interested candidates contact me should they wish to learn more about the study. For those that had made contact, I requested that I be permitted to attend the organization at a date and time of their choosing. The study information letter was provided to the interested individual prior to my arrival for others interested in learning more about the study. Informed consent was obtained at the interview, at which time I reviewed the study information and asked participants if they were willing to participate. Research participants were informed that they could choose not to answer any questions that they preferred not to answer and could withdraw from the study at any time without penalty.

Adopting a snowball sampling approach, research participants were asked to refer others who might be interested in participating in the study. Over the data collection period, more advanced Google searches were conducted to recruit others who might be engaged in the sector, including youth, Indigenous peoples, newcomers, etc., as some programs had a microcredit or microenterprise program nestled within a broader program focus and may not have surfaced on a search focused exclusively on microcredit. The list of possible candidates was also enlarged through a review of the 2009 Survey entitled *Highlights of Existing Microcredit Programs* found at <http://yucfp.info.yorku.ca/files/2015/12/CdnMicrocreditProgSurvey-Highlights.pdf> and through participation at the Microcredit Summit Conference. A similar list was found through CAMEO, a capacity building organization for microenterprise organizations in California.

4.2 Description of the Sample

In all, the sample included 58 participants (n=23 male, 35 females), including eight entrepreneurs, eight funders (some were hybrids) and 42 microfinance or microenterprise workers. Of the program participants, seven had some college or university education, and seven had advanced graduate degrees. Thirteen were focused on newcomers or visible minorities, two organizations on youth, one on Indigenous clients, two on veterans, three on homeless individuals or individuals experiencing mental illness. All participants were English speaking. Table 4.1 shows the total number of research participants within each category (entrepreneurs, workers, and funders). Table 4.2 and

4.3 list a pseudonym for each research participant, as well as their category (entrepreneur, worker, or funder), gender and race. One table was created for Toronto and a separate table for Los Angeles for the ease of the reader. Please note that two individuals were each interviewed twice (Mohammed and Sandra), once at the study's commencement and once near its completion.

Table 4.1 Distribution of Participants across Category and Locale

Method	Toronto	Los Angeles	Total	Per cent
Individual Interviews with Entrepreneurs, average 60 minutes	7	1	8	14%
Individual Interviews with Stakeholders/Funders	4	4	8	14%
Individual Interviews with MF Workers and Volunteers	24	18	42	72%
Total Sample	35	23	58	100%

Table 4.2 Toronto Interviews

Category	Gender	Race	Pseudonym
Funder	Man	White	Paul
Funder	Woman	APIME	Meena
Worker	Man	White	Mitch
Funder	Woman	LatinX	Lina
Worker	Woman	Indigenous	Tamara
Worker	Woman	White	Kate
Worker	Woman	Indigenous	Tianna
Worker	Woman	White	Joan
Worker	Woman	White	Sandra
Worker	Woman	White	Sandra
Worker	Man	White	Seth
Worker	Woman	APIME	Soheila
Worker	Man	White	Rob
Worker	Man	White	James
Worker	Man	White	Peter
Worker	Man	APIME	Mohammed
Worker	Man	APIME	Mohammed
Client	Woman	APIME	Ena

Client	Woman	APIME	Tassneim
Client	Woman	APIME	Samira
Client	Woman	APIME	Maryam
Client	Woman	APIME	Fatima
Client	Woman	APIME	Sarah
Client	Woman	APIME	Josie
Worker	Woman	White	Caitlin
Funder	Woman	Black	Selena
Worker	Man	White	Eric
Expert	Woman	White	Barbara
Worker	Woman	White	Lorraine
Worker	Woman	White	Chloe
Worker	Man	White	Sid
Worker	Woman	White	Amber
Worker	Man	White	Arthur
Worker	Man	Black	Jake
Worker	Woman	APIME	Jenny
Worker	Man	APIME	Akeel

Table 4.3 LA Interviews

Category	Gender	Race	Pseudonym
Worker	Man	White	Jack
Worker	Man	White	Don
Worker	Man	White	Myles
Worker	Man	White	Dylan
Worker	Woman	White	Dalia
Worker	Woman	White	Bryne
Worker	Man	White	Jason
Worker	Woman	White	Lilly
Worker	Woman	APIME	Veronica
Worker	Man	APIME	Eduardo
Funder	Man	LatinX	Taz
Worker	Man	APIME	Richard
Worker	Woman	Black	Melissa
Worker	Man	LatinX	Alejandro
Worker	Woman	Black	Racquelle
Funder	Man	LatinX	Isaac
Worker	Man	Black	Jarrod
Worker	Woman	Black	Odette
Funder	Man	LatinX	Carlos
Funder	Woman	Black	Jeanette
Client	Man	Black	Godrell
Worker	Woman	Black	Patricia
Worker	Woman	White	Hilary

4.3 Interview Guide

The study design required specifically of participants that they answer questions relevant to the research questions, which centered on identifying (1) the effectiveness of microfinance and microenterprise programs; (2) microfinance worker and client perceptions of program participation or affiliation; (3) the ways in which actors were empowered and disempowered; (4) the meaning they ascribed to their actions. Therefore, in order to establish rapport, participants were initially asked about themselves (i.e., biographical information, how they became involved and how long they had been involved, their plans for the future) and their role in the microfinance sector (funder, worker, volunteer, client).

From there, funder and service providers' questions were focused on the aim and effectiveness of their programs as well as the meaning they ascribe to their work. Context setting questions included: With which segments of the population is your organization concerned (age, gender, ethnicity, place of residence, income level, etc.)? What are your ultimate hopes for these groups? How would things be better and/or different for these groups if your hopes were realized? Effectiveness questions included: What is working best, what are your organization's strengths and weaknesses? What external challenges do you face to meet your organization's mission? What opportunities do you see for growth? What risks or threats to your organization's growth do you see? Meaning questions included: What do you value in terms of how you do what you do? What do you value in your relationships within your organization and your partners? How would you like others to view the organization? What principles or beliefs should guide your work? What do board members and employees stand for and embrace? (see appendix for a copy of the interview guide). Interviews were semi-structured to permit respondents the opportunity to speak about what was of "interest to them" (Hesse-Biber & Leavy, 2006, p. 125). I guided the discussion around the interview guide questions. Therefore, both a measure of structure and a degree of flexibility were employed in the process. This enabled rapport and trust building enhancing the quality of the interviews.

Program beneficiary questions were focused on the service experience and perception of the program, the ways in which they felt empowered and the meaning they ascribed to their actions. Service-related questions included: Is this the first time you have been involved in a microfinance or microenterprise program? How long have you been involved in the program? Can you tell me about the program? Do you attend classes or training? What are the topics covered in these classes or training? Have you received a small business or microloan? Can you tell me about the support you are receiving? Mentorship or Advisory Services? What suggestions would you make for improvements to the program you are involved in? Questions probing into the agency and empowerment of clients included: What is your ultimate hope after completing the program? How would things be better and/or different if your hopes were realized? Describe what stage you are in with your new business (developing the business plan, operating the business, growing the business, etc.) Describe your business venture. What is working best, what are your business strengths and weaknesses? What external challenges do you face to meet your business mission? What opportunities do you see for growth? What is your ultimate hope after completing the program? Meaning probing questions included: What do you value in terms of how you do what you do? How would you like others to view your business? What principles or beliefs should guide your work?

4.4 Document Analysis

Primary and secondary documents were gathered and analyzed in order to provide an understanding of the political, economic, and geographical nature of the sites selected. Hard copy materials from state agencies and community groups as well as internal organizational reports, minutes, marketing and training materials were analyzed. I also attended several events at the invitation of research participants. These included a public community fair where clients had booths, client workshops and informal community meetings (e.g. in a client restaurant). I also used notes taken from industry-specific conferences (i.e. the Microfinance Summit in Toronto and the Social Enterprise Conference in Los Angeles). Web-based materials were also added, including information from various community groups, service providers, and funders.

4.5 Data Analysis

All identifying information was removed from the transcripts of digital recordings and hand-written notes. Participants were assigned pseudonyms and a generic category label (e.g. microenterprise funder). I employed Braun and Clarke's (2006, p. 87) six-phased process for thematic data analysis: (a) familiarization with the data; (b) generating initial codes; (c) searching for themes; (d) reviewing themes; (e) defining and naming themes; and (f) producing the report.

The process of coding and theme identification was undertaken by hand and without the use of a data management program.

Preliminary coding of the documents collected was completed. To code and analyze the documents gathered, thematic analysis was utilized (Braun & Clarke, 2006). The approach was a combination of inductive and deductive. It was inductive in that I coded directly from the data relying on the interview subjects' experiences and perspectives. It was deductive in that I drew upon theoretical constructs from intersectional feminist and critical race scholarship like positionality, critical consciousness, colour-blind racism, and the hidden ways in which racism is normalized to serve the interests of the dominant class to make visible the issues that participants did not acknowledge. The data, are therefore, broadly interpreted within an intersectional feminist and critical race theoretical and ideological framework.

First, I familiarized myself with the data by listening to audio recordings (Braun & Clarke, 2006). I took notes in a notebook while I listened. Then I listened again, frequently pausing the recording, while transcribing the interviews. After transcription, I reread the transcripts and reread my journal notes, and listened to some interviews again. Thereafter I returned to my notes and highlighted items of interest. During this familiarization, I was reading the words as stated by the participants but also critically and analytically to understand the meaning conveyed by the words spoken and those unspoken (Braun & Clarke, 2006). For example, race and racism were not intended areas of focus in the original research design. I observed early on that White Participants rarely mentioned race while BIPOC Participants referred to race and racism frequently. The

absence of something being mentioned was identified in my notes, as well as the mention of something.

Next, I began a more systematic review of the data through coding (Braun & Clarke, 2006). Codes included any feature that may or may not have been relevant to the initial research question, concerning empowerment, neoliberalism and organizational effectiveness. Codes concerning organizational features such as “loan program”, “financial literacy training”, “business advisory services”, “regular group meetings”, “individual loans”, “group loans” were identified as well as codes related to participants’ meanings such as “empowerment”, “social inclusion”, “financial inclusion”, “self-reliance” or “bottom-up development”. At times the code would be an entire statement made by a participant such as “transformation from the inside out”. Other times, the code would offer a conceptual interpretation of what my participant was conveying such as “critical consciousness”, “collective or direct action” or “social location” (Braun & Clarke, 2006). The participant may not have spontaneously used the term identifies but I interpreted their comments through this framework (Braun & Clarke, 2006).

At this time, I began to actively look for themes (Braun & Clarke, 2006). I looked through the codes to see if any of the codes fell into a topic or theme. For example, I noticed codes clustering around race and racism. I identified codes either focused on experiences of racism, mentioning/naming race or racism, and resistance/direct action to address oppression/exploitation. Preliminary themes included program structure and operation, fostering self-reliance, training, empowerment, immigrants, gender, youth, and homelessness and microfinance. In later stages, themes included agency, social capital, critical consciousness, race, colour-blindness, direct actions, collective action, worker exploitation, underemployment, client and neighbourhood composition, immigration policy, community development and the language of neoliberalism.

After I identified themes, I reflected. I made additional handwritten notes in a notebook and considered the themes and whether it was related to my research question and if there was enough data to support this theme (Braun & Clarke, 2006). Then I finalized the

themes. At this point, I brought together all of the notes, quotes and materials relevant to a specific theme (Braun & Clarke, 2006).

4.6 Rationale for Methodology

I chose to explore microfinance practitioners' and beneficiaries' perspectives of the microfinance and microenterprise engagement process and encounter using in-depth interviews because I wanted to examine the lived experience of these individuals (in the global north) and the degree to which they subjectively experience empowerment or disempowerment (in a broader way that extends beyond economic empowerment) otherwise neglected in the literature. A few notable exceptions include Erin Clow's study of neoliberalism and Canadian microfinance which was made available after I had originally crafted this study, Brenda Spotten's work on financial inclusion and Jerry Buckland's work on predatory lending and financial inclusion in Canada.

The in-depth interview enables a process of "co-construction" (Crabtree & Miller, 2004, p. 188) whereby the researcher and informant work together to understand their experiences more deeply. The researcher's role in asking probing questions, and listening, may prompt deeper and more meaningful informant reflection and analysis. For these and many other reasons, the in-depth interview is well suited to understanding meaning making. However, this method was complemented with document analysis and field observation. The combination of the three approaches enhanced the research findings. Further, in analyzing agency, empowerment, resistance, critical consciousness and social capital, the articulation of motives, beliefs and values was useful.

One challenge was fostering an environment in which participants felt comfortable telling their stories. At these times, my personal experience as a microfinance practitioner, former banker, and business owner was an asset. It helped me establish rapport and demonstrate empathy. However, there were also challenges associated with my "insider" status (Gallagher, 2000). In many instances, I had shared experience with informants. As an academic, I enjoyed the privilege of immersion in the literature and the critical debate on the degree to which these programs are empowering or effective as it relates to poverty alleviation. On the one hand, there was anecdotal and case-based evidence to

suggest that lives were improved through microfinance participation in the global north. On the other hand, there were many scholars who claimed microfinance programs were easily used as tools to offload state responsibility of social problems to private individuals. This theme of self-reliance or forcing the poor to work their way out of poverty aligned with a neoliberal economic policy environment. My understanding and privileged access to this literature may have resulted in me interpreting similar situations differently. One challenge was to not pre-judge or make assumptions or draw conclusions while in the field. This required ongoing reflection and intentionality while engaged in the work. I continued to reflect upon the importance of allowing participants to interpret their own experience. At the same time, I desired to maintain my capacity to critically assess my informants' assessments. There was a delicate balance. I also identify as a mixed-race individual. Disclosing my racial identity to visible minority workers, in many cases, helped me establish rapport and trust with participants.

4.7 Researcher Reflexivity

As I entered my doctoral research, I was asked, and I reflected upon the question - what good will this do, what will you do and who are you when you show up to do this work. These questions were intimately related to positionality, or my positioning in relation to the social and political context of the study (Sunseri 2007). So how do I know that my race, ethnicity, gender, or other aspects of my identity affected my research, the research process, the research community, or the research participants?

I remember sharing with my academic advisor that I did not wish to be a race scholar. Far too often, I reasoned, the Black, Indigenous, or racialized person in the room was expected to be the "expert" on race and racism and was expected to teach others. It was exhausting. At the same time, the racialized person was then stigmatized and marginalized for speaking up, for making others uncomfortable, or disrupting the status quo. It is only after defending this thesis and finding my voice can I now see the ways in which I had been silenced, how I internalized colonial ideas about truth and expertise, and how internalized ideas pertaining to whiteness and that my personal proximity to whiteness might keep me safe(r).

When I first heard Dr. Lina Sunseri speak of the ways in which research was intimately linked to European colonialism and how “western researchers” had caused harm to Indigenous peoples, through their research, I felt validated (Sunseri 2007). As a woman of colour, I was awake to the realities of harm done by good white folks who fancied themselves enlightened, progressive and well-intentioned. The skepticism of folks who had been “researched to death” was justified and was something that I was familiar with from my work as a management consultant, microfinance practitioner and one who often held both insider and outsider status (Sunseri 2007). Yet, the question lingered on for many of the Black, Indigenous and racialized folks I had worked with – what good had come from years of research and what was better or different because of the work. It was a question that would be identified, at least theoretically (through coursework or through reading a diverse range of scholars). But like an onion, with layers and layers to be peeled back, so too was what I was able to know or to understand or practice about the muddy waters of a so-called “do no harm’ through one’s research” principle. Like that onion, I came to know, and am still unravelling what it means to do no harm, and also to occupy the space of both insider and outsider simultaneously.

Sunseri (2007) posits that posing questions about the nature of knowledge, who holds the power to be the knower, whose knowledge is deemed legitimate and other related questions about the knowledge production project are integral questions in Indigenous methodology. At every stage, I was intentional about reflecting on the political and the social implications of my research (Mavin & Corlett, 2018). I intended to go about my research in a way to be respectful to the research participants and to my community. Although I set this intention, I also grew throughout the research process in terms of my understanding of what it meant to be part of emancipatory and decolonizing research within the academy. I have reflected upon my own position in the research process and the ways in which I managed, reflected and responded to the power dynamics within my research. I carefully considered reflexivity and representation (Mavin & Corlett, 2018). Working in community is an important part of emancipatory and decolonizing research (Sunseri, 2007). In fact, the most significant contribution of my research (The Empowerment Model) was a collaborative effort with the participants of this project.

I acknowledge the privilege and power sometimes afforded to me as a biracial light skinned Black woman, who can sometimes pass. At the same time, I am aware of the internal conflict and torment that comes in being invited to have a seat at the table but also being given the message that you are still “less than” or do not truly belong. This ‘not being white enough’ and ‘not being Black enough’, belonging in all places and yet belonging in no space at all – was something I had numbed within myself.

This is where I began, despite my race and my identity as a child of an immigrant, I still went about microfinance work as though race were largely invisible. When I began my research, I intended to focus on the efficiency and usefulness of microfinance programs and not necessarily the social location of the beneficiaries or the workers. Every now and again, the centering of race/racism would startle me. This is worth mentioning because this work, these interviews, have challenged me, have shifted me, have changed me and in many ways the analyses and the data ‘awakened’ me.

From the perspective of many of my (racialized) research participants, I was viewed as sympathetic and often presumed to be an ally. I was believed to be one who would take the stories, the voices and the experiences “back to the people with the power” to “make something better” or different. I remember the first time I was directed, by my research participants, to “make sure they hear us...to make sure they really hear us.” I was directed further, “And come back. Do not just take this (knowledge) and just leave. Like the others.” They desired that I return with tools, resources, insights, and anything that could support the emancipatory work in which they were engaged.

In many ways, these sentiments were not a surprise to me. My graduate school education has provided me with the language to describe the many patterns, tensions, harms, and complex relationships. I had previously learned about social justice from my elders, from my family, and from my community. Yet, my research participants and the research process helped me to be more aware of the rich legacy of resistance and justice that had been gifted to me, to see that as a gift, as well as the knowledge about race, and racism, about colonialism, about community and community development. My fieldwork, in a way, led me back to myself.

I entered this project with an understanding that knowledge and power were connected (Sunseri 2007). I was aware that a “critical eye” was needed when working with vulnerable communities to ensure “they do not do more harm to Indigenous (and other racialized) communities”, my understanding of these idea deepened over time (Sunseri 2007). The degree to which I could “know” and “practice” a more emancipatory and decolonizing approach to research, has evolved as I have grown as a researcher.

With my research participants, I could choose to share different aspects of my experiences and background, as I attempted to establish rapport early in the interview. I could share my experiences about projects I had led as a management consultant or my experiences in business or finance. I could choose to share my position as a child of an immigrant. I could fit in here, and there, and at the same time, I did not belong anywhere. With self-identification, I was seen as an insider and someone who could fit it. I was embraced as Black. At other times, I was treated like a highly educated upper class, wealthy outsider. I was seen as a member of the dominant group, or the oppressor. I had to overcome to distance between us, especially when I was viewed as the outsider. For example, in Toronto when I met a Board member, I shared my motivation for conducting the research, and shared that I had been involved as a practitioner and even developed a local MF model. Once in the (mostly racialized) community, I met with many newcomer women. They asked me where I was from. They asked me where my parents were from. Once they knew I was the brown-skinned child of an immigrant, they spoke to me as though I understood something of their experience. They treated me with familiarity. They shared their hopes for their children and made mention that my parents made similar sacrifices and had similar hopes and dreams for me. In Watts (LA), I was told that we need more people like “us” including me as an insider. Referring to me as a bridger. And later the same day, when I was taken to a business of a former gang member, I was advised to stay close to my guide and that I would stay safe. I was his guest. When he introduced me to the many people we would meet, he would say things like shes with me, shes one of ours, as if to suggest that I could be trusted. I was both insider/outsider. I too was a bridger. So many of the racialized research participants saw me as a bridge between the dominant group (including white folks and boards of directors and funders and those with power) and the subordinate or oppressed group (racialized

folks and poor folks and oppressed folks). They saw me as belonging to both, and knowing the language of both, because of my family of origin, my brown skin, my educational and professional background. In fact, it is this language (being identified as a bridge) provided me by my research participants that has shaped much of my research.

As a researcher, I have critically evaluated my relationship with the research context, participants, data, and findings. It has been a continuous journey of learning, one in which I have considered and reconsidered my motivations, my role as a researcher, my positionality, my identity, and the power dynamics within the research process. I carefully considered what method best suited the research question, the impact that research method would have on the research, and how I would manage “objectivity”. While reflecting on my motivations, I considered the personal and the political, personal and professional experiences, and my personal interests. Throughout the research process, I also asked questions about my role, my identity and my personal relations with others. In earlier stages, this focused more on my experience as a microfinance practitioner in the Global North - a wealthy country/nation. Continuous self-reflexivity led me to examine more deeply my race, gender, class, and citizenship and how they shaped my role as a researcher, the effect it had on the research process, and my relationships with my research participants.

4.8 Strengths and Limitations of the Methodology

To explore the lived experience of microentrepreneurs and microenterprise development workers, interviews were most appropriate. However, this approach also had some limitations. I conducted 58 interviews over two years. Transcription and analysis were time-consuming. Cost was another issue. There were costs incurred travelling to the research sites for flights, gas, hotels etc. Cost and time considerations played a role in the length of time it took to conduct the interviews and analyze the results.

An additional limitation with interviews is that interpretation by the researcher may bias one's findings. I have somewhat of an insider status, having worked in the field as a consultant, donor and board member. I addressed this potential issue with constant and ongoing personal reflection and journaling.

Another advantage and disadvantage of the study design was the personal nature of interviews. Some of the questions were open-ended allowing the participant a great deal of flexibility in terms of what they chose to share. This allowed unexpected themes to emerge. One limitation related to this was that some of the themes that came up could not be adequately analyzed within one dissertation. I believe there are several more significant research themes to be explored from the data collected.

In this study, 48 out of 58 study participants were microenterprise workers. In the many public or community events I attended, I met and observed additional microentrepreneurs, took notes, and reflected on what they shared. Through these additional interactions, I gained further insight into the experiences of microentrepreneurs. There remains a limitation in the disproportionate weighting of microenterprise workers in this study, as their voices are captured more than the entrepreneurs themselves.

Another limitation is inherent in qualitative research. Given that the research depends upon self-reports, I often did not have the capacity or the opportunity to objectively verify the reports of the participants. To address this, I examined the findings against existing scholarship and reviewed additional documents collected throughout the study.

Chapter 5

5 Findings Overview: The Current Microenterprise Landscape

The purpose of this chapter is to provide an overview of the microenterprise and microfinance landscape in Toronto and Los Angeles. This will provide valuable information about the key actors, organizational structures, funding models and lending procedures. Since there are many individuals involved, serving different roles, I begin the chapter with a description of these individuals. Important observations include the small size of microenterprise teams, the trend towards collaborations with municipalities and developers, and focus on economic empowerment. In the final section of the chapter, I conclude with a short discussion of how organizations measure success.

5.1 Description of Respondents

The respondents were involved in a microenterprise or microfinance organization in one of the following capacities: (a) a funder, (b) staff, trainer, volunteer, (c) client.

Additionally, the individuals had an office located in either Toronto or Los Angeles.

There was a small contingent of participants who volunteered as members of a microfinance network that served Toronto or Los Angeles. These individuals were volunteers. They were included because they were an important part of the knowledge production and sharing process between various microfinance/microenterprise actors. It is important to note that some organizations provided loans and others did not. Those microfinance organizations that did not provide microloans provided technical assistance and training to people hoping to start a business or grow their business. These organizations typically had finance partners and made referrals for loan assistance.

Throughout this paper, the term bridgers and non-bridgers is used to describe microfinance and microenterprise workers who are able to bridge the complex realities of dual identities as community insiders and outsiders. On the one hand, bridgers identified as either being from the community they served and/or sharing the racial, ethnic, or cultural identity of the program participants. For example, a bridger may be a Mexican American who was raised in South Central Los Angeles, pursued an advanced graduate

degree out of state, and returned to South Central Los Angeles to work in the community he grew up in. He may now work in the city and may be considered a state representative. However, he may also identify as a community insider. He lives and practices in both spaces and the space in between. Bridgers were important actors in the microenterprise field and are highlighted throughout the study. Non-bridgers were individuals who often shared a similar concern and passion for the community they served but were members of the dominant culture. Dominant culture here is broadly defined as a worker who is white, English speaking, educated and middle class. Bridgers and non-bridgers were categorized based on their own expressions of sharing identities with the client population. If the individual respondent did not mention sharing lived experience and/or identity with the program beneficiaries, then they were categorized as non-bridgers.

5.2 Organization Vision and Mission

Microenterprise practitioners hoped that individuals would be empowered and as a result their quality of lives would be improved. By providing an opportunity to improve one's income, individuals could achieve "financial security" through employment, including self-employment. Additional hopes expressed by practitioners included improving financial literacy and financial management skills, enhancing one's access to credit, improving their credit rating, enabling future financial leveraging opportunities (mortgage to buy a house), to be financially included, to be socially included, to increase one's social network and opportunities, to transform individual's lives, and to empower individuals to transform their communities.

Microenterprise organization's mission statements were focused on the start-up of small and microbusinesses, the growth of these enterprises and their access to capital and other resources. Organization mission statements often mentioned 'empowering' entrepreneurs with the goal of creating 'economically viable' communities and eliminating poverty. Some also described 'revitalizing' the physical, economic and social life of the communities they served. Some organizations did this through microenterprise programs or microfinance programs or both. Many programs included business development services, technical assistance and training. Often these programs accompanied other

community initiatives such as residential housing, and commercial and industrial development projects.

Microfinance and microenterprise organizations typically served low to moderate income individuals. Some were neighbourhood focused while other emphasized a particular group such as youth, newcomers, women, veterans, visible minorities, those facing mental health or addiction challenges, homeless individuals, the Latino community or the Chinese, Japanese, Korean, Thai and Filipino communities.

5.3 Microfinance Organization Structure

Typically, microfinance and microenterprise programs were operated by community based non-profit organizations in Toronto and Los Angeles. These organizations often started out as small grassroots neighbourhood organizations. Some had grown significantly over a period of time and were highly regarded institutions considered to have a proven track record by the funders (government and private foundations) who often evaluated their performance. Many of the microenterprise organizations in the study had developed good working relationships with the City, the mayor's office, commercial developers, universities, colleges, credit unions and banks. Some organizations in the U.S. were certified non-profit CDFI (community development financial institutions) and/or had been approved by the U.S. small business administration as one of the few lenders who were able to process Community Advantage Loans.

Some exceptions included microenterprise capacity building organizations that worked with service providers and microfinance networks. Capacity builders provided consulting services to microenterprise service delivery organizations to improve their programs. Microfinance and microenterprise networks expanded resources for member organizations as well as educated the public on the economic impact of microbusiness through public awareness campaigns. They also engaged in advocacy at the local, state/provincial and federal level for public policies that supported the growth of microbusiness, start-ups and entrepreneurs.

Finally, there were some organizations that operated social enterprise programs that focused on workforce training through the creation of and sale of goods that would benefit both the organization financially and the clients practically (skills development). These programs provided a transition to microenterprise development for participants.

Microfinance/microenterprise programs were often operated by a small team comprised of one to five individuals. Where a program was part of a larger economic development corporation, overall teams were larger although staff dedicated to microfinance and microenterprise specifically were limited.

A Board of Directors that set the vision, mission, values and strategic objective for the organization typically governed organizations. These were typically governance boards as opposed to operational ones. Some boards had members from the local community, but many emphasized specialized expertise in law, business, finance and formal leadership, which often attracted members from outside the community and from more privileged backgrounds.

Some of the larger economic development corporations that ran microfinance and microenterprise programs had multiple sites or branches. Some of these branches were located throughout the city (in several underserved and under resourced neighbourhoods), some were located throughout the province or state, and some had branches or affiliations nationally (or had the goal of scaling nationally). Those with extensive geographical reach typically achieved this through leveraging strategic partnerships. For example, in Los Angeles, a partnership with the City enabled the operation of a dozen or so business resource centers, some specifically targeting women. Some used a one-stop online portal for business owners seeking information on microloans. Entrepreneurs could access information and resources, as well as join online forums, live chat with business experts and access business case studies.

Many organizations were members of larger networks. There were different types of networks. These included networks that supported CDFIs (community development financial institutions), networks that emphasized education and policy related to entrepreneurship, innovation and effectiveness (concerning economic opportunities),

networks that specifically supported minority owned businesses, and some that focused on women. There were also networks that simply brought together microfinance practitioners annually for an industry conference and offered smaller networking and best practice sharing events throughout the year.

Some organizations participated in special projects coordinated by state actors to boost economic development. One example was the Great Streets Initiative which was a business attraction program that emphasized the importance of business development, retail recruitment, and alignment with the strategic directions of the City and its economic development plans.

Several microfinance/microenterprise programs were created and/or operated by universities or colleges. The goal of launching successful entrepreneurs was similar, but a related goal was the development of student knowledge and skills through project based or experiential learning opportunities. Students were partnered with entrepreneurs and volunteered with the program. Students involved were typically business students (and sometimes law students). These programs sometimes operated as independent non-profits that were located within the college and in some cases, they were programs run by a particular department within the college. The clients of these programs were from the broader community and were often low-income individuals. Most college or university led programs had a partner organization that provided the loans but in one case, the university operated its own loan fund. One example of a partnering loan fund was backed by investors including the Bank of America, Goldman Sachs, JP Morgan Chase Foundation, Knight Foundation and the Calvert Foundation.

5.4 Program Funding

The funding sources were mainly (a) government grants; (b) private or donations; (c) investors who receive a rate of return; (d) self-funding and (e) banks. One organization with multiple chapters was funded primarily through private funding and investors (for the loan fund) with some government foundation funding (to cover operation costs). A credit union, who was both a partner to many organizations and community chapters was self-funded, a nonprofit microfinance organization with a university affiliation was

funded through government and private donors and loan interest, several other programs that were part of a larger community organization were either self-funded or government funded.

In the US, funding sources were similar. Major differences included the regulation that dictated the use of the funds. Some microfinance and microenterprise organizations were certified as CDFIs (Community Development Financial Institution). The U.S. Department of the Treasury governed these programs. CDFI focused on individuals who lived in communities underserved by traditional financial institutions and were restricted in who they could lend to. Also, some microfinance and microenterprise organizations were funded by the SBA (U.S. Small Business Administration). SBA was another government program focused at the community level, investing in community focused organizations that then provided financing to individuals. Certification as a CDFI and being funded by the SBA both influenced the ways programs were structured as they required compliance with state guidelines to maintain funding. Some foundations only made funds available to charitable or not for profit organizations. Most foundation proceeds could be used for operational costs not the microloans themselves. Foundations often had granting conditions and clearly identified the ways in which funds could be used and many foundations had reporting and evaluation requirements. These included annual (and sometimes periodic) reports on loans processed. Comparisons between expected results and actual results were made. Typically, a post-study or final report was required.

5.5 Lending Structure, Loan Amounts and Terms

For most programs, individually dispersed loans were made as opposed to peer lending. There were two organizations that used group lending at the time of the study and one other that had used it in the past.

Loan amounts were typically \$3 000 - \$5 000 up to a maximum of \$15 000. Some loans were as little as \$500 and as large as \$50 000. Typically, larger loan amounts were made on second or third loans, once an individual and her business had a proven track record of success. All loans were installment loans (regular monthly payments as opposed to

revolving line of credit). Terms ranged from one to five years, but most loans were shorter terms of 12-18 months.

5.6 Loan Funds

Some organizations did not have a large pool of funds to issue to borrowers but used their assets as a guarantee to leverage the credit union funds to issue loans and to cover bad debt. Loans issued through a credit union originated from funds owned by the credit union itself. Other programs owned and managed their own loan fund. Management included performing credit checks, reviewing borrower's business records, advancing loans and collecting payments. Where the organization managed its own loans fund, organization staff or volunteers performed these functions. The advantage of a credit union partnership was the client establishing a relationship with a lender, repairing one's credit and accessing additional products and services offered by the institution.

5.7 Community Loan Funds

Some organizations had a community loan fund (CLF). A CLF helped small businesses access financing they could not access from traditional banks. CLFs were partially funded by private donors and community investors to foster a sense of community ownership and investment. One CLF was funded initially by a \$30,000 donation from a church plus an additional \$5,000 from private donors and investors. Government and foundation sources covered the ongoing administration costs of the project. Some CLF had a loan administration fee to cover bad debt, and in the example above the fee was 5% of the loan amount. CLF were operationally run by very few staff and mostly volunteers. One full-time coordinator plus an additional one to three staff members was common. Loan review and outreach committees conducted a significant amount of the day-to-day operations such as business plan preparation and mentorship. Additional resources provided to clients included referrals to partner agencies, such as financial literacy training.

5.8 Investors in Community Loan Funds

CLF received ongoing funding from private organizations and private citizens. Individual organizations invested a set amount of funds in the Loan Fund for a period of one to three years. In exchange, investors received up to 2% interest. All investors were required to read and sign a disclosure document. Money invested guaranteed start-up and expansion loans for local businesses. Investors were sold the idea of creating a healthier community for themselves and their families. In this sense, they were led to believe they were contributing to the greater good and gaining a social return on their investment. Additionally, stated benefits included avoiding high investment fees, avoiding stock market volatility, locking in for a short period, having knowledge of where and how one's money was being used, and enhancing the small business sector. Finally, investors believed their investment would support a "diverse economic and cultural community under a single goal to increase self-sufficiency and economic opportunities" (Toronto interview). Practically, the CLF was used to guarantee loans from a credit union, a financial institution that managed the loans.

Investors were advised that their investment was a "stable investment alternative". Investors were advised that risks were minimized by involving experts such as leaders in the financial and business community on the loan review process and through a "rigid collection policy" implemented by the credit union. To keep loan losses low, the CLF also asked borrowers to share the risk of default, provided professional development support, maintained regular contact with the borrowers and sustained a loan loss reserve fund at minimum of 20% of the loan guarantee fund. Investor's funds were not put in the loan loss fund. To ensure all investors did not withdraw their money at the same time, investors were contracted for one, two or three years. New investments were solicited through annual campaigns. A Board of Directors guided and supported ongoing fundraising activities and strategies pertaining to the CLF.

5.9 Committees

Some of the organizations had outreach and loan review committees. Outreach committees were responsible for seeking and supporting new applicants, and for seeking

donors and investors to contribute to the loan fund. The loan review committees assisted loan applicants with document preparation, liaised with partnering financial institutions and the loan applicant, connected loan applicants with other community services for business skills supports and mentored or responded to loan applicant concerns.

Orientation (for new committee members) included training in loan review, business planning, loan management and outreach. The time commitment was approximately ten or more hours per month. Committee members were not compensated. Ideally, committee members were either familiar with the neighbourhood served by the loan fund, or they had specialized experience in business management, entrepreneurship, accounting, marketing, finance, or law.

5.10 Client Selection Recruitment

Loans were typically provided to new or existing entrepreneurs who had a practical idea for a small business but were having difficulty obtaining traditional financing.

Specialized loan products were also available in rare instances for certification in a trade, and for citizenship applications. In the case of a business loan, assessment was based on the feasibility of the business, the character and commitment of the applicant and the capacity for repayment. Loan applicants were typically required to be over eighteen years of age, live in the community being served by the loan fund (if applicable), have permanent legal status in the country, demonstrate an ability and commitment to repay the loan (as confirmed by credit and reference checks), be able to submit a complete business plan including startup or expansion costs and a cash flow forecast, complete any required business training programs (mandated by the organization), and be currently operating a business, or have experiences in a similar business. For the business to be eligible, it was often required to be registered as a sole proprietorship, partnership, corporation or cooperative. The entrepreneur had to use the loan proceeds to start or expand a business. Loan proceeds could not be used to consolidate debt or fund consumer purchases.

5.11 Loan Approval Process

Microfinance clients faced many challenges and were typically low to moderate income individuals. Many clients belonged to identified groups such as youth, women, newcomers, homeless, visible minority, individuals receiving government assistance or individuals facing mental health or addiction challenges. In one case, sixty-five percent received some form of social assistance, including Ontario Disability Support Program (ODSP), Ontario Works (OW) or employment insurance. Often a similar number of men and women participated in the programs. There were some organizations that focused on women exclusively. Participants ranged in age from 18-65.

To be eligible for financing from a microfinance lender, an entrepreneur had to indicate interest in self-employment and be unable to secure traditional bank financing for their business. Microfinance staff relied on self-reports of being unable to secure traditional financing. Some organizations required that the individual not have money owing to Revenue Canada or be behind on child support payments. Most organizations had guidelines preventing them from lending to someone in active bankruptcy proceedings. Depending on the type of program, some organizations required that the applicant be from a particular neighbourhood, belong to a particular ethnic or cultural community, or self-identify as an individual who had experienced mental health or addiction challenges.

Clients were often vulnerable, experienced instability in employment/income and therefore their financial situation. Some did not have a functioning bank account, or they did not use it frequently, and some turned to payday lending services. Many did not have a credit card for personal use and had poor credit or no credit.

Most organizations did not use group lending loan circles; rather, they used individual loan dispersal. There were a select few organizations that also offered group or loan circles. Microfinance loans typically ranged from \$3,000 to \$5,000, with a maximum loan of \$10,000 or \$15,000 depending on the organization. Terms were often short and were less than three to four years. In rare instances, very small loans under \$1500 were made available. Smaller loans were given for trade show events to cover the cost of entry, to cover certification fees for specific trades, for immigration processing fees and

other one-time expenses. These loans were very short term, usually one year or less. Organizations structured loans to keep monthly payments low. One organization made an effort to keep all loan payments below \$100. All organizations reported some defaulted loans. One organization reported an annual 6% default rate on its loans, as compared to traditional lenders in Canada, who, in 2014, experienced a 1% default rate for small business loans nationally. In comparison, non-profit microfinance organizations in the global south reported a default rate of about 2.5% in 2009. Default rates were typically between 5-10%.

Often the loan process commenced with a client's passion, idea or dream, followed by participation in a training program. In other instances, clients were directed to self-employment by their case manager, settlement services worker or neighbourhood community center. Upon successful completion of a training program, clients developed a viable business plan.

Many programs provide technical assistance through the support of an advisor or coach. The client would then complete an application form that includes a personal information section (address, employment history, household budget, assets, and liabilities), a business profile section, (overview of the business, use of loan proceeds), references, and a verification section that requires documents to support the loan application. Sometimes a checklist was provided to help clients. A loan review or investment committee reviewed the business plan and made a loan decision. The organization then partnered the client with a volunteer mentor or business advisor for set period, for some organizations there was a minimum of one year.

Some organizations did not require completion of a training program to apply for a loan. In these cases, the client met one or two members of the volunteer Loan Revision Committee to start the process while other times they met a staff member first. In these cases, once the staff member, often a business advisor, was satisfied that an applicant's business plan was viable and well-prepared, the client and/or their application was then referred to the loan review committee.

Often, a loan review committee or investment committee reviewed applications. In some cases, the program manager or executive director was permitted to make loan approval decisions for smaller loans (under \$1500). Loan review committees usually met monthly. One organization stated that a maximum of two to four business plans and loan applications could be processed monthly.

Many lenders used a character-based lending approach. This allowed for the inclusion of clients with no credit or poor credit. Instead, the quality of their business plan, and matters of character, such as their motivation and dedication to the training process were taken into consideration. Loan review committee members used their experience and industry knowledge to evaluate each potential business' viability and longevity. Committee members were volunteers. These committees consisted of commercial lenders, personal bankers, small business owners, business managers or others with specialized expertise. Efforts were made to have some members be from the neighbourhood or community, but this varied.

5.12 Financial Literacy Training for Newcomers

Some microloan programs and microenterprise programs specifically targeted newcomers and were offered in partnership with or as part of a settlement services agency. Financial literacy training was offered at times as an add-on service available to anyone utilizing services in the agency.

Newcomers had a wide range of needs given their diverse origins and the variance in financial systems in their countries of origin. Some newcomers required training in specific English words for familiar financial concepts and products as well as an introduction to the ways in which the system operated in their new country (Canada/ US). Some newcomers had experienced a system whose informal lending was prioritized over formal financial institutions in everyday banking. Other differences included, for example, the use of mobile phones to conduct financial transactions. Products such as RRSPs and TFSAs were often unfamiliar. Additionally, newcomers were often unaware that they could cash government cheques for no fee with sufficient ID at any formal financial institution. Concerns were expressed that a lack of specific financial knowledge

could lead some to pay higher fees at cheque-cashing centers where fees were hidden in the fine print, in a foreign language. For these reasons, and others, culturally specific financial literacy training was intended to aid a newcomer's transition (to Canada or the US) and was seen as beneficial prior to the receipt of a microloan. Knowing how to choose a bank, cash a cheque, make deposits, set up preauthorized debts, set up direct deposits, use cheques, bank machines, telephone or online banking understand credit, establishing a credit history, credit cards, pre-paid cards, or how to address debt problems was viewed as foundational to success as a microentrepreneur. Basic income tax information, how to file, papers to keep for tax time, where to ask for help as well as government support programs, investments and insurance were also viewed as beneficial.

5.13 Collaboration and Community Working Groups

Some programs were initiated by directors of broader neighbourhood or community capacity building initiatives. Such initiatives were often developed to improve the quality of life of residents in a particular neighbourhood by building upon the community assets, strengths and resources. To accomplish this, they brought together residents, community agencies, faith groups and businesses. Recognizing the cultural richness and potential of the neighbourhood, the community group developed a specific strategy concerning the economic wellbeing of its residents. In one community, a steering committee led to a partnership with a credit union and an existing community loan fund to create its own chapter, or a neighbourhood specific loan fund. The resulting loan review committee and outreach committees were locally focused. The broader objectives of the priority neighbourhood capacity building group were to create stronger relationships between community services, to promote a more positive image of the neighbourhood, make information and services easier to access locally, ensure the community had access to quality and relevant education and to promote resident involvement. The group was motivated by values that celebrated diversity, access and equity, cooperation, partnership and resident involvement. Often community development principles were mentioned. A broad range of working partners included health care centers conservation projects, women's centers, various cultural associations, youth centers, the local college, the community housing corporation, major financial institutions, the University, the City, and

others. Various working groups were created sometimes including an economic development and sustainability working group, a community loan fund working group or a young entrepreneur working group.

In one neighbourhood, a collaborative effort was initiated to support young entrepreneurs from priority neighbourhoods to start their own businesses. The goal was to advance community economic development by connecting youth with small business development opportunities: youth were said to have “developed skills, capital, access and networks” needed to launch businesses, according to those operating the program. Partners included the municipality, a credit union, a community housing corporation, a community foundation, an arts council, and several other community partner organizations. Youth were provided with life skills coaching, business development training, mentoring and access to a business loan up to \$5 000 for qualified participants. Youth received post-loan support, networking opportunities and access to additional support such as childcare and transportation tickets. The youth collaborative project reportedly provided a pathway to opportunities for secure and well-paid work.

5.14 Measuring Success

Organizations had different ways of measuring success. Many organizations defined success as achievement of the client’s goals. This was expressed as a positive as it was not a rigidly defined notion of business success considering only profitability. If the client wanted to launch a part-time business, then business advisors often supported these goals with appropriate tactics, measuring social impact by the incremental improvement in the lives of the clients. Some organizations, however, required that clients engaged in business activity full-time to receive a loan.

For example, one microfinance organization served individuals facing mental health and addiction challenges. To determine whether the client had been successful, the areas of key importance were financial, improvements in housing, and health. A client may desire to continue to collect ODSP (a disability benefit) but their business may help them to earn supplemental income. Some clients desired to build a full-time business. In this case, clients were encouraged to do what they could handle. It was accepted that clients may

remain on government assistance and that they may continue to need more support. Many organizations viewed successful re-entry to work, self-employment, or school as a positive outcome for a client. One advisor, Joan, expressed her hopes regarding re-entry:

I want them to be successful. I want them [to] increase their cash flow and achieve their goals. I want them to build their confidence. I want to move them towards social inclusion. If our hopes were realized, we would help as many as we can. Our work is in the social determinants of health. When someone spirals, they feel bad. This can lead to other problems. We can help them gain re-entry... Re-entry may look like going back to work. It may be going back to school. It may be involvement in a peer supported lending program. It may be developing confidence. Or it may be getting a good job. We have a very flexible definition of success.

For clients facing mental health or addictions challenges, they may have experienced a cyclical process of entering and exiting self-employment. As one advisor (Sandra) noted, “Regarding self-employment, the client may go in and out of it. They may then go into a job. They may have gained the skills in a self-employment program or training program that makes them better employees as well.”

Some organizations reported using multiple methods to capture information to measure client outcomes. These included the number of clients served (service delivery outputs), the client’s satisfaction with the program (service performance), and default rates. One organization had reported that in one year, 180 youth participated in their youth business training program, 139 adults attended small business training classes and over 150 mentors and coaches volunteered to support clients. Additional measurements were recorded relating to social impact. Many organizations relied on client self-reports of improved income, self-confidence, or improved quality of life. One organization asked clients what attributes they would like to work on and then asked them to clearly define a baseline and their definition of progress. Follow-up assessments used the clients’ goals as a benchmark for determining whether the client had improved. Many microfinance and microenterprise workers emphasized the importance of social improvements but also suggested that this type of success was very difficult to measure. Other organizations were more focused on the numbers of new businesses started, the number of new jobs created, the number of jobs saved or the number of microloans dispersed.

5.15 Scaling Microenterprise and Microfinance Organizations

Many organizations described their intention to grow. Growth typically focused on either reaching more individuals (expanding the geographic area or the ratio of people within a particular community) or growing the number of services offered. Different models of growth were mentioned including adding branches of the existing organization or partnering organizations in other communities to offer similar lending or entrepreneurial programs. Different strategies concerning growth were also mentioned. These involved revising existing marketing approaches, engaging new stakeholders, recruiting additional experts to boards or investment review committees to increase the profile and/or access their networks, and other sales-like strategies to investors, donors, other funders and clients alike.

One example of this tendency to emphasize growth and expansion was an organization that was considering scaling nationally. From 2013 to 2016, the Executive Director took the organization on a journey of expansion, including new locations throughout southern Ontario in addition to existing locations in Toronto. The rationale for the growth was to improve the social impact by reaching more clients who would benefit from the organization's programs and to enhance the financial sustainability prospects as well. In other words, by scaling the organization to many communities, each community would be able to share centralized administrative and technical costs, thus reducing the cost per loan and per client. Both efficiency and effectiveness were perceived to be improved through the path of expansion.

The Executive Director articulated expansion values that were consistent with community development principles including building on a local community's assets, building individual clients' capacity, fostering connections to enhance the health and wellness of clients, creating, and sharing new community resources, and facilitating a sense of community ownership over local programs. Some of the cities that had been reached through past expansions had large universities and colleges, an entrepreneurial ecosystem, and significant federal or provincial government presence.

In the past, this microfinance organization had only entered communities when invited by a group of stakeholders, and when the community had showed a need for its services. The organization also ensured there were resources available in a given community prior to entry. This was described as a “pull” approach. The pull approach was intended to ensure community receptivity and sustainability in that community. Local community members became mentors and advisors thus fostering local community buy-in to the program. Mutually beneficial relationships emerged, in which the organization provided loan capital, administrative and operational infrastructure, support staff, and curriculum to local community agencies that provided the local advisors.

Although this approach led to positive outcomes for the client, and arguably organizational sustainability, the pull approach required time, money, and deep knowledge of a community. Fostering relationships, finding the right partners, the right communities, and the right advisors required significant time and resources. This expansion plan emphasizing strategic partnerships was another example of the trend towards community collaboration across sectors. These collaborations and partnerships often involved the pursuit of a double-bottom-line: a financial and a social return on investment. There were many reported benefits of collaborative initiatives and also many unintended consequences.

Understanding the organizational context and actors’ sheds light on empowerment processes. Funder, microenterprise workers and clients may perceive programs and their activities differently. Their perceptions and experiences may also be shaped, not only by their position within the organization, but by their social location. These different ways of knowing, being and doing are explored more in the neighborhood revitalization chapter.

Chapter 6

6 Neighbourhood Revitalization Initiatives and Microenterprise

6.1 Introduction

Underlying the interview themes in this chapter is Karim's theory (2011) of the shadow state describing how NGOs have become managers of problems formerly addressed by the state in times of neoliberal restructuring. This builds upon the work of Erin Clow's dissertation, *Entrenched and Unspoken: Neoliberalism and Canadian Microfinance*, that found evidence the 'neoliberal agenda'...had been 'actively reproduced within Canadian microfinance' (Clow, 2014). In a similar fashion, this study posits that NGOs and community organizations are evolving and realigning their aims to fit neoliberalism. This directly shapes the extent to which participants are empowered by these programs. Within this chapter, the ways in which Toronto- and Los Angeles- based microenterprise development organizations manage, coordinate, and collaborate are explored.

Additionally, this chapter highlights the importance of social location in understanding how these processes work on the ground. Specifically, community members from socially and politically disadvantaged groups offer an alternative view of empowerment, progress and revitalization. Their experience of oppression and the struggle to overcome it has led some community workers to reveal the hidden realities in neighbourhood revitalization schemes. The contrast between perspectives based on social location is best explained by standpoint theory (Collins, 1991). In other words, what the various actors know, their knowledge and understanding of empowerment and progress, is socially situated. As seen later in the chapter, the disadvantaged are aware of dynamics and elements in power relations that are invisible to non-marginalized individuals.

To explore microenterprise workers' perceptions, I examine respondent's ideas about their work. Microenterprise development is perceived as a driver of community economic development and skills building. Workers' efforts often support the City's redevelopment plans and the City often uses community development or participatory approaches to engage residents. I explore how microenterprise development workers both

participate in redevelopment efforts and maintain distance from the projects at the same time.

Three distinct themes are explored within this redevelopment context. These themes emerged from the data and were not pre-determined. The first theme is the disconnect between microenterprise development workers broad empowerment aims and their everyday focus on creating economically rationale and productive citizens that pay taxes and get off government forms of assistance. The second theme concerns the belief that broad community change and neighbourhood revitalization, and most social problems will happen from the bottom up, one entrepreneur at a time. The third theme concerns the trends towards community development and participatory approaches in microenterprise development and redevelopment efforts and how some microenterprise development workers perceive these as non-benevolent and even manipulative. Microenterprise development organizations are positioned as both adapting to an increasingly cut-throat competitive environment but also taking advantage of new entrepreneurial opportunities available to them as they try to help their clients. This chapter illuminates the ways in which neoliberalism has become common sense for microenterprise development/microfinance organizations through strategic partnerships and collaborations, community development approaches and neighbourhood revitalization efforts.

6.2 Microenterprise and Neighbourhood Revitalization

In both Toronto and Los Angeles, microenterprise practitioners often situated their practice within the context of priority neighbourhoods and the City-orchestrated initiatives and programs intended to invest in them. This was relevant for three reasons. First the actions of community organizations were often constrained and enabled by Neighbourhood Revitalization Agendas. Next, the work of microenterprise development practitioners was often funded by, evaluated, monitored, and coordinated by Neighbourhood Revitalization Actors. Finally, in the study sites distinct entrepreneurial tendencies were entrenched through collaborative schemes coordinated by Neighbourhood Revitalization Experts.

Priority neighbourhoods were referred to as at-risk neighbourhoods and were described as neighbourhoods that were lacking. During 2005 in Toronto, nine neighbourhoods were initially identified. After a spike in violence this number was increased to thirteen priority neighbourhoods. In Los Angeles, the Great Streets initiative identified fifteen corridors as the cornerstones of priority neighbourhoods. Priority neighbourhoods lacked access to services and were typically areas that were racially and ethnically diverse, densely populated and characterized by lower income and high unemployment or underemployment rates. Microenterprise practitioners explained that certain neighbourhoods had been identified through a municipal guided process and were then prioritized for investment and community development initiatives. Microenterprise development was one part of a broader initiative to transform a priority neighbourhood and revitalize the community.

Microenterprise development in the study sites included entrepreneurship training, incubator creation, loans, technical assistance and advisory services and were often part of the neighbourhood revitalization plans. Additionally, practitioners in both cities sought neighbourhood beautification as a strategy to attract and sustain economic opportunities. Both cities sought to integrate community economic development principles in their approaches and public-private sector partnerships. Community economic development plans were informed by working committees that included residents, City Councillors, community groups, funders and City staff.

To understand the nature of the progressive, vibrant, inclusive, diverse and entrepreneurial community of the future, one must also understand the circumstances leading to the redevelopment. The first consideration is the general trend towards letting the market determine land-use (Kipfer & Petrinian, 2009). Next is the desirability of the land-locked neighbourhoods such as Regent Park or Watts, as gentrification approached its borders from all sides with new potential projects such as factory conversions and condominium developments. As developers run out of available and affordable land to develop, formerly undesirable neighbourhoods become sought after. Finally, neoliberal restructuring has involved the state shifting responsibility of public housing to municipalities and the creation of new agencies and collaborations (Kipfer & Petrinia,

2009). Given these changes, “devolution came with provincially mandated financial austerity and administrative marketization pressures” (Kipfer & Petrunia, 2009, p. 121). This is the context for the management strategies used in places like Watts or Leimert Park, and includes increasing evictions, selectively contracting out jobs and legitimizing through participatory schemes (Kipfer & Petrunia, 2009). Therefore, City officials seek opportunities to cut costs and create efficiencies in the area of public housing and seek to reinvent, revitalize and redevelop using market approaches. The reports of microenterprise workers in the field are consistent with the existing revitalization scholarship.

6.3 Microenterprise as a Driver of Economic Development and Skills Building

Fostering economic development provided one rationale for supporting microentrepreneurs in priority neighbourhoods. One way to reach this objective was through the embrace of diversity and culture. Both the City of Los Angeles and City of Toronto expressed a commitment to diversity and access to a good quality of life for all residents. For example, the City of Toronto stated (in its Strong Neighbourhood Task Force) that it wanted to ensure Toronto’s reputation as a “city of great neighbourhoods, where people, regardless of income, can live healthy and productive lives” (City of Toronto, 2005, p. 7). Similarly, the City of Los Angeles (in its LA Great Streets Initiative) stated that “all of our great neighbourhoods deserve Great Streets that are livable, accessible, and engaging public spaces for people (City of Los Angeles, LA Great Streets, 2018). Culture plays an important role in vibrant prosperous communities. Culture is recast in relation to its economic utility by Neighbourhood Revitalization Experts.

Our Great Streets Initiative will take advantage of this underutilized asset to support thriving neighbourhoods. We will develop Great Streets that activate public spaces, provide economic revitalization, increase public safety, enhance local culture, and support great neighbourhoods. By reimagining our streetscape, we can create transformative gathering places for Angelenos to come together, whether they travel by car, transit, bike or on foot. (Mayor Eric Garcetti, LA Great Streets, 2018)

From Mayor Garcetti's comments, one can see how culture was seen as deeply embedded in the community but underutilized from a profit perspective. Other Microenterprise Development Workers echoed similar sentiments. For example, Leimert Park was said to have had a rich jazz cultural history. Building upon that history by creating or growing cultural enterprises to attract new investors and homeowners would lead to more diversity (or bring more middle-class white people to an otherwise black neighbourhood) thus transforming the neighbourhood.

Enhancing culture and diversity were seen as progressive agendas by many. Microenterprise development organizations played a vital role given their long-standing community ties and trust with various cultural groups. It is also worth noting the related assumption of improving public safety through economic revitalization.

Both strategies, enhancing cultural opportunities and ensuring public safety through microenterprise development and neighbourhood revitalization are examples of how the shadow state works on the ground. One of the effects of the growth of the charitable sector has been a corresponding decline of direct social provisioning by government. Rankin and others have argued that the government has been able to contract out or in this case partner with and leverage local community resources to limit its role under new arrangements (Mitchell, 2001; Rankin, 2001). In this case, the City is contracting out various parts of revitalization efforts to microenterprise development partners and real estate developers, hoping to achieve both a social and financial return. In the study sites, this trend functioned through collaborative projects that leveraged community assets, such as culture, and generated new ways to create profit and minimize costs.

City officials emphasized economic motivations. For example, in Los Angeles the Great Streets initiative worked in partnership with the Economic and Workforce Development Department. Entrepreneurship, business, and workforce development operate together under Great Streets. In fact, the Great Streets Great Business program, aimed at Neighbourhood Revitalization, created a \$4 million small business loan fund, and technical assistance program to businesses on the first 15 Great Street corridors and business attraction services. This was done through a partnership with a Community

Economic Development Organization that specialized in microenterprise development. The City initiated, coordinated and managed the Great Streets Initiative. The Community Economic Development organization acted as ``boots on the ground`` recruiting business owners and supporting business development.

The City saw individual microentrepreneurs as catalysts for broader change in the community. Through investing in individuals and their small enterprises, change was made possible through their contribution to creating attractive and culturally enriching places to live, shop, eat, study and play. An implication of this rationale is that change happens from the bottom up, one entrepreneur at a time. Mayor Garcetti said that “Great Streets will be a bottom-up and community-based process”. The City then played a role in mediating the everyday lives of marginalized residents in the periphery and the investors and developers (from the core) that sought to transform them. Bottom-up change was negotiated within this context.

Microenterprise development was also seen as a way to increase employment opportunities in low- income neighbourhoods, to improve the economy and to improve the tax base. This was one important tool to revitalize a neighbourhood. One microenterprise director (Tianna) shared a success story describing the community benefit of new jobs once a microentrepreneur grew their small business. This was transformative for the individual and the community. She explained:

We see personal transformation. One client had masonry skills but lost his license for DUI. He had no proper tools, and a young family. He wanted to change the direction of his life. He ended up with a business of twenty-two people working for him full-time. His sons work for him. He built a beautiful home. He made a great life for other families by creating jobs. He just needed an opportunity.

By supporting the individual, the hope was that the entrepreneur would create new jobs, hire people in the neighbourhood and that this would lead to a more vibrant and prosperous community. Through business and job creation, marginalized people were believed to have hope of integration into the mainstream economy. This sentiment was echoed by policies and programs of the City such as Agenda for Prosperity (City of Toronto, 2008), Imagine a Toronto (City of Toronto, 2006) and Great Streets (City of Los

Angeles, 2018) that emphasized the importance of economic inclusion of marginalized groups such as youth and newcomers.

Directors of microenterprise and microfinance programs also shared similar views that credit and entrepreneurship were pathways for the poor to economic inclusion. For example, Sandra a Toronto based microenterprise development practitioner said “credit is a way to be financially included and socially included”. Barbara, another Toronto based practitioner called microfinance the “pathway to the economic mainstream”. Finally, Tianna another practitioner stated that “we help people become economically self-sufficient when we help our people start businesses. When we improve our economy, it helps everyone”. Practitioners emphasized the economic and social imperative to bottom-up development.

Supporting one microentrepreneur allegedly results in the creation of additional jobs for other community members and therefore the overall development of the workforce. If the microentrepreneur is successful, he may grow his business and hire other employees. This adds new taxpayers to the system while at the same time reducing expenses for the tax payer by reducing the number of individuals receiving government assistance. Kate, a microenterprise development program director, explained the motivation of the community center in launching a microenterprise development program. One aim was to transition individuals from government assistance to self-reliance. She stated:

The center wanted support. They wanted to get women off social service. How can they live on \$1300 per month on ODSP. It is a difficult life. It is not enough money. I initially helped with a proposal. Now I have fifty-two businesses up and running. One started as a residential house cleaner and now employs nine people.

Investing in individual entrepreneurs was believed to result in contributions to the City’s economic wellbeing as well as individuals and their family. One can see how the individual is positioned at the center of progressive change and how this view of the management of poverty emphasizes some of the most conservative understandings of social change or community. Community-based efforts centered around individual behavioural change are promoted as the solution to complex social, political, and economic problems.

Microenterprise programs also allegedly prepared individuals in priority neighbourhoods for labour force participation. Some microenterprise development programs were offered in conjunction with other skill-based programming such as certification in food handling, customer service or workplace safety. Other skills such as budgeting and “workplace ethics” were offered to help transition individuals to the workforce. Some practitioners indicated that sometimes clients completed entrepreneurship and business training, then decided against business ownership and instead used their new skills and knowledge to secure traditional employment. Many practitioners considered employment, return to school or a business start-up to be a successful program outcome. Tianna said:

Our vision is to help become economically self-sufficient. We help people start businesses...we also help our youth in completing their education....They can use this education to start a business or contribute to the community and the whole Canadian economy. They can use the training (we provide) when they are not able to find jobs.

In this way, microenterprise development programs were intended to lead to new business creation or growth but also increased labour force participation, and contributions to the City's economy. Creating new businesses also improved the desirability of the neighbourhood to white, middle class “gentrifiers” and “condominium buyers”. Community based efforts including microenterprise development were largely focused on community initiatives that would bring economic prosperity and were in line with the interests of the larger political economy and those that benefitted from it. As community organizations collaborated, they became part of the regulation or management of community problems that would otherwise hinder developer investment (such as violence or poverty). Not only were they made busier chasing the money offered by funders and investors, but their practice became further constrained as their goals were less about justice and more about prosperity.

Priority or at-risk neighbourhoods represented an opportunity for growth (that had formerly been left unrealized). Carlos, one Los Angeles based Microenterprise Program Director described the Business Incubator he placed in the middle of a stigmatized neighbourhood known for gang violence. Another, Taz, explained his plans to place an Art Incubator in another priority neighbourhood. The rationale provided in both

instances was to expose low-income individuals (young people, black people, and immigrants) to creative and entrepreneurial opportunities that would align with the City's reinvestment strategies. Individuals who participated in training programs could then go on to build enterprises, build creative industries, or learn technical or soft skills that would help them become engaged in the local economy. For example, one microenterprise development practitioner (Isaac) stated, "we help our people start businesses. When we improve our economy, it helps everyone. If a business does well, they have to buy things". Growth is achieved through expanding into new markets including the formerly undesirable neighbourhood. Growth is also achieved through creating new innovative products for sale, through art and business incubators, and through encouraging residents to be more actively engaged in consumption. Growth allows for an economic "hub" that will facilitate and accelerate other development projects. New and innovative microenterprises and businesses are intended to support growth and the development of condominium projects and the general reinvention of public housing.

Microenterprise development programs also emphasize skills acquisition for participation in an increasingly entrepreneurial, flexible, innovative and changing economy by learning from entrepreneurial mentors. Many of the trainers, business advisors and mentors had experienced success as entrepreneurs, one of the qualifications required to become a mentor. Often these trainers or experts shared similar backgrounds to the clients (for example, they were once a new immigrant) and previously faced similar challenges to economic and social inclusion. Practitioners explained how clients were able to relate to these trainers and look to them as role models. Training and workshops allegedly help participants build confidence, problem solve, develop soft skills as well as learn financial management and business skills. Lorraine, one microenterprise development program staff, spoke of the confidence and self-esteem that resulted from participating in training and workshops led by the trainers and experts:

My ultimate hopes are to help build confidence and self-esteem so they can help themselves. One woman told me that as an activity, she helps the poor. She feels wealthy because she has an income and a roof over her head. My dream is that they (our clients) become confident. And that their children break the cycle of

poverty. And with the training, we hope that they transform from the inside out. Economics only will not transform their lives.

In other words, through learning about entrepreneurship from mentors and trainers, participants would also build the social and human skills needed to succeed in today's competitive economy. It is important to emphasize that an entrepreneurial skillset is presumed to be a requirement to succeed as a business owner or worker. Special attention must be paid to transforming from the inside out. There was often a tone of changing the thinking, beliefs, or behaviour of a person echoing Cornel West's theory of conservative behaviourists. Mentors and trainers play an important role in cultivating that mindset. Individuals were encouraged to take full responsibility for their own lives, pull themselves up by their bootstraps and innovate and adapt to a changing world. If more individuals would take steps to transform their lives, themselves and their choices, this would lay the foundation to transform the neighbourhood from the bottom up and build the local economy one entrepreneur at a time. Pulling oneself up by one's bootstraps was seen as in the best interest of program beneficiaries. Helping oneself and not taking a handout would foster a sense of pride.

Not only does community change occur one entrepreneur at a time, but the mechanism through which this happens is often stated as the individual entrepreneur changing something about herself. The implication is that by adopting a protestant work ethic, an attitude of delayed gratification and frugality, by becoming more individualistic and embracing the values of profit and ownership, the individual will be transformed into a more economically rationale being. Their state of being or transformation is then conflated with a community transformation void of poverty, crime, homelessness, or racism. This heavy emphasis on the individual is at odds with a more holistic understanding of empowerment that embraces both improvements in the capacity for self-reliance, the right to determine choices, the capacity to influence change and the capacity to reflect on one's standpoint and the structural reasons for oppression, while using this knowledge to take action with others.

The plans to invest in microenterprises and build the local economy one entrepreneur at a time aligned with the redevelopment initiatives in both cities. More

businesses, such as restaurants, cafes, galleries, and shops help attract homeowners and investors and shift the resident makeup by introducing private ownership housing. Training residents in business and entrepreneurship, financial literacy, and other soft skills, allegedly helps prepare them to be included into the new vibrant, entrepreneurial, and inclusive community. They are better positioned to be producers and consumers in this new community turned marketplace. This helps transform the existing neighbourhood into a 'successful' neighbourhood with mixed use housing, a diversity of residents and a diversity of businesses. Developers and government representatives also believe they will save money and create efficiencies through public private partnerships. The promise is a better neighbourhood for all residents. Microenterprise and small business play an important role in making it all come together.

Although there are many benefits to economically developing communities and the economic (and social) inclusion of residents into the mainstream, the picture painted by many City workers, funders or Microenterprise Directors often leaves out the context of the supposed transformation. An overemphasis on individual entrepreneurs and bottom-up change downplays the structural conditions and unjust systems and does little to reshape existing power relations. It unintentionally supports a narrative of the unworthiness of the poor and the imperative of modernizing, fixing or transforming them. This recalls Cornel West's mention of conservative behaviourists. It situates entrepreneurship (entrepreneurial citizens and entrepreneurial communities) as the primary solution to all social problems. The suggestion is that long term structural unemployment, underemployment of highly educated newcomers or the growth of the working poor will be resolved by a combination of business and entrepreneurship training, microenterprise development and development beautification projects. Violence and affordable housing are also presented in a similarly simplistic and optimistic way. These plans also naturalize and present privatization and the dismantling of the welfare state as common sense by shifting the discourse around community change to one with an entrepreneurial imperative or logic. By advancing the notion that the City should work through community based organizations and that community based organizations should work through the market, all members of the community come to embrace entrepreneurial and managerial logic in their work. Community organizations are

increasingly pulled towards market solutions through their collaborations. This pull towards market-solutions is often mislabeled empowerment as some imagine that becoming more entrepreneurial as one-in-the-same as becoming more empowered. The two are, at times, conflated.

For neighbourhood revitalization experts to gain consensus and buy-in of the residents, they used different strategies such as community consultations, participatory planning and other community development approaches. Community organizations (who also operate the microenterprise development programs) were crucial to the government and developers' plans and were key partners in engaging the community.

6.4 Microenterprise, Community Development and Neighbourhood Revitalization

In addition to building the economy, microenterprise development was presented by some as an opportunity for neighbourhood transformation. Carlos, one microenterprise director explained how the community economic development organization played an important role in economic revitalized as coordinated by the City.

For example in downtown LA, there was a time when it was scary to go to downtown LA. The City of LA and some developers decided they were going to change that. So they came to us and said do you want to be a part of it. So we said yes. They said you'll be in charge of attracting restaurants. They said we are going to need restaurants if we are going to build. Restaurants for people to go to. We spent nine years. They allocated liquor licenses to this. We started to attract a dozen restaurants and pubs in the area. So we jumped on board. We jumped on board with Great Streets. Wherever we can bring resources to help augment the corridor or node (economic node or area).

The microenterprise development program then played an important role in the City's revitalization efforts. The buy in from the community organization made the process more effective and efficient. It was effective because the community organization was well established within the community and was able to leverage community knowledge and connections. It was more efficient because the City was able to leverage the resources of the community organization. An important question to consider is whose agenda is it and who gets to decide? Developers and municipalities lead the agenda,

despite the inclusion of some “others”. The inclusion of community organizations in development efforts does little to decenter dominant voices and center more marginalized ones (Collins, 1990). It does little to address the root cause of the poverty experienced by individuals living in those under resourced communities (West, 2001). It ignores existing power relations, and perhaps even naturalizes them by focusing solely on the entrepreneurial individual as the locus of change.

Some microenterprise development organization staff members described their programs as opportunities for community development and engagement. One LA-based microenterprise development practitioner (Alejandro) stated:

What really motivated me was there [is] a lack of information and knowledge in our community. Whether it is the decision to register to vote, or to know how your vote goes and how it affects you – these decisions matter. You don’t realize until your programs are pulled. That organization you used to love...that helped you develop yourself for job skills or helped you get access capital, or helped you start a business, these programs are in jeopardy. So I said somebody’s got to go out there that understands the two worlds and be able to cultivate young minds and get them to understand that even though they feel so removed from the process, their engagement and participation is vital....So I’m here to help them grow these ideas. It’s exciting for me. So I have three years to create 40 jobs here.....not businesses, but through businesses. So by either growing an existing business to the point where they can hire people or starting a new business.

The emphasis of the program was job creation through entrepreneurship. What is interesting is the fact that microenterprise development practitioners viewed this as the starting point for community engagement including voter turnout and municipal politics, policy and program awareness. They also describe their process as empowering, collaborative and consensus oriented. Change is often presented as a bottom up process that begins with entrepreneurial citizens.

To achieve their aims of positive social change, programs often offered more than business training. Many also offered training in life skills, employment skills, soft skills, and a space to gather, connect and become networked. One LA-based program taught life skills using the principle in Stephen Covey’s book the 7 Habits of Highly Successful People. Others used various authors or tools from the self-help or personal development field. For example, Kate, a Toronto based microenterprise development worker

explained how she helped participants to develop relational and networking skills, as well as resilience.

Being an entrepreneur can be lonely. I teach everyone to have a personal board of directors. I also develop a training program to help them. Women are often low-income and many come from abusive situations. There may be cultural issues. Language issues. It is a unique group of women with low self-esteem. I start with Brene Brown. I talk about shame and vulnerability in starting your own business. I say they are birthing a baby but it is business.

Another practitioner (Selena) said of the training “We don’t move from a place of pity but pride. Providing tools for people to help themselves. This is the idea of empowerment”. Helping people help themselves was believed to play a role in their participation in rebuilding their community. They would also be collaborators with, and even agents of the revitalization projects. These new entrepreneurial sensibilities become part of the new normal in the newly revitalized inclusive and diverse mixed income neighbourhood. In a revitalized and reimagined neighbourhood, resilient, responsible, independent, and entrepreneurial citizens help themselves and then their neighbours. Together, they are believed to be able to solve their collective community problems. However, there is often a lack of critical conversation amongst City officials and development experts concerning those problems. We can see evidence of the expansion of market thinking into the social and the shift from state responsibility to giving greater responsibility to the local – the individuals, neighbours, and community groups. With these trends, the scope of practice becomes narrow around economic concerns. Empowerment, social capital and asset-based development are progressive ideals that are taken up or conflated with conservative behaviourists notions of change. Alternatively, by centering the voices of those who have been marginalized, as Collins (1990) encourages us to do, there may be more opportunity to analyze and take action to address the unjust structural arrangements that cause the very problems these programs are designed to address.

Microenterprise development organizations were also created to foster bonds between individuals within priority neighbourhoods. The underlying assumption here was the idea that poverty was related to a lack of networks or connections (Barnes et al., 2006).

Strengthening ties within the neighbourhood and helping people become socially included and networked was often a key priority. Mohammed, a microenterprise development program director, said, “they lack strong networks. You must know people in power. We tend to hire first the people we know. Personal network counts. Then there are organizational networks. Many have none”.

Individuals and communities were presumed to be responsible for their development and wellbeing (Rose, 1999). The goal of microenterprise development programs, in the context of at risk neighbourhoods, was to move individuals and communities from dependence to self-reliance. For example, one microenterprise program director (Lorraine) stated “our hope is for women to achieve a sustainable lifestyle over and above social services. We want them to get off assistance”. Another (Caitlin) stated that “our goal is to see our clients build successful lives in a self-sustaining manner. The idea is to not let people become or stay dependent on handouts. We want them to help themselves out of poverty.” Self-help was a major theme of microenterprise development programs and of the organizations themselves. Empowerment, for some, is enmeshed with the idea of self-reliance (‘getting off assistance’) as opposed to an increased capacity to question structural arrangements and problematize one’s oppression.

Organizations frequently referred to the need to become more financially sustainable, referring to the importance of the organization to rely less of government grants and to rely more on funding within their control, such as self-generated revenue (such as loan interest or other enterprising activities). One microenterprise development program staff (Seth) said, “It is a challenging environment. We apply business principles. We are also business focused and business minded. The goal is for us to be self-sustaining and cover our operations”. As community organizations become increasingly preoccupied with financial sustainability and decrease reliance on government support, challenges emerge. One is the movement of community organizations away from the important role of struggling for social justice and challenging contemporary neoliberalism towards managerial or business concerns. This potentially leaves a gap as there are fewer dedicated actors or spaces where community justice concerns are prioritized over economic ones. Additionally, community is rarely seen as a contested concept on the

ground. It is usually seen as a good thing by both the left and the right. This lessens the likelihood of a critical examination or response to trends towards greater inequality. In this sense, the potential for empowerment is constrained. With fewer opportunities to address community justice, community organizations and their leaders may be co-opted into agendas that do not serve their long-term interests of empowering community residents.

The other problem concerns the role that community organizations play in mobilizing residents to resist oppression and build capacity. As community organizations work in collaboration with school boards, City officials or government, they may lose some autonomy and ability to demand change or fight for issues such as just redistribution or curtailing the excesses of the 1%. How can they improve something that they are part of? The City and other state actors, intentionally or unintentionally, constrain the choices and activities of community organizations and the ways in which they are able to shape public policy. The more that community organizations are active agents that organize and mobilize on the streets in ways that support capital, the less they are able to pursue a progressive agenda. Community organizations become places where citizens are shaped for the market (from the outside). As this thinking reigns, all ideas (empowerment, social networks, capacity building) become more narrowly understood in relation to capitalist interests. This highlights both the limits and the potential of local organizing. It is not enough for racialized and/or marginalized individuals to be “consulted” in revitalization plans, but their voices must be centered if there is any hope of realizing microenterprise’s emancipatory potential.

Microenterprise practitioners believed that as entrepreneurs work harder and smarter selling themselves and their products and services, as well as build networks to facilitate greater market share, they are less likely to fall victim to the fate of most businesses – failure. Here microenterprise and the imperative to develop social capital represent a shift in community development rationality. Community development begins from a place where the state has an obligation to make services available to the unbankable urban poor. Community organizations often mobilize members to advocate for appropriate government supports. Either by design or necessity, organizations seemed to

be moving away from the notion of the state providing economic opportunity and instead focused on the individual microentrepreneurs who must take full responsibility for their lives and the conditions in which they live. Microenterprise development organizations aimed to help clients help themselves. The idea of teaching a man to fish so that he will eat for a lifetime as opposed to feeding a man fish so he can eat for one day was pervasive.

Microenterprise development workers were often included in neighbourhood revitalization committees and initiatives. One of the rationales for including community members was to employ a collaborative and inclusive community development approach to revitalizing the community. The stated goal was to foster a sense of community ownership and engagement in neighbourhood revitalization initiatives. There were also efforts to move community members from mistrust and resistance to consensus and collaboration with initiatives that involved the City and real estate developers. One microenterprise development practitioner explained that including people and partnering with them was not always what it seemed. He suggested that it was important to ask questions such as: who has the power to decide and who would the redevelopment serve. He stated:

Watts is 15 minutes from the Ocean and 15 minutes from downtown. It is a really strategic area for development. But the history of the area with the Watts Rebellion, which people call the Watts Riots, cause caution. There is a lot of history here so people know that if you mess with Watts, people will rebel. And it will happen. But if they (developers, investors and the City) can do it strategically and invite partners and do it slowly, then say hey, we are going to improve the area for you, then it's easier to pull the wool over our eyes. Hopefully these developers have a conscience. That is yet to be determined.

Although the language used by City representatives prominently features themes of collaboration and consensus, many of the microenterprise development workers in the study were skeptical. Some took a wait and see approach while others formally resisted and attempted to renegotiate the terms of development. It was evident that resisting was more difficult for individuals who were part of an official partnership. Yet workers often expressed disapproval.

6.5 Skepticism of Microenterprise, Revitalization and Community Development Approaches

Although many microenterprise development practitioners and the community organizations they worked for participated in neighbourhood revitalization efforts, many expressed skepticism about the project they were involved in. Some practitioners suggested that revitalization efforts were a new form of paternalism, where residents were cast as needing help because they were believed to be incapable of managing their lives or transforming their neighbourhoods on their own. Others were skeptical of the fact that public housing redevelopment had taken on a new form, with partnerships with consultants, developers and special interest groups that had a vested interest in managing, reshaping and engaging certain residents. One microenterprise development practitioner (Carlos) explained how the partnerships usually involved “housing (from the City) and developers partnering to redevelop the area”. In both Los Angeles and Toronto, the concern with the public private partnership centered around who was driving the redevelopment project. The interests of developers may not be in the interest of community members. One LA based practitioner (Alejandro) suggested that “the problem is that it is not a capitalistic formula. If we are all living well, it doesn’t fit with the current line of thinking”. Therefore, practitioners were concerned that the injection of profit thinking into community issues would potentially harm residents, placing profits over people. Also, revitalization that was coordinated from outside of the community was not “for the people”. Many practitioners were concerned about residents reaping the benefits that were promised. “That’s what happens at the City. They come up with great projects. They don’t think it through and then the people (residents) don’t get the benefits”. Another concern was that “redevelopment totally changes the composition of the community”.

One LA-based microenterprise development organization volunteer (Jarrod) who was also part of a neighbourhood revitalization planning committee expressed concerns about ‘rhetoric’ and reality:

He says he wants to empower the community and is into community wealth building. This news is all over the community. I have a meeting scheduled with

him. I want to hear his vision for the people. Are they coming here for the people or are they coming here because new money is coming to the area. I will ask him.

Jarrold suggested that talk of participatory planning and the involvement of the local community was merely a way to coordinate and control any potential opposition to the development plan. He expressed concerns over the timing of so-called open or democratic processes in the neighbourhoods that were formerly seen as untouchable but were now seen as prime real estate. In fact, he questioned motives of City staff generally.

The staff eventually come (to address community problems like water quality), but it is too late. They come when the money starts coming, and *their* people start coming, and development starts coming, and then they address the water quality. So what does it say if the so-called good works come at the same time that the new money is coming? It isn't about the people in the community. It's about the development.

He felt that the priority in revitalization was profit making for the developers and that the City played an important role in realizing these aims. He stated:

The head of workforce development, she was placed into that position. What she is running is basically a poverty program. That's what people call it around here. It manages poverty. It doesn't change anything. They are bullshit programs that don't do things.

He argued that in time the neighbourhood once stigmatized as a 'slum' and 'ghetto' would be repackaged and marketed in a way that would make it upscale and inaccessible to current residents. In other words, existing residents would be pushed out.

Take for instance Watts. It is the cheapest real estate near transit. Now we are looking at big development. They say they are going to retain 1400 units and allocate it to affordable housing. But only people who are currently in good standing can access those units. What does that mean? It means that poor people are going to get pushed out of the neighbourhood, in the interest of development.

Alejandro, a worker in LA, shared a similar concern about a recent request for proposal (RFP) for a relocation specialist.

There was an RFP last week for a relocation specialist. They are looking to move people out. They say they aren't going to displace people but there are some regulations people have to meet to stay. For example, they can't have criminal records but they have been really lenient for years because no one wanted the

land. But now with the redevelopment, and all of this money coming in, they are stricter so that will get rid of a lot of people from that development.

Many microenterprise development practitioners perceived community engagement as a way to turn skeptical residents, with a history of disappointments, into willing residents in favour of plans that would later displace them. They worried their microenterprise development programs were part of a broader plan to make neighbourhoods hip and trendy, full of local artisan shops, cafes and restaurants, appealing to affluent investors and middle class white homeowners. Some believed neighbourhood revitalization was done at any cost. One LA based microenterprise practitioner, Dalia, stated:

They need to get the homeless out. To protect real estate values. It is capitalism versus real estate versus the people. The City is now making a huge effort to get them off the street for the benefit of development downtown. Now they are turning those buildings (that were formerly housing the homeless) into hipster lofts. If you had people with a heart, and not just in it for the money, that would be better.

Similar concerns were expressed about the process that had taken place in Regent Park in Toronto. Not only was this microenterprise worker skeptical of the outcomes of the so-called altruistic motivations to help the poor, he was also critical of the move from expert driven processes to participatory ones. For this practitioner, participatory planning was a new form of hidden paternalism. Some microenterprise workers were skeptical of what Cornel West called conservative behaviourists. Residents were seen as in need of moral reform in the image of 'the master' and in ways that served capitalist interests. Reshaping residents was done through puritan work ethic ideology and self-help narratives. This practitioner (Mohammed) stated:

This narrative of the Puritan Work Ethic, and this idea that you should be picking yourself up by your bootstraps, or that homeless people are lazy, and that homeless people should help themselves, is nonsense. It serves the capitalist.

It is important to emphasize that microenterprise workers were not passive recipients of the marketing messages put forth by the City-developer apparatus. Some Black and Brown Workers clearly argued that an emphasis on behavioural change void of critical assessment of power, wealth, exploitation or capitalism was suspect. For example, one worker pushed back by writing opinion pieces in the local newspaper or calling into radio

shows. Even though they were members of a committee, some workers dissented. For many others, they were skeptical but spoke to the political nature of “biting the hand that feeds you”. It was important for them to delicately manage the relationship with the City because they were a main source of funding.

Some other Black and Brown Workers expressed more caution (about development) as opposed to outright opposition. Alejandro suggested “we need to have people who understand the community needs. To bring them to the table. To figure out the most human way to do it. That’s what is lacking in big development. They are in it for the bottom line and they don’t care about the community”. Some suggested that another way or a compromise would be best. A microenterprise worker and presenter at a community event stated:

The question is how do you bring the community perspective and priorities to developers. And how do you meet somewhere in the middle. Whether through co-ops, or through a living wage, or bringing jobs back to the community, we have to find a better way than the way we are now doing revitalization.

Although microenterprise initiatives that function as part of neighbourhood revitalization efforts are believed to foster economic competitiveness, provide skills building opportunities and positively transform individuals and their neighbourhoods, some workers were not convinced. Instead, they viewed the alignment of community organizing with City and developer interests as suspect.

Many of the programs do empower citizens and improve the financial security of some clients in the short term, as well as make corridors or priority neighbourhoods more desirable. These positive outcomes should not be dismissed. Instead, I argue that who decides, who benefits and how matters. In a neoliberal era, we must also question what gets funded, what does not get funded and how these decisions are justified. The emphasis placed on reshaping people into entrepreneurial citizens and transforming the community from the bottom-up aligns with government aims of remaining competitive,

attracting the best and the brightest and branding itself as diverse and inclusive (Leslie & Hunt, 2013). Therefore, microenterprise development organizations and their collaborative efforts reinforce and reproduce neoliberal agendas.

This demonstrates how community organizations have embraced enterprise and market logic and leaves many to ponder if a less profit centered approach is possible. Funding is more difficult to attain, and community organizers must provide evidence of an efficient return on investment. However, community organizations are still charged with addressing social problems such as violence or unemployment. How do organizations balance competing priorities or capital and social justice? They do so carefully. As we have seen, funders (government/investors) often drive the priorities of community organizations, particularly in neoliberal times. Increasingly, the City's priorities have also shifted. There is a new "regime in municipal politics that values tax breaks over cultural assets and social resources" (Leslie & Hunt, 2013). Microenterprise workers have shared concern over this.

Another challenge with microenterprise programs is the unintended consequences associated with emphasizing the individual while "diverting attention away from more systemic reasons for marginalization related to racism and the structure of the local labour market" (Leslie & Hunt, 2013). The microenterprise workers in Los Angeles and Toronto, particularly that work in priority neighbourhoods, are situated within neoliberal restructuring trends that promote entrepreneurship as a solution, promote culture and diversity as an economic opportunity, as well as promote business and managerial logic. Microenterprise organizations then have been shaped by neoliberal regimes but are also active agents in the reproduction of them. This is consistent with earlier findings by Karim (2011), Rankin (2001) and Clow (2014).

Black and Brown Workers' skepticism about the potential empowerment of community 'folks' highlights the problems with neoliberal approaches to microenterprise development. These workers identified various ways in which the poor may be disempowered, particularly as it relates to neighborhood revitalization. Centering the

experiences and voices of the poor, in meaningful (as opposed to tokenized) ways may result in more holistic and empowerment development.

Chapter 7

7 Social Capital

Microfinance programs with group-based lending, where clients act as guarantors for one another's loans and meet regularly for payments and training, are extremely common in the global south. This has led some scholars to examine the social relations and actions resulting from group participation (Feigenberg, Field, Pans, Rigal, & Sakar, 2014; Sanyal, 2009). In the global north, loans are typically dispersed individually. Given the more individual nature of these loans, social capital has largely been left unexamined.

Much of the scholarship on the effectiveness of microenterprise in the global north has focused on the empowerment of participants. Measurement has emphasized economic factors (self-reliance, getting off social assistance, business success stories) or the subjective experience of clients (feelings of well-being, meeting personal goals). In one Canadian study, Gomez and Santor (2001) examined the effect of social capital and neighbourhood characteristics on the earnings of microfinance borrowers but this dates back to a time when Calmeadow's programs utilized group lending, and they have since closed their doors. This leaves questions about programs in the global north that often disperse loans individually but continue to bring entrepreneurs together on a weekly or bi-weekly basis for training, consulting and networking purposes. Do these entrepreneurs benefit from these social interactions and does this impact their empowerment? This chapter builds upon the work of Sanyal (2009) that found bringing together isolated women into peer groups for an economic purpose promoted women's social capital and agency, which led to collective empowerment and Ojong and Simba (2018) that found frequent meetings and interactions fostered the development of relational trust. In addition to addressing a gap in the scholarship on social capital and microfinance in the global north, I also offer a more nuanced and complex analysis of social capital.

Both the Sanyal and the Ojong and Simba studies interpret social capital in a similar fashion to Putnam and Coleman who emphasized capital as empowering as opposed to Bourdieu's conceptualization which links capital to power. My chapter demonstrates that these seemingly opposing perspectives on social capital are not necessarily mutually

exclusive. Even when there is evidence of expanded network size and relational trust which in turn lead to advantages such as new resources or opportunities, the degree of empowerment experienced by participants is shaped by structural inequalities. Additionally, examining social capital also sets the stage for an enhanced understanding of some of the unintended consequences including critical consciousness-raising, and increased motivation to mobilize and act. This sheds new light on not only the degree of empowerment but also the complex, nuanced and often unintended elements of empowerment.

7.1 Perceptions of Funders and Microenterprise Directors

In the study sites, funders and microenterprise directors shared a common set of beliefs concerning social capital and development. Much of the discussion centered on the participation of the poor helping themselves. To enhance participation and maximize outcomes, social capital was to be developed and leveraged as a tool to enhance the clients' financial stability and to enhance economic development. This epitomizes the thinking behind microfinance broadly speaking; a turning away from dated notions of modernization theory (or top-down approaches) and embracing more progressive development thinking also known as bottom-up approaches. This bottom-up approach to addressing poverty was often presented in a colourblind manner. In other words, poverty and social capital were discussed as though they were race-neutral.

Social networks were often cited as the crucial missing ingredient and served as a barrier to the economic inclusion of low-income individuals living in urban settings. Becoming more networked and accessing resources of value embedded within the resulting associations was seen to improve economic and social well-being. Funders and Director focused more on individual behaviour and choices and less on oppressive structures or social relations that constrained the range of choices. Relegating structural considerations (and race) to the sidelines is consistent with colourblind ideology and colourblind interventions. These presume that we live in a society where one's racial identity no longer influences one's social or economic status. Poverty is alleviated without any special consideration to its' root causes.

7.2 Social Connections lead to Economic and Social Inclusion

Microenterprise workers emphasized the benefits of social connections as a way for their clients to become economically integrated and socially included. By becoming better connected with the right people, entrepreneurs would be able to help themselves and correct state and market failures. One microenterprise development Director (Joan) stated that building a social network was pathway to empowerment. She explained “We also want to help people to have a more networked life. The truth is that many are socially isolated. We are trying to create networks for people”. Associational life was at the forefront of the minds of Directors and Funders and was seen as a key feature to fostering economic well-being. Building networks was a priority for funders and directors in the study sites. They believed that by bringing individuals together regularly for training and personal development, they would not only develop new skills, but they would also build new relationships. These new relationships would help them gain access to new information, extend their market reach and overcome personal struggles – to better equip them to meet the demands of entrepreneurship. One microenterprise director (Kate) explained how the associational life fostered by the microenterprise development group was especially beneficial for women clients.

Being an entrepreneur can be lonely. I teach everyone to have a personal board of directors. I also develop a training program to help them. Women are often low-income, and many come from abusive situations. There may be cultural issues. Language issues. It is a unique group of women with low-self-esteem.

For this Toronto based microenterprise director, associational life helped women entrepreneurs become more knowledgeable, informed, resourced and resilient – all assets that improved entrepreneurial success in challenging times. Coming together for training and development was seen to overcome the loneliness of entrepreneurship but also to overcome the loneliness associated with the experience of abuse or that of being a newcomer and experiencing a new culture for the first time. This highlights the optimism and hope microenterprise development directors and funders had concerning the power of social networks and associational life. The role of power, as a key feature of social relations, was featured less prominently by funders and directors. Helping their clients

build their networks was seen as a way to improve many areas of their lives. Once entrepreneurs move from survival to thriving, economic growth would then be possible.

Many funders and directors explained the ways in which participants could experience more success in their businesses (and their lives) through making new connections with peers and experts. Multiple directors expanded upon the *who* in the network. For example, to resolve a citizenship issue, a client needs a lawyer. To obtain a business license, a client needs information concerning the appropriate city department and processes. To negotiate a commercial lease, a client needs a real estate professional. Access to an extended network could help someone to start to expand their business but also address any challenges that may hinder them. Therefore, if clients joined a group, attended weekly meetings, attended extra networking events and conferences, eagerly followed up with new leads and contacts, they would be better positioned for success in their business and financial lives. Associational life was perceived as an important part of the clients` path to economic integration. Joan stated::

Even if they already have a mentor, we can also provide a business advisor. If you have a problem, we can refer you to legal services. When I think of my own network – it includes mentors, advisors business acquaintances, friends, and parents of my friends. To develop a business, you need customer contacts, service provider contacts, peer-to-peer contacts. These can be gained from participation in our program. So, when we consider the social inclusion side, we can confidently say that a networked person has a much greater chance of success. So financial inclusion can be achieved through social inclusion and vice versa. They are related. This is evident even when an individual`s business does not take off. Their business may not take off but they personally take off. They pursue education or get a job. It is the person`s definition of success not an MBA definition of success.

The assumption here is that the possibility of advanced education, employment or business success is realized through the clients` investment into building a network and sharing business and other opportunities with one another. Through the investment of time in their group and developing a sense of closeness and shared experience, it would pave a way for new resources, opportunities, ideas and strategies. It also emphasizes ideal notions about groups in general, that participation is inherently a positive experience where all members benefit in expected ways.

The funders and directors' view of social capital implies many things. First, by focusing on the individual's actions in their efforts to enhance associational life, the individual remains the primary unit of analysis. This may be at the expense of a more structural analysis. In other words, progress takes place one entrepreneur at a time, from the bottom up, as marginalized individuals make different and/or better choices. Little attention is paid to power relations, exploitation, or oppression.

It also presumes that individuals generate social capital. It does little to address the ways in which differently situated entrepreneurs may experience associational life differently and that some may benefit at the expense of others (Rankin, 2011). It may also conceal the extent to which associational life may be conflictual. This highlights the dichotomy of the views concerning social capital where Putnam and Coleman, for instance, offer a relatively optimistic view concerning the potential for empowerment while Bourdieu is more pessimistic.

For example, one Toronto based microenterprise development worker, Mohammed, who was also a newcomer to Canada explained that participation in microenterprise groups was a mechanism to access people in positions of power. Social networks for him served as ways of keeping some people in and other people out, especially for newcomers. "They don't know other people here. They lack strong networks. You must know people in power. We tend to hire first the people we know. Personal network counts". He hoped that by including power brokers into his program, doors may be opened to those otherwise excluded. He was actually very critical of the structural conditions that necessitated programs like his. Yet he participated as a mid-level worker delivering the program because he felt the benefits outweighed the costs. Interestingly, in a second interview the following year, this same microenterprise development worker had left the organization to start a new microfinance and microenterprise program that he characterized as less empowerment rhetoric and more authentic grassroots community development. Networks were seen as way to address a host of social problems including the social isolation associated with mental health challenges, the integration challenges of veterans who have returned home and are seeking to rejoin civilian life and the unemployment or underemployment of newcomers. In the study sites, program

participants shared their struggles, their hopes and their experience of the how the program had helped them.

According to Geleta (2014), social capital approaches provide a mechanism for how the bottom-up philosophy can be achieved. The onus is placed on the poor to coordinate, reorganize and change their behaviour in the making of their own bottom-up development. Instead of formal hierarchical networks, this approach emphasizes horizontal relations. Development agencies such as the World Bank and UN agencies regard leveraging social capital as central to development progress (Geleta, 2014). This thinking concerning social capital has trickled down to the community level in urban settings in the global north and greater emphasis has been placed on the social networks of the poor as a way to economically integrate them into the mainstream and solve various social problems related to social inequality.

7.3 Perceptions of Clients

In the study sites, microfinance and microenterprise clients shared similar beliefs concerning social capital but there were some differences as well. Clients expressed a desire to improve their financial circumstances and contribute to their families and communities, but they also viewed group membership to overcome social isolation, low self-esteem, receive social support from peers, break free from the constraints of being homebound and resolve practical challenges such as lack of reliable childcare or adequate transportation. As participants became more networked, increased knowledge, and gained confidence, their group activities evolved to include direct and collective actions to resolve individual, group and community problems. It is this transition, from (clients) discussing shared struggles to taking action to overcome them that highlights the empowerment potential of programs. Microenterprise programs that offered time and space, as well as facilitation services alongside problem-posing approaches, moved clients from thinking to acting. Clients provided with the opportunity to reflect upon their shared struggle as well as the shared nature of their oppression, by workers with shared identities, were able to question the structural reasons for their oppression.

In the study sites, clients viewed programs along with the new potential connections, knowledge and skills they could gain, as a way to cope with and overcome their challenges. Ena, one Toronto based microentrepreneur shared the challenging circumstances that caused her to turn to the program. As a highly educated newcomer, Ena felt frustrated with the realities of being underemployed in a part-time minimum wage customer service job.

We are educated women but we are underemployed women. We are doctors and engineers and financial specialists. We had good jobs at home. Our credentials are not recognized or we cannot pass the exams here so we end up in customer service – cash registers, taxi drivers and security guards.

By joining a microenterprise development group, Ena hoped to learn new skills and develop new relationships that would help her start a successful business. She had heard about the program from another woman living in her neighbourhood, who had also been a participant. The program gave the women a reason to meet weekly. They discussed their new business ideas, heard from other women about what was working well or not within their established businesses and they shared other issues concerning their daily lives. Although the focus was improving their financial circumstances, they developed close personal relationships with one another. Given that some borrowers or program participants received government assistance, some worked in their businesses fulltime and others worked multiple low wage jobs with a business on the side to supplement their household income, it may have been difficult for the Toronto women to have met one another regularly as a group without the structure of the program. The program was an enabling factor in developing relational ties.

It also benefitted the women to know that they were not alone in their struggles and experiences. Multiple Toronto based women entrepreneurs explained that the group provided a place for them to extend support and to receive support from other women with shared cultural beliefs that prioritized the family. Some women expressed their embrace of traditional family and religious values as Muslims. It was beneficial to work through their challenges concerning economic integration with women with some shared experience. Some women viewed their individual struggles of underemployment as more collective ones experienced by many women, as a result of their group membership.

They juggled competing demands of precarious employment with the demands of family life. Women shared a desire to maintain the strength of their family ties and contribute to their family's economic well-being. "Our husbands struggle to work in their professions too. We are family people. We want to help our husbands. We want to contribute" (Tassneim). Meeting regularly provided an outlet for women to discuss their shared experiences and challenges and to share ideas concerning potential solutions. This was especially important given the fact that their businesses were often home-based where entrepreneurs tended to be more isolated. Entrepreneurs often started businesses in service-based fields with a low cost of entry such as cleaning, childcare, lawn care, catering, and bookkeeping. There were some Toronto based women entrepreneurs that also sold or created products including candles, handmade jewellery or clothing. Regular face-to-face meetings helped microentrepreneurs develop close relational ties of trust and support of one another. As a result of these relationships, women reported many benefits including an improved sense of well-being.

Multiple Toronto based women entrepreneurs felt that program participation and new relationships formed had helped them to overcome social isolation. Sarah, a Toronto based microentrepreneur explained how the program had helped her meet new people, build new relationships, and free her from the constraints of the home. Being homebound had been particularly difficult as a newcomer. Sarah stated "One of the challenges is being homebound. We are homebound. We are homebound as housewives". Developing strong bonds with other women entrepreneurs as a result of the frequent meetings had provided her with a new way of life. She described those cultural traditions had kept her confined and controlled within the family home (in her home country). By joining the microenterprise development group once she moved to Canada, she renegotiated her place in the family and realized a new level of freedom. This new freedom would not have been possible without the program. Prior to joining the group, the only individuals she had contact with were her immediate family. She stated:

Back home, I did not have the opportunity to come out because I was controlled. I was a woman working in my home. I was taken care of. There is a cultural difference. But I came here, and now I have the opportunity to get out and come to this group. This is a very positive thing about being in Canada. At home, yes,

I had servants to help me in the home. I even had a chauffeur to drive me. I had a sprawling home. A big home. But here I have all of the amenities, hot water and cooking appliances. I do ok here without those other things. I am not complaining.

Social isolation was one reason Sarah decided to join the microenterprise development group. Through participation in the program, she met more of her neighbours, who had been otherwise more difficult to meet in the high-rise apartment development. These relationships proved to be helpful when it came to coordinating childcare and transportation as multiple women explained how they helped one another. Sarah reported a sense of belonging and a feeling of being supported by the group of women. Belonging and feeling supported were also emphasized as important ways to overcome challenges with self-esteem and depression. Josie, a Toronto based entrepreneur, explained how the group had helped her with sharing her truth about how difficult life in Canada was and how the support she experienced helped her to move forward in a positive way. Josie stated:

Low self-esteem is an issue. When you have to take a cashier job and you are a doctor, you feel bad about yourself. It is embarrassing. I now take the bus and I used to have a chauffeur. Our families think we are in Canada and we have made it. We are taking the money from the trees. We are in the land of opportunity. We hide the truth. I cannot tell my mother what I am doing for work. Working as a cashier. She will say, what are you doing? We don't complain. Not to our parents. Not to our children. Not to our husbands. We just make the best of it.

Coming together to learn about financial and business management was helpful but being supported by a group of other women facing similar challenges was comforting. Both Sarah and Josie found that working together to build one another's business was almost a therapeutic process of managing the challenges of living in a new land and coping with unmet expectations. Beyond the social support and understanding, women also looked to groups to meet people outside of their neighbourhoods.

7.4 Belonging and Shared Experience

In addition to earning additional income through self-employment, many women also reported the value of developing ties with other women who shared similar backgrounds

or faced similar challenges to integration. A feeling of belonging emerged from their shared experience. Being supported and a collective identity were important. Fatima tried to put these feelings of shared experience into words.

We are a family-oriented people. For each woman who belongs to this group, we have three or four children per family and sometimes more. We also have mothers, fathers, sisters and brothers back home. We travel home for marriages and deaths. Going home is important to us.

Connecting with other microentrepreneurs who shared similar values was important. Additionally, given that women described playing a key role in unpaid labour, developing relationships with other women played a role in helping women manage the complexities of their double burden in practical and psychological ways. By sharing experiences, they felt supported and less alone. They were also able to help one another, for example, by offering to help with child pick up or drop off at school. This was particularly important for women whose husbands who made the difficult decision to travel for work once they landed in the Canada, to support the family. Maryam said:

Many highly educated people (living in Canada) from our country go to the Middle East to work. Sometimes they come here with their families, then they decide to go back when it is difficult...Husbands leave their families to go and work out of the country in the Middle East. Then the families are separated. The husband goes to Saudi Arabia and the wife stays in Mississauga and raises the children. My husband had a chance like that and he said no, that my family needs me more than they need the money. These are our choices. To have a job or to be separated. Separating families. This is also a huge issue. So we turn to these businesses to help the family.

Women supported one another emotionally and practically to navigate the challenges they faced to settlement and integration. Microenterprise development brought them together for an economic purpose, but they ended up sharing much more with one another.

In addition to shared experiences, many women expressed the value of coming together with others who had shared dreams and visions for the future. Samira said:

We are all from very good backgrounds. We had high lifestyles at home. We want that in Canada. We want more than low service jobs and childcare jobs. We want to contribute. We have so much to offer. We want a better quality of life.

So we work and do these businesses to try to increase our quality of life in Canada.

It was clear that women had developed strong bonds with one another. These ties made it more likely that members would help one another in practical ways, solving logistical challenges.

For example, one woman had a costume jewellery business with samples at the centre. Another woman had a semi-precious gem and gold jewellery business. The women helped each other with coordinating the purchase and shipping of items from Pakistan through relatives. They helped one another to sell their jewellery to other women with similar cultural backgrounds in their local community. They brainstormed together about how they could sell their jewellery to white middle- and upper-class women throughout the City of Toronto. Being part of the local self-help and business training group allowed them to meet each other, build a relationship and help each other achieve desired business results. The implication is that individuals who are part of a training group that met face-to-face regularly were significantly more likely to have support with solving practical challenges to business start-up and expansion, as well as emotional and psychological support, which also improved the likelihood of entrepreneurial success. This was corroborated by microenterprise development workers who felt the `secret sauce` in program success was the connections individuals made, either by way of one`s peer group or extended networks including one`s mentor, business advisor, or the host of other experts involved in such programs.

7.5 Self-Governing Women`s Business Association

Being a member of a group and developing close relational ties led to direct actions enabling business success. In Toronto, members of one microenterprise development group established a self-governing women`s business association. The goal of their association was to advocate for their collective interests and to support the growth of one another`s business and personal goals.

, The Program Director (Alan) supported the group. He said “in our neighbourhood, we had 220 women. The association started with those women. I believe them and I

believed in them.....the association was full of hope”. Members shared knowledge and skills with one another. This particular microenterprise group had members with advanced graduate degrees who described themselves as underemployed. Their prior training and education enabled beneficial knowledge exchange and problem solving within the group. Samira, a group member, described her situation. “I was a professor in a medical school. A professor in my home country. But my kids came here and wanted me to be here with them. We are family bounded people. Family is everything”. Many had worked as professionals or managers or had run successful companies in their home countries. By organizing a self-governing women`s business association that met frequently, they were able to share their pre-existing knowledge with one another. Members felt that these connections were useful and positively contributed to their success.

Being a member of the women`s business association significantly and positively related to positive business and employment outcomes. For example, Fatima, a woman (from the training group) was hired (by the community organization) to lead skills workshops for other women entrepreneurs. Fatima had extensive professional and managerial experience. Although she felt underpaid, she was positive about working within a group of women to share practical knowledge and help others to develop their skills. “I am highly qualified, but I am paid peanuts for conducting workshops in NGO type organizations in Toronto. For six weeks, I am paid \$240.00. But these workshops are offered for free to the ladies who are also newcomers. It helps integrate the ladies and give them power”. The women`s business association offered additional ways for the women to help one another and created new and ongoing opportunities for them to come together and share their successes and challenges. Another example was the women`s participation in the community fair. As a collective, the women rented a booth to hand out marketing material and share the benefits of their women`s business association with other community members. The women felt empowered by their experience and wanted to help other women.

The woman`s business association members also explained the ways in which their group could help them. If one individual had a large order in her catering business, she could

ask a member for practical support with cooking. If one had bookkeeping expertise, she could share her knowledge to help her peers. The feeling of support from the group and the sense that one had a common interest or goal to improve the financial security of their families and to improve opportunities in their community was a source of psychological well-being. By creating the women's business association, the women had enabled ongoing connection and support beyond the program's duration. Now that they were in control, they were able to decide how best to help one another. In this way, the woman's business association was an example of how social relations can improve instrumental support, productive information and psychological aid.

7.6 Social Capital and Improved Access to Resources and Information

In the study sites, microentrepreneurs developed two types of networks. One type was a network that was higher in cohesion, smaller groups of 5-15 members, often women, who often met weekly for training and support. For example, in Toronto a group of newcomer women met weekly to learn, network and develop their business plans. In Los Angeles, one organization offered a loan program focused on helping mostly Latino borrowers obtain citizenship. This group also met weekly over several months. In these small groups, members developed relationships with one another. In both Los Angeles and Toronto, there were many examples of how participation in these groups led to relationships whereby participants extended their practical help, as well as support and advice to one another.

A second type of network was sparser and was characterized by weak ties (Granovetter, 1973) where there were fewer regular interactions. For example, in Toronto microenterprise workers organized networking events such as outdoor community markets that brought together microentrepreneurs from different communities to sell their products and services. Events were marketed through posters, social media and through personal networks. The personal networks of microentrepreneurs, microenterprise development workers, volunteers, board members, mentors and advisors loosely affiliated with the community organization were utilized. A market event served as an opportunity to make direct sales but also to make connections. Other conferences, mini-conferences

or full day workshops were also organized to facilitate networking. Mini-conferences brought together smaller groups from multiple microenterprise development organizations. At these events, entrepreneurs exchanged information (legal, market and distribution) and networks (fostering introductions).

Developing social capital made it possible for microentrepreneurs to access new resources and information. In both Los Angeles and Toronto, there were many examples of how group membership and the subsequent relationships formed led to better outcomes. Some individuals learned about a new market through which higher profits could be earned while others gained valuable information about manufacturing or distribution channels.

7.7 Social Capital and Making Connections Beyond the Neighbourhood

Many microentrepreneurs joined microenterprise development programs in order to make new contacts with the hopes that it would help them grow their business ventures. Tassneim, a woman microentrepreneur, explained how her small business was limited in terms of growth because her very few social contacts were all from the small network she had that all lived in her low income neighbourhood. She was new to Canada and lived in a neighbourhood with many newcomers as well. She explained that for the most part, her neighbors faced similar challenges to her such as being underemployed. In fact, she reported (as did the microenterprise program director that ran the program she participated in) that her neighbourhood was “one of the most overeducated underemployed community in Canada”. She had been generating some sales within her community but desired to expand beyond her neighbourhood limits into other Toronto neighbourhoods, particularly more affluent ones. Participation in a weekly program connected her to peers as well as new contacts outside of the neighbourhood. Often the local community organization invited guest speakers or experts to lead training or to participate in networking events. Many entrepreneurs were motivated by the potential to extend their social networks through training and networking events. Maryam explained that contacts beyond the community was one her primary motivations in joining the group. “I am here to learn how to grow the business and sell items to the broader

community”. She hoped that new contacts would lead to more extensive word of mouth marketing and ultimately more sales. This woman felt more hopeful about the future given the opportunity to become more networked beyond the borders of her community. The opportunity for word-of-mouth marketing to reach others through these new contacts was one example of productive information. Becoming more networked outside of one’s community, also supported business growth in practical ways.

7.8 Social Capital and Finding a Manufacturing and Distribution Partner

Other entrepreneurs found that expanding their network had additional practical benefits. One Toronto based microentrepreneur reportedly found success through social connections made by attending her weekly training group. Her microenterprise program director described her early days of financial insecurity as a single mom and how her business idea actually came out of solving a problem within her own family. She had a sick child with extreme allergies. She developed cookies that were natural, organic and allergen free. Kate, a microenterprise director stated:

I am going to tell you about my shining stars. Six months ago a woman was in a women’s shelter, she was fleeing an abusive relationship with a three year old son. Her son had extreme allergies. He was a bubble baby; gluten, nuts, oils, he was allergic. She has created cookies. They are totally allergy free and organic.

Through the psychological support of her women’s group, the training she received and the connections she was able to make with business contacts outside of her local community, she was able to secure a manufacturing partner and distribution rights at many independent and chain grocers in the city. Without her support group and the new connections, she was able to make through participating in the program, she would not have been able to grow her business. This has helped change her life.

Now, she is paying her own rent. She is still scrimping but she is paying her own bills....This has changed her self-worth. She is reaching out. She’s going after it now. Now she believes she can do it. She believes she can have a better life. She works up to twenty-four hours a day. But she always has a smile on her face. She’s brilliant. She’ll go a long way.

This is an example of how social relations developed through a group; influence the acquisition of productive information such as marketplace information. It also demonstrates how both information gained and referrals to industry influencers outside one's immediate community are instrumental in successful business outcomes. These were acquired through new social relations developed in a group that met regularly.

In some cases, program participation helped an individual help their family. One microenterprise development worker (Lorraine) explained how combining group membership, access to credit and training helped one client leverage her social relations and knowledge to hire her family members. The loan was an example of instrumental support as was the provision of low-cost services provided to her business by her family. One microenterprise program director said, "One woman who started with me started with a \$500 loan. She sold her goods at a flea market. That small business turned into a small shop. Then two shops. Eventually she hired her husband and her children".

In this study, access to information was very important especially for newcomers who had limited ties beyond their familial kinship ties. Informational benefits for newcomers allowed participants to have improved access to markets beyond the borders of their neighbourhood, increasing their likelihood of profitability.

7.9 Social Capital and Citizenship

Overall, being a member of a group that met regularly was reportedly positively associated with business success but also debt reduction, increased savings and even accessing citizenship rights. In Los Angeles, one organization offered lending circles which led to other practical solutions for members. When individuals joined a lending circle, members borrowed and loaned money to each other. This was the exception as most microloans were individual loans as opposed to group loans. In the study sites, relational ties were often centered around training. In the case of group loans (lending circles), these ties were additionally strengthened by financial exchanges between members. Sometimes, the purpose of a lending circle was to build credit history and credit worthiness. Participants met weekly to learn, share, build relationships and improve their financial situation. These circles provided a foundation to access capital, to

reduce debt, acquire emergency funds or cover expenses due to illness or unemployment. By being part of a lending circle group, members leveraged their relational ties with other group members and financial resources to help each other. Being able to mitigate the shock of a family emergency, enhanced members' ability to plan and stabilize the family finances. This is an example of how associational ties and a willingness to cooperate as a group was beneficial.

Lending circles were also available for the purpose of acquiring citizenship. Each client was provided with \$725 for the citizenship application fee with zero interest, reducing the barrier for low-income families to accessing citizenship rights. Lending circles for citizenship also helped build or repair credit as the ten payments of \$72.50 per month were reported to the credit bureau. Lending circles for citizenship leveraged both close and weak ties. Members not only built relationships with one another, they also had scheduled access to experts who could help them move towards citizenship.

Regular consultations with representatives from the Board of Immigrant appeals were offered to consider options for naturalization and citizenship. There were also monthly forums on immigration that brought together clients and experts outside their personal circles. Individuals came to discuss citizenship options, pathways for naturalization, the application process, resources to prepare for the citizenship test and educational materials. Tax experts provided education concerning tax filing. The aim was to help low-income individuals access tax credits for which they may be eligible. For those without a social security number, tax and legal experts provided support and education regarding application for an Individual Tax Identification Number (ITIN) enabling them to file taxes.

Lending circles, loans and financial literacy training were packaged with other essential services aimed at the economic empowerment of the low-income Hispanic community. These included savings, immigration services, tax education, workforce development, college readiness and childcare services. Being a member of a lending circle was positively correlated with acquiring productive information and knowledge through expanding members' network to include a wide range of experts and consultants that

would have otherwise been inaccessible. Increasing contacts and connections helped members overcome barriers and become more successful, in their businesses and personal lives. Lending circles demonstrates several practical ways that membership has its privileges.

7.10 Social Capital and Direct Action

In the study sites, microenterprise programs were often implemented by non-profit and community organizations with broader social justice and community betterment aims. Some of the racialized microenterprise workers and program coordinators closest to the grassroots community work demonstrated considerable investment and commitment to the lives of group members, their empowerment and broader community challenges. A unique environment was created, as a result of the social connections, frequent interaction and the enabling actions of frontline workers, to discuss financial matters, personal matters and community affairs. The community organizations conducted workshops on business matters, but also legal rights and entitlements (for example on citizenship rights in Los Angeles). Some racialized microenterprise workers facilitated critical conversations concerning exploitive work conditions, community violence and the affordable housing crisis. Deepening associational life provided fertile ground for honest conversations about their collective troubles. Group members built relationships with their entrepreneurial peers but they also built strong bonds with the microenterprise workers on the frontlines. These relationships significantly impacted the participants' network and access to information as microenterprise workers were often in a position to act as a bridge between the core and the periphery – the advantaged and disadvantaged.

It is important to note that these connections fostered through the microenterprise program significantly influenced the entrepreneurs' success but also the community's well-being, as entrepreneurs were better able to solve problem. This pattern of clients moving from reflection, critical consciousness to dialogue and connection, and then finally to mobilizing to solve problems is evidence of empowerment.

7.11 Mobilizing in Response to Worker Exploitation

In the study sites, groups met regularly to discuss their business, financial, personal, and domestic challenges as well as community wide issues. Whether it was the recent police shooting, the fallout from the recent election, or the community erosion resulting from big box stores, microenterprise training sessions and workshops were also places where people shared their collective lament. Sharing time and space, reflecting on their experience of discrimination, harassment and barriers to accessing opportunities, often led to motivation to take action. Worker exploitation was a concern expressed by many microenterprise development practitioners. By exploitation, these practitioners referred to the inverse interdependence principle, the exclusion principle and the appropriation principle (although not by name), sociologically speaking. Inverse independence refers to one group materially benefiting at the expense of another. Exclusion refers to marginalized individuals' limited access to resources. Appropriation refers to the ways in which exclusion lays the foundation for one group to appropriate the labour of another (Wright 1997; Wright 1999). For example, one microenterprise development worker reported that Latino workers were controlled and silenced, in unbearable circumstances, for fear of being deported whereas African American workers were controlled and silenced through police surveillance and scrutiny. By providing a space to critically assess and discuss these concerns, microenterprise development practitioners enabled collective problem solving. One example was a coordinated response to the sudden closure of a local car wash.

Over a dozen minority workers at a local car wash found themselves without a job and without payment of past due wages. The workers had been working for wages well below minimum wage, working very long hours, without breaks, or any paid benefits for many years. The microenterprise worker, who also was involved in the worker cooperative movement, reached out and met with the workers regarding their circumstances. One day the workers arrived at work to find the doors locked. The owner had closed the doors, without warning, and without paying the workers or the business expenses. The microenterprise workers met with the workers and then facilitated a series of group meetings to explore a possible worker cooperative solution. The group of

workers could start their own business, leverage the location and past car wash clients gained through years of being car wash employees, but own the business together. Through support, coaching, facilitating access to information, resources and capital, the former workers turned entrepreneurs were able to re-open the car wash, at the same location, but as joint owners of the business. Workers were then able to democratically decide the rates to charge for services, hours of work, benefits to families and how to share the profits. Quality of life was reported to have improved through business ownership and profit sharing. This example provides evidence of empowerment on the ground. Participants improved their material reality and their decision-making capacity, but they also engaged in dialogue, formed meaningful connections and this moved them towards action to benefit fellow community members.

Success stories were shared by microenterprise development practitioners as a source of information and inspiration at future microenterprise workshops, including the car wash worker cooperative. In fact, one training session provided an overview of worker cooperatives, their aims, the coordination process and list of resources available to entrepreneurs who may choose to pursue this route to entrepreneurship. Worker cooperatives were presented as an alternative idea to traditional solo entrepreneurship and a way in which workers and entrepreneurs could resist capitalist exploitation. As community members learned about the benefits of participating and acting collectively, and the benefits that other program participants had experienced, they too expressed interest in becoming involved.

7.12 Mobilizing in Response to Community Violence

In one area well known for gang violence, a group of entrepreneurs and community members initiated a project to protect a new restaurant business in the neighbourhood called the “ambassador program”. The business consulted with a microenterprise worker, who had worked in the neighbourhood for over 10 years (pseudonym withheld to ensure anonymity). He described the ambassador program as a “locally sourced” solution that took a “needs based approach” to a community problem.

His neighbourhood was frequently referred to as an area ridden with gang violence and drug dealing. It was also known as a commerce, retail and food desert. Anyone living in or working in the neighbourhood would have to drive at least twenty minutes to get a coffee or lunch. The new business owners recognized that in order for the restaurant to be successful, and for residents living in other neighbourhoods to visit, the area surrounding the restaurant would need to be safe and free from “shootings and other criminal activity”. He stated that “just one incident – just one shooting” would doom the restaurant to failure. In this case, the business owners elicited the support of the broader community to protect the restaurant but also to take steps to repair the reputation of the neighbourhood. The community members, some of whom were ex-gang members or had gang affiliation, formed a security group to protect the restaurant and the area surrounding it.

The restaurant was near a street that was widely viewed within the community as a dividing line between the Bloods and the Crips. The area was in close proximity to central Los Angeles, but years of neglect, poverty, unemployment, and violence had eroded access to opportunity and resources. Some local leaders continued working in the neighbourhood but they along with council members had not been able to resolve the challenge that gang activity presented to restaurant development, so some entrepreneurs and community members took the initiative to organize. The microenterprise worker described the enthusiasm with which the community members and entrepreneurs displayed as they joined in solidarity to support the new business venture:

The Ambassador Program’s successful implementation infused the community and the microenterprise program’s workers with enthusiasm and hope, and they took this momentum to other community meetings. At the meetings, they made demands for municipal improvements to water quality, for youth programs and affordable housing. The researcher observed community members gathered informally in the restaurant, along with the microenterprise workers and members of the ambassador program to discuss community issues and the steps required to make necessary changes. Working together to improve their financial well-being led to problem solving (concerning violence) and ultimately renewed motivation to take action to make other changes (to

address oppressive structural arrangements) within their community. Although the program itself was concerned with economic development, the community members used the resources available to them (business training, regular meetings, connections made through the program) and leveraged the opportunity to become empowered on their own terms.

Community members were thrilled with the early success of the restaurant, and there was a sense of community ownership, given the mobilization around gang violence in the area. Community members proudly pointed out the “white folks” and “hipsters” who were now willing to cross the border into what was known as an “unsafe zone”. However, concerns were raised about the “big development” that was scheduled to take place in the neighbourhood and the expected “pushing out” of low-income residents into the “desert lands”. The restaurant and the link to the entrepreneurship center carved out a space for these critical conversations to take place.

7.13 Mobilizing to Resolve Landlord Tenant Issues

In one case, a microenterprise worker (Hilary) and her colleagues intervened to resolve a landlord tenant matter whereby an entrepreneur had been defrauded. A woman posing as a property owner signed a lease with a farm worker turned entrepreneur who hoped to open a farmer’s market style retail location in a bricks and mortar space. After some time, the entrepreneur discovered that the woman who had taken the deposit was not the owner of the property. In fact, she had been a tenant and occupier of the property.

The woman entrepreneur (Sara) did not have the resources, finances or time, nor the knowledge of relevant systems to take action to resolve the issue. With limited formal education, she worked long hours on a farm as a strawberry picker for very low wages. Her condition was described as barely surviving. Her husband also worked on a farm as a mushroom worker. Additionally, they had a special needs child who they struggled to support. Poverty, lack of education, exploitive work conditions, and parental responsibilities exacerbated the impact of the lost deposit. The women entrepreneur was devastated.

The woman entrepreneur had been consulting with a business advisor at a microfinance and entrepreneurship center. Given her perceived lack of options, she reached out to her business advisor regarding her landlord tenant dilemma. The business advisor took action by leveraging her knowledge of lease agreements, her professional network (which included contacts with the City and legal experts) to mobilize an effort to pressure the woman to return the stolen proceeds. The actions and related pressure resulted in the funds being returned and a new legal lease being secured on behalf of Sara. Today, Sara owns a farmer's market with two profitable locations. Although she does not expect to be wealthy, she is now making a living, is able to support her child and no longer has to do the back breaking long hours on the farm.

7.14 Conclusion

In her study, Sanyal (2009) found that three features of microfinance programs contributed to a group's potential for collective action. These included the economic ties, the group network and group participation. She argued that the economic transaction required at regular meetings deepened ties and promoted pro-social behaviours (Sanyal, 2009). Similarly, I found that an economic reason, to start or grow a business, was a sufficient motive for individuals to meet face-to-face weekly, even though they were not receiving a group loan. Without the economic factor, individuals may not have left their jobs or family responsibilities to attend. These regular interactions facilitated relational trust, a sense of shared identity, a feeling of belonging and a willingness to help one another, as demonstrated by the women in this chapter. This is consistent with Granovetter's (1985) findings that ongoing economic relations involve social connection and trust. Additionally, bound up within those deepened relational ties, was an opportunity to problematize the nature and conditions of the group members' oppression. Often individuals realized that their individual troubles were in fact, shared ones, and this motivated them to move from thinking (and critical consciousness) to acting (to improve the conditions of their lives). In this way, participants experienced a degree of empowerment.

In the study sites, I found that through the creation of an environment that encouraged frequent interaction, microenterprise programs fostered structural and relational social

capital that led to many benefits in terms of access to resources and the capacity for action.

The structural dimension of social capital involves who one can reach and how (Burt, 1992; Ojong & Simba, 2018). Expanding one's social network to include individuals with different positions (in terms of connectivity or hierarchy for instance) can influence access to resources (Burt, 1992; Ojong & Simba, 2018). For example, having access to a lawyer in the network may help solve a citizenship dilemma. The experience on the ground demonstrates that the microentrepreneur's expanded network reduces the time or investment required to access information or resources and to their solve problems (Burt, 1992) This notion that access may be improved, time may be saved and referrals gained was presented by Burt (1992) who emphasized the importance of structural holes and closure. He built his arguments on Coleman's social closure argument. Coleman believed that closure impacted access to information and that sanctions and norms reduced the risk involved in people trusting each other. These factors made it more likely that people would work in mutually beneficial ways.

Relational social capital refers to the personal relationships that develop based on a history of interactions with people in a social network (Granovetter, 1992; Ojong & Simba, 2018). Important factors in the dimension are trust, reciprocity, shared identities, and sense of closeness (Granovetter, 1985; Moran, 2005; Ojong & Simba, 2018). Trust involves a belief that another individual will not take advantage because they are concerned about the well-being of the other (Rousseau, Sitkin, Burt, & Camerer, 1998). Not only does relational social capital improve information flows but it also enables "informational, physical and emotional support" (Liao & Welsh, 2005, p. 350).

In the study sites, both structural and relational social capital resulted in improved instrumental support, productive information, and psychological aid (Sander & Nee, 1996). Instrumental support refers to the situations where clients gained additional resources, and this directly affected their performance. Examples in the field included financial capital, free labour from a friend or family member, or a distributor. Productive information refers to the situations where clients found useful information that aided

them in their business success (Sander & Nee, 1996). Examples in the field included business knowledge such as marketing, knowledge of competitions or suppliers or information concerning new customer referrals (Sanders & Nee, 1996). Psychological aid involved factors that protected clients against emotional distress, affected their motivation and improved their general sense of well-being (Sander & Nee, 1996). This take on social capital is that of the ‘traditional microfinance’ empowerment stream which focuses on power over resources, information, etc. These notions of capital are, of course, more reminiscent of Coleman, Putnam, and Granovetter than Bourdieu.

Participation in microenterprise programs also affected the capacity of individuals to work collectively to take actions to solve individual (landlord tenant issue) and community problems (gang violence or worker exploitation). These experiences on the ground are evidence of another part of empowerment, that in fact highlight an awareness of power and oppression. These experiences are more closely related to Paulo Freire’s conceptualization of consciousness-raising. We see evidence of microfinance program participants’ awareness of their oppression and evidence of their motivation to take action to transform the conditions that marginalize their communities. It is important to note that these facets, consciousness-raising and taking action to transform oppression, were not stated aims (from the Funders or Director’s perspectives). These were unintended consequences of program participation. This sheds new light on the empowerment question.

To begin, I examined the intended outcomes of microenterprise programs related to networks specifically. Funders and Directors intended to help participants leverage existing social networks and expand their networks for the purposes of economic and social inclusion. By building structural and relational social capital, funders and directors believed clients would gain knowledge, information, resources and become more resilient. This would help with business success. Their approach to social capital fails to acknowledge the ways in which participants’ opportunities have been and will continue to be shaped by structural inequalities. Further, little reflection upon their own social position or power, or that of those higher within the hierarchy was evident.

Next, the perceptions of clients were examined. Clients also hoped to improve structural and relational social capital to improve their financial circumstances, but they were particularly focused on factors related to psychological and instrumental support. Overcoming social isolation, low self-esteem, and accessing peer support were identified as important. Additionally, practical issues such as childcare and transportation were also relevant. Clients also gained productive information through their peers and the experts/consultants brought in for training and networking

Improving structural and relational capital enabled clients to solve problems through the development of relational trust and expanded network size. One group of women were able to form a self-governing women's business association to overcome challenges and provide ongoing support. Another woman was able to find a major manufacturing and distribution partnership. Participation in lending circles enabled participants to generate funds for citizenship applications and consult with Board of Immigrant Appeals to consider options for naturalization or citizenship. These outcomes were empowering, from the client and the microenterprise worker's perspective. However, these changes alone represent marginal improvements to one's wellbeing and do not reshape the structural conditions of inequality, revealing the complexity of empowerment itself.

Finally, our attention was turned to direct actions centered on community betterment and social justice aims. This section emphasizes the important role of microenterprise workers and the close relational ties they form with clients. Their deep investment in their clients' lives and the community led them to facilitate critical conversations concerning collective community problems such as work conditions, violence, and affordable housing. Their social networks enabled the leverage of productive information and contacts of people with power (government). This enabled access to legal rights and entitlements, access to experts who can help with lease agreements for example and social support that helps people to know they are not alone and that they can work together to create positive change. Both the structural and relational dimensions of social capital are relevant to the direct-action section of this chapter. Individuals and groups mobilized in response to worker exploitation, community violence and to resolve

landlord tenant issues demonstrating that bringing people together for an economic purpose may have unintended consequences and that these may be empowering.

It is also important to note that the perceptions of clients and perceptions of funders and director were shaped by social location. The clients, who were often racialized individuals experiencing poverty (and in this study were racialized women), had alternative understandings of their needs, goals and how leveraging social capital could benefit them. Their position as a program participant was combined with their lived experience. Their knowledge of microenterprise, financial and business management and broader community problems was shaped by their lived experience. Microenterprise programs served as safe spaces for participants to share their common challenges apart from hegemonic ideology. Additionally, microenterprise workers from socially and politically disadvantaged backgrounds played an important role in community mobilization and resistance. Whether it was responding to worker exploitation or community violence, those with lived experience had more holistic understandings of their role in the community and of the challenges that need to be overcome.

These experiences demonstrate how certain socio-political positions can be sources of epistemic privilege. In other words, social location and lived experience allowed microenterprise workers and clients to ask different questions and draw different conclusions about oppression than those in the dominant group. Some asked questions about what it meant to leave their homelands, what it meant to be a citizen, what it meant to be socially or economically integrated and what it meant to be empowered. Exploring the uptake of social capital in the field provides another example of the value of starting with the lived experience of women, racialized individuals, and the marginalized broadly speaking. The result is often a more accurate and less distorted depiction of reality. In other words, there was evidence that both workers and clients were able to move beyond a dominant empowerment narrative solely focused on self-reliance, to a more holistic embrace of the additional characteristics of empowerment: namely, the capacity to reflect on one's own standpoint and the structural reasons for their oppression, the capacity to build connections and problematize the nature and conditions of oppression and the

motivation to mobilize and take action to improve one's own life, and also the lives of other members of one's community.

Chapter 8

8 Race, Racism and Microenterprise

8.1 Structural Location of Practitioners: Bridgers and Non-Bridgers

Practitioner standpoint and structural location influenced both microenterprise development worker's scope of practice, their language, and the meaning they attached to their work. For bridgers, microenterprise development work was bound up in the realm of political struggle. Many visible minority microenterprise development workers had left their poor under-resourced communities, and pursued advanced education while resisting race, class and sex domination. Learning the language and ways of their oppressor (often called the language of the boardroom or of the business types), these individuals articulated a calculated decision to use their positionality strategically to stand with the oppressed and the colonized. Some returned home to those underserved neighbourhoods, while others resided elsewhere, but dedicated their working lives to reimagining political resistance.

For them empowerment meant an alternative to existing power relations. It meant arming community members with the knowledge and tools to struggle against many forms of oppression. It meant addressing the many problems that plagued their communities. It meant collective identities, collective lament, and collective solutions. They spoke of colonialism, exploitive capitalism, and the prison industrial complex. For these workers, microenterprise development was simply one tool (of many) to develop wealth, possibly to own the means of production or to create a new system that was no longer rigged in the interest of the one percent. Empowerment was as much about their own intensely personal emotional journey concerning marginalization and oppression as it was their clients. Race was everywhere, all the time and in all spaces. There was no us or them; only a 'we'.

Dominant group microenterprise development workers had a different understanding of empowerment. These were the white men and women, typically middle class, university educated microenterprise development workers. Many held business and finance

degrees. Some even had social work or social justice degrees. They identified themselves as progressive or liberal and were concerned with equality, justice and inclusion. Most mentioned race only when they were asked to describe the demographic characteristics of the communities they served. They too hoped to empower their clients but for them, race was relegated to the sidelines. In fact, almost a complete erasure of race emerged as they shared human or social capital explanations of inequality. Many emphasized required behavioural or mindset changes necessary for their clients to improve their financial circumstances, a key requirement for inclusion. Many white microenterprise development workers did not expand upon the social, historical, or political context of their practice.

For both bridgers and non-bridgers, microenterprise aimed to empower. On the ground, empowerment meant many different things. To empower meant to teach financial management skills. If one could budget their cash flow better, they could improve their lives. To empower meant to teach business skills. If one could create a business and generate enough revenue to create a profit, they could lift themselves out of poverty or at least marginally improve the quality of their lives. To empower meant to teach soft skills. If one could use the right language, and display a “good personality”, they would attract more customers. On the other hand, to be empowered also meant to learn the language of the boardroom, to be able to move more freely between the street and the boardroom in order to access rights and privileges withheld by the oppressor, such as voting, access to clean drinking water, or safety. To be empowered meant being able to organize the community to respond to the discriminatory bus routes that effectively denied access to certain neighbourhoods for poor folks or to reshape the so-called participatory processes of redevelopment projects. For some microenterprise development practice and empowerment processes were opportunities to resist, to reconcile and to reorganize.

8.2 Microenterprise Development: A Post-Race Practice for Many

In the research sites, one important observation was a lack of critical discussion of race, racism, or racial inequality by some workers. Countless interviews were recorded where

only a brief mention of race was made (by White microenterprise workers) in response to the question “who does your program serve or benefit?” In one Toronto interview, Mitch, a microfinance board member indicated that at least ninety percent of the beneficiaries were black as was the surrounding neighbourhood and proceeded to not mention race or racism again throughout an hour-long interview. This widespread race-blindness was commonplace while at the same time anti-poverty and race-based programming were practiced. Race-blindness was instead replaced with a discussion of skills, characteristics and success principles that needed to be learned by program participants to succeed in an increasingly competitive market. In the same way that Critical Race theorists illuminated the ways in which institutions were co-opting the aspirational, colour-blind language of civil rights activists (the idea that we should judge someone on the content of his character rather than the color of his skin) while omitting the more critical aspects of anti-racism (discrimination and economic inequality), some microenterprise workers focused on skill, knowledge and character development without any critical analysis of why these programs were required in the first place (Delgado & Stefancic 2018). Utilizing critical race theory as a lens may highlight the ways that supposed colour-blind approaches to development (such as microfinance programs) have enabled racial oppression and inequality to continue (through shifting the focus away from unjust systems to the behaviours and moral choices of those living in poverty). An important question is how and why many microenterprise development directors, funders and workers operating programs to benefit racialized people, whether native born or immigrants, rarely discussed race in a meaningful way. How does one empower the people without reimagining the structural reasons for oppression? The emphasis was empowerment and how to help individuals compete for jobs, create business opportunities as well as develop financial competencies. For example, Caitlin, a Toronto based microenterprise development worker stated, “Our goal is to see our clients build successful lives in a self-sustaining manner. The idea is to not let people become dependent on handouts. We want them to help themselves out of poverty”. Lina, another Toronto based microenterprise development worker shared that “empowerment is an important part of our work”. Similarly, Sandra, a Toronto based worker said “I could see that people were capable. No matter your socioeconomic status, you have the answers to

your problems. I fell in love with this idea of empowerment”. Kate, a microenterprise worker said:

We teach individuals the importance of what to do with their profits.....we help them understand the basics of business and their financial standing. We make sure they reinvest in the business. We teach them to save and reinvest. We want them to know how to make the money most productive.

In many of the programs, core values and strategy descriptions, race was left out. This post-race framing was also present in explaining the barriers or challenges faced by microenterprise clients. For example, when describing the challenges that racialized immigrants face in working in their occupation of choice, much of the discussion was centered on acquiring Canadian credentials or qualifications with little mention of the systemic barriers or discriminatory practices that disadvantaged workers. In one case, a Toronto microfinance organization offered loans specifically for credentials. During the interview, the microfinance worker (Paul) described the program and benefits without any mention of the race of the beneficiaries even though the majority were visible minorities. There is a plethora of evidence that demonstrates that when one controls education and credentials, inequality persists. In other words, racial discrimination still plays a significant role in restricting occupational choices for racialized individuals, whether they are native born or newcomers. But rather than discuss the structural conditions that result in racial inequality, discussions were often limited to human capital matters such as improving the skills, education, and experience of participants. These were also offered as explanations of inequality.

In place of critical dialogue concerning race, an emancipatory narrative emerged. Racialized individuals were described as having the opportunity to be included with seemingly few barriers to their engagement in the labour market after program completion. A very optimistic view void of the political and social conditions was presented. For example, one Toronto worker (Lorraine) said “my ultimate hopes are to build confidence and self-esteem so they can help themselves”. Another Toronto worker (Kate) said “we help clients have more control over their incomes.....our program allow them to have dignity and independence. It is empowering to have more control over one’s finances”. Similarly, a Los Angeles based microenterprise development worker

said “I see someone with a little spark in their eye, when they have a dream and goal. It inspires me, so you try to help them the best that you can”. Many practitioners expressed that only through taking full responsibility for one’s life, one’s businesses and finances, would the doors of economic opportunity be opened. The implication is the dismissal of the reality of racism in the everyday lives of people. Instead, a colour-blind story of emancipation through entrepreneurship that imagines race as disconnected from the historical, political or economic reality of people’s lives is offered.

The erasure of race in the practice of microenterprise development was closely connected to the idea of meritocracy. “Working hard”, “working smart”, working “innovatively”, working “creatively” and working “entrepreneurially” were presumed to result in just labour market rewards. Rewards were presumed to be granted regardless of racial identity; all that was required was adoption of the “entrepreneurial grind” or “entrepreneurial hustle”. In the study sites, microenterprise development workers expressed a variety of expectations for their clients. These included the hope that clients would become more self-reliant, improve their incomes, start a business, improve their knowledge of finances, be better able to manage their finances, think more long terms, think more like an entrepreneur, improve their credit rating or become more networked. Additionally, workers frequently sought “personal transformation”, a commonly used term used to describe the change that would take place within individual entrepreneurs after prolonged exposure to “right thinking”, “enterprise culture”, the “entrepreneurial mindset” or “success thinking”. This highlights the ways in which empowerment (and justice for the poor more broadly) can be appropriated and used for purposes that do not align with their original intention. Microfinance was once a grassroots strategy with collectivists’ ideals. Under neoliberal agendas, empowerment pursued through microfinance is instead a means for increasing productivity (Basok & Ilcan 2013). When questioned further as to the meaning of the transformation, it was clear that some practitioners meant improved confidence, sense of self-efficacy and thinking in ways that would lead to better choices. Choices would then lead to better life outcomes. For example, more wealth or savings could be accumulated through improved budgeting skills, credit management and work ethic.

Through exposure to middle-class people and middle-class values, individuals could overcome “poverty thinking” and change their lives. Paul, a Toronto volunteer explained that transformation was achieved through “a huge push towards financial literacy”. Sandra, another Toronto based microenterprise worker said that changes in thinking and behaviour were achieved through training and mentorship. She stated “there is a skills training part. And budgeting”. Jason, (a Los Angeles based microenterprise director) emphasized the importance of adopting the entrepreneurial mindset. He stated that “we teach the entrepreneurial mindset. How to be resilient. How to problem solve. And how to do what that really means.” Jason was a middle-aged white middle class man who had held positions in senior management at several fortune 500 companies and had been an entrepreneur himself. He was driven by a desire to help and change the lives of his clients. Lilly, a white (Los Angeles based) microenterprise development worker who had worked in international finance and as a consultant also spoke extensively about the entrepreneurial mindset. She stated:

The entrepreneurial mindset is when you are responsible for your own work. So that means a lot of things. You are resourceful. You don't complain. Any problem that comes to you, you are creative in how to solve it. Connecting things. You are driven. You must implement. Not stay at the idea stage. Have a good personality. Have social skills to create a team. Ownership is the idea. You can create. You can design your own work and create your own company. Anything is possible. You are figuring out a strategy to overcome obstacles.

Learning a new way of thinking and acting were seen as ways to become successful and more financially stable. Through changing one's mindset and through hard work and determination, individuals could transform their lives.

Jack, another successful middle aged white man from the corporate sector explained how entrepreneurship included a particular grit and determination. He stated “an entrepreneur has a unique grit and gut that makes them come up against a multitude of challenges, roadblocks and brick walls. Dylan, a young white middle class male who had recently completed his MBA, echoed similar sentiments. He said:

A big part of it (his job) is mentoring. I try to get them in the mindset. If you can learn to do what I can do, you can go into the bank and know their cards like a poker game. You know how to read their cards. Getting them into the mindset.

Think ahead. Be strategic. You can show managed growth. Some people have been in business for twenty years and have no idea how the system works at all.

Jack added similar ideas to Dylan regarding acquiring human skills. He stated “it is about being your own boss. Being in control of yourself. Overcoming things. Resiliency. You own your own destiny.” It was clear from many interviews, that many educated middle class white microenterprise development directors and workers shared the perspective that clients who were “ready” to change, and who were ready to think and act differently, would be successful, if they only “put their mind to it”. The implication is that if clients could easily change their circumstances by shifting their mindset, then having the wrong mindset must have caused them to be impoverished. This understanding of poverty focuses almost exclusively on the behaviour of racialized individuals and minimizes other factors. The result is that the root causes of inequality, including racism and discrimination, are invisibilized. This narrative also shifts the attention of racialized entrepreneurs away from resistance and towards individual interests. It binds them in a rat race of survival where individuals internalize system failures as their own.

It is also worth noting that these transformations to the entrepreneur’s mindset were orchestrated through experts, who were sometimes referred to as the “business types” on the ground. One Los Angeles director (Jack) said “we heavily leverage high value volunteers doing one-on-one consulting and coaching for us. They are mentoring or helping with program delivery. They are CPA’s, consultants or have marketing backgrounds. They are very skilled people”. Another Los Angeles director (Jason) stated “we bring those subject matter experts into a taskforce. We help them (clients) be prepared for the business world”. In addition to external experts, many business types were also found within the microenterprise development organizations themselves. One worker (Don) said “the people who work here – we are very entrepreneurial ourselves. We are running this non-profit like a small start-up. We wear a lot of hats. Every day is different”. Experts in fields such as business, law, and finance were often responsible for helping low-income individuals transform their mindset and actions into more appropriate ones for success.

Microenterprise development workers were often situated within non-profit organizations that also managed other poverty and community related programs such as housing, language services, job training, childcare programs, and others. For example, many microenterprise development practitioners described the affordable housing crisis and welfare reform policies as key areas of concern for their beneficiaries. Many of the policy changes were described in racially neutral ways, as though they were race-less. Some of the policies that were mentioned included the shift from welfare to workfare in Ontario through the Harris years in Ontario, the creation of the Housing Opportunity Program Extension Act in the US and the initiatives coordinated by the Toronto Community Housing Corporation. These were described as problematic but nonetheless appeared to be changes void of race. However, these changes disproportionately affected racialized minorities including single mothers. For example, the move from welfare to workfare in the US disproportionately affected visible minority groups. In fact, the demographic profile of individuals receiving government assistance shifted (from 1992 to 2001) from majority white to majority visible minority after the policy changes (Davis, 2001). Similarly, changes in housing policies increased the vulnerability of Black and Latino public housing residents and resulted in higher eviction rates (Davis, 2007).

There was some acknowledgement of the class implications and even the ways the non-profit sector was increasingly burdened with more clients, heavy workloads and fewer resources. But even liberal thinkers, who were social justice minded, often failed to make race-based claims. There was often a clear omission of, or a reorganizing of, the importance of race, albeit unintended. In some cases, more racially neutral sounding words such as diversity were used as though to take the sting out of racism or racist discrimination.

Multiple mentions of certain clients or groups being more likely to “work the system”, particularly in a racialized neighbourhood, were made. The suggestion was that some individuals had grown accustomed to reaping the benefits without contributing their fair share. One Los Angeles based microenterprise workshop presenter stated:

We can't just take advantage of the system. It's just easy to take advantage of the system....an individual who owns an apartment and has a section 8 on it. His

tenant pays him \$200 a month. It is state subsidized. His wife can live there. They don't declare they live together. This way they can afford a car and a place to stay. But then there is no need for personal development.

Although his comments were not explicitly racially specific, the implication in a primarily black neighbourhood was consistent with derogatory stereotypes of black single mothers on welfare and the black sexually promiscuous men who abandon them. There was often an element of judgment bound up with such claims. Cornel West (2011), Dana-Ain Davis (2007) and Gaudio and Bialostock (2005) posit that "racist discourse" often involves claims of "moral inferiority" (Davis, 2007, p. 352; Gaudio & Bialostock, 2005, pp. 52-53; West, 2011). Additionally, Gaudio and Bialostock argue that "linguistic manifestation of racist ideas has become so familiar, recurring, and generalizable, that it hardly seems to count as racist" (p. 53). By not mentioning race, while silently acknowledging associated stereotypes, poor black and brown people are deemed unworthy of support. Moving them towards self-reliance through microenterprise development programs must be understood within this context.

Many microenterprise development workers seemed well-intentioned, passionate, and even altruistic, but the colour-blind discourse, particularly of white middle class microenterprise development workers, combined with rampant self-reliance rhetoric may have done more to move poor black and brown people towards low wage employment, often with a side hustle or small business on the side, with no significant or meaningful change in the systems that strategically positioned them there. This begs the question, how can a program intended to address poverty be empowering if it fails to even mention the root causes of injustice? And in the worst case, it blamed them for system failure. One critic of enterprising approaches actually suggested by transforming an individual into a hamster destined to run on a wheel, he would be too busy in his entrepreneurial hustle to think critically about his situation.

8.3 Bridgers' Standpoint: When Race Matters

Microfinance programs provide an ideal setting to explore practitioner standpoint. This section argues that Bridgers, who are visible minority practitioners that share the cultural experiences of their clients and consider themselves insiders, think, speak and act

differently than non-bridgers in terms of how they approach their work. Sharing the race, ethnicity, gender, language, class background of program participants shaped the extent to which practitioners emphasized societal causes or individual causes of poverty, the extent to which they emphasized the importance of behavioural versus structural change and the meaning they ascribed to their work. Specifically, they were less concerned with changing the behaviour and the thinking of participants towards economic rationality and were more concerned with increasing consciousness enabling direct and collective action. Consciousness-raising and taking action are key facets of empowerment, if we are to include *power* in our analysis. Additionally, language and meaning varied between the two groups. For example, the meaning attached to words such as empowerment and transformation varied.

In the study sites, the majority of microenterprise workers were passionate and motivated by a degree of altruism. Most mentioned the personal rewards associated with making a difference. However, bridgers and non-bridgers varied in their assessment of root causes and suggested solutions. Also, there were differences in what was said and what was left unsaid.

Bridgers spoke at great length about the social and political experiences in their own lives as shaping their understanding of community problems, structural faults and their impacts on individual lives. They often drew parallels between themselves, their families of origin and their clients. One worker explained how shared experience fostered trust and understanding. She said:

Our strengths are that we have trust. Trust from community ownership. Board members are from the community. They know the market. They are indigenous people. They have professional backgrounds. Economics and business backgrounds. When the board has the same background as our clients, we are relatable. Our staff are also indigenous people as well. People that are well respected.

Tamara, another Indigenous worker, shared that many white lenders view Indigenous people as high risk (in terms of loans and credit), but that her Indigenous identity and knowledge allowed her to see past stereotypes. In fact, “our Indigenous repayment rates are really high.” Additionally, her Indigenous identity and lived experience shaped every

aspect of her work. Not only did her team provide microenterprise training and loans, but they also provided help with transportation, daycare, grief counselling, and help with housing. To improve individuals' finances, a holistic or wrap-around approach was required, she said. This understanding of individual and community need was gained through lived experience. For Tamara and others, the work was extremely personal. The pain of inequality was felt deeply. Racquelle, a Black microenterprise worker said:

My biggest disappointment in life right now. When I listen to the news. When I hear all these rich people be concerned with themselves. The top one percent. When nobody at that level cares, it is difficult. Otherwise, what future does any of us have? That ticks me off every time I hear that. It makes me want to work harder.

Bridgers also discussed intimate and often traumatic details of racism, sexism and classism. They assessed contemporary issues of race as well. Racquelle shared:

We are hopeful that this (president Trump's tenure) is short term. We are hoping and praying.....It's not just him. It is the whole mentality around him.....when racism rears its ugly head, it's always been there. Seeing it unfold, it's been disheartening. But there is so much to do and people need us. You gotta keep people going. Keep everybody's spirit up. And keep going.

They told stories of police brutality, gentrified neighbourhoods and deportation. Non-bridgers referred to experiences that had led them to careers in microfinance, but that experience typically referenced an introduction to the suffering of the "other". It was clear that these different lived experiences of poverty, oppression, and marginalization shaped which concepts within the microenterprise practice were understood. In other words, Bridgers and non-Bridgers both spoke of empowerment but at times they ascribed different meanings to the term. For example, visible minority workers articulated the take-for-granted knowledge shared by other visible minorities. There was a shared understanding that white people controlled institutions such as the media, the police, the city and that they operated these institutions in ways that advantaged the privileged at the expense of people of colour. They embodied the capacity to reflect on their standpoint and the structural reasons for their oppression. Bridgers' experience of marginalization within these institutions put them in a position to see microenterprise and community

economic development differently. Their personal experience of a lack of control over societal institutions made them acutely aware of the importance of voter registration (or taking action to overcome their oppression), for instance. Therefore, microenterprise workshops were not only places to learn business and financial skills, but they were places to consider how skill development could be used to resist their domination. By contrast, non-bridgers focused on economic empowerment as a means and ends in itself. This stark contrast between perspectives sheds light on the empowerment question. Bridgers were better equipped to facilitate consciousness raising thus propelling participants towards action, in a Freirian sense.

Bridgers' perspectives transcend oversimplified unidimensional solutions such as the pursuit of economic rationality. Their significance may be found in offering holistic understandings of complex problems and a more collective identity whereby microenterprise clients can see themselves as more than the established order sees them. By merging knowledge gained through lived experience and through formal education or professional experience, bridgers are able to foster critical consciousness raising. This is akin to adding a tool to one's toolbox to resist subordination.

According to Patricia Hill Collins (1989) "all social thought...reflects the interests and standpoints of its creators" (Collins, 1989, p. 1). In the research sites, there was evidence of privileging some systems of beliefs over others (economic rationality over community rationality). There was also the privileging of some forms of knowledge over others (formal knowledge over lived experience). In other words, microenterprise practice informed by knowledge gained from lived experience was lesser than microenterprise practice sought through more formal means (MBAs).

Experts (business finance experts) were granted privileged status. First, best practices were generally validated by a community of experts who shared the standpoint of the dominant group. Experts gained credibility through obtaining advanced degrees in highly valued programs such as business, law or finance. These experts were highly valued by both bridgers and non-bridgers. For example, most board members that governed NGOs in the study sites were business and finance experts. Many workers explained the

importance of recruiting highly valued experts. It is also interesting to note that Boards of Directors were much less diverse than staff or the community served, in some cases, there was only one token black or Latino member. One worker (Racquelle) spoke to this divide when she stated:

The challenge is that there is a cultural divide. On the one side, there are the social workers, the frontline community workers, or people immersed in the community development approach. On the other side, there are the business and the finance people. They have no conception of the lived experience of poverty. Bridging the gap is so critical.

This is important because structural location clearly shaped the ways microenterprise workers understood poverty and empowerment. It also shaped what voices were heard and were not. It determined what features of microenterprise development practice were emphasized (financial literacy skill development versus critical consciousness development), general beliefs about what was required to eradicate poverty and improve the quality of lives of the poor and the conclusions drawn that were deemed most credible.

Bridgers were experts in both “the streets and the boardroom” according to one microenterprise development worker. Multiple microenterprise development workers described two different groups that spoke “a different kind of language” or “were from two different worlds”. One Toronto microenterprise worker, Meena, suggested that the so-called “experts” in business and finance, often relied upon in the microfinance industry would benefit from a poverty immersion training type experience. Similarly, a Los Angeles worker, Alejandro, said:

There are people who have valued on both sides (the right and the left), but they are lacking knowledge. They have a lack of access to information too. That is vital. That’s why you need individuals like Pastor, to say, hey, payday loans are bad. You are a sell out. You need these people. They need to hear that.

For bridgers, expertise and knowledge gained from grassroots community work and lived experience was equally beneficial as expert knowledge. Therefore, the implication of a poverty immersion experience for bankers is the potential value gained by situating the marginalized at the center. Bridgers believed that people with lived experience could

create a more accurate and realistic account of the everyday and that this knowledge could be used to advance social justice aims (and empower community members). They could understand and explain what it meant to be poor, vulnerable, to struggle financially, and to face daily discrimination, to fear the police and the state, to be monitored by child protective services or to be monitored by social workers to receive benefits.

Bridgers also explained the ways in which they were able to bridge the gap between the dominant group culture of “the boardroom” or of “middle class white folk” and the brown and black individuals their programs often aimed to emancipate. The Bridgers understood the beliefs, values, and behaviours of the dominant group because they had been immersed in it – in graduate school and in corporate workplaces. Yet, they were also able to identify and understand the beliefs, values and behaviours of the oppressed. Alejandro explained the importance of the involvement of educated, middle class visible minorities workers who could speak the language of the boardroom. He said:

There are individuals on both sides, who show humanity and empathy but they need someone who is like them in order to receive the information. ...the more people like you, I and Renata....that’s going to change it. They need to be from a more affluent position. Who have access to politicians, ownership and property. Then things can change.

Bridgers were also conscious that in order to survive (in the boardroom when they had a seat at the table) they had to manage their behaviours. For bridgers, there was a unique balancing of cultures.

8.4 From the Street to the Boardroom

One community economic development corporation executive, Carlos, shared his story of living in two worlds. His parents were born in Columbia and moved to the US in the 1970s as minimum wage workers, they were able to purchase a home, raise six children and send them to University. This personal experience caused him to feel a deep concern and compassion for those living in poverty and an understanding of the constraints they faced (availability of good jobs, benefits, union memberships, affordable housing). This personal story eventually led him to turn his service work as a volunteer board member into a full time job when the organization had a leadership gap.

In the 1970s, in Los Angeles, my parents paid \$20 000 for a house in an underserved neighbourhood. My mother was a seamstress working for minimum wage. My father was a housekeeper in a hotel – also a minimum wage worker. They raised six kids in a house on minimum wage. You and I will never see that again.

He explained how this personal experience shaped his understanding of wealth creation.

I was able to see what a quality job (at the time) could do for you. Seeing what home ownership could do for you. Wealth in their country is transferred through the ownership of real estate (and your primary residence). That’s how it happens in America. You inherit wealth. I was fascinated by that. That house. Those two consistent jobs – what they did for my family.

He explained how job stability and home ownership had enabled his immigrant parents to provide for their family and open the door to additional opportunities.

My immigrant parents taught me to get an education. I was the first one in the family born in America. I attended the University of Southern California. My brain told me that I did not belong there. I was from the other side of the tracks. It was the wealthy part of the university and I felt I did not belong to be there. Thankfully I had a professor that convinced me otherwise.

Throughout his interview, he spoke extensively about the economic development projects and microenterprise programs he facilitated but he continuously returned to his personal story. He made reference to his first-generation identity and his insider position as a framework to assess and analyze the needs of community, the work of the organization and its impact. He also felt that having insight and connection was related to having the community’s trust: “Being embedded in the community – you know their stories”. People shared their stories once they trusted you with them. Knowing these stories helped him to understand the need.

A woman told me “my son is eight years old and he has never been to a sit-down restaurant”. Or I talk to Pastor Richard Jones of the local Baptist church who says “I have to drive twelve minutes to Starbucks. We might be poor but we can afford a latte. We don’t have one here.” So we begin to understand that underserved communities want good things. But they just don’t want to be pushed out.

This theme of shared identity and experience as a starting point for understanding community needs was shared by many bridgers.

Alejandro Latino worker shared how his early childhood experience of the intersection of race, class, and immigration shaped his life and understanding of entrepreneurship and community need. He explained that he was raised by his Latina great grandmother and his single mother. To make ends meet, his great grandmother rented rooms in her home to earn extra money. She then realized that the men renting rooms from her needed additional housekeeping services. She included laundry and meal preparation as a way to add to her profits. Prior to starting her first boarding house, she had worked in the fields. The fields involved long hours and hard physical labour for little pay. The boarding house business allowed her to increase her earnings and eventually leave farm work behind her.

Alejandro grandfather also worked in the fields and washed dishes as a part time job on the side. He had a small side business repairing automobiles. He said that Latinos especially:

...where they migrated from – they all had small businesses. He (grandfather) worked all week, and on the weekends worked on cars ... you always had to have another way to make money, because it wasn't enough (for newcomers working on the farms). But we lost that. We lost that. Now we just tell kids to go to school, get a job and get a retirement plan. So a whole generation has lost the side hustle mentality.

He explained that within particular cultures, specific skills and traits within the family lineage had been lost over time. This was significant given the vulnerability of many members of the community. Many community members were undocumented. Loss of particular forms of knowledge, he said, resulted in financial disaster for some families. Also, in vulnerable communities, Arnold said “one job just won't do”. He continued:

There is no other way people in these communities (Latino/ Black) are going to make. They need the additional revenue. What better way than if you own it. There is always a job skill or trait in the lineage that has been lost. There were welders, cooks, chefs, and landscapers. Successful planning in neighbourhoods is important. What if I die and I have a business? People can't afford a lawyer or a trust. They don't know that the undocumented can have a trust. There are gaps in

knowledge. If we communicate well, we can preserve these lifelines of money coming into our families. If someone passes away, then there is no one taking care of the business, it will have to be shut down. That is money. That is the legacy of clients. In insurance, they can sell their book. In landscaping, they can sell their routes.

He continued back and forth between his lived experience and his community's problem. He often used the language of "we" as opposed to "they". It was clear that he considered himself to part of the "we" in community. His assessment of problems and solutions were understood based on his formal knowledge and skills (developed through his college education and work exposure) but also what he learned from his grandmother, single mother, his Latino community, and eventually his Black step-father. His intimate knowledge of citizenship rights, available opportunities to undocumented individuals and firsthand experience of entrepreneurship in his family of origin helped shape his understanding of the present.

Other stories were shared that illuminated the complexity of living in the space between. One worker, Isaac, said that "I was always taught to get an education and to get out of there", referring to the underserved Latino community he had lived in. He continued "I am embarrassed of that now." Bridgers were simultaneously aware of their advantage and disadvantage. According to many, this was an asset. Many shared about the importance of knowing how to navigate both spaces (dominant and subordinate culture). Alejandro said "the issue is knowing how to be in both spaces....you are hood today and tomorrow you are going to be polite. Talk right." Multiple references were made to the need for community members "to return" once they had "made it" and to the increased numbers of those who were willing to do. "The new generation, go to Stanford, Harvard and UCLA and then they come back and change the community." This idea of returning to one's community as agents of change once one had been trained in the knowledge, skills, language, culture and "ways" of the "business types" found within dominant culture was emphasized. In fact, one worker claimed that he was "late to the table, but (was) back, trying to help." Another example of returners were "chicos". Chicos were individuals from poor communities that worked exclusively in legislation. He explained:

Knowledge is key. Getting registered to vote. People think that if you have a record, you can't register to vote, but that isn't true. There is certain times when you can. There is a lack of knowledge. Have you heard of chicanos? They help work on legislation. It is homeboys and homegirls working on legislation to help get bills passed. The knowledge is out there.

Chicos were another example of the value of the bridging function served by those who return.

Some of the bridgers described their evolution from the "street" to the boardroom. The evolution involved various degrees of closeness or distance to the community. It was clear that there was a sense of managing multiple identities, cultures and spaces.

Racquelle said:

I was a case manager in Watts. I transitioned into the workforce development area, when I was trying to get them jobs and access to career pathways ... so we are doing green pathways programs back in 2000 and people thought we were crazy. We were teaching kids how to do energy credits on homes. We were teaching kids how to do work in sustainability practices – installation of solar panels. And people said, that's a cute program. We don't see any careers in that. And then you get promoted, and the higher you get promoted, the further you get from community. So then I was a Regional Manager for Economic Development ...

The sentiment that frontline work performed by grassroots organizations was closer to the community was shared. Some Bridgers even described career changes that they had made in order to become closer and more connected to their community of origin. But it is important to note that by leaving and gaining experience, education and credentials made them experts upon their return. They were now privileged to participate in different ways. Leaving and returning increased their access to resources and networks. The above-quoted women continued,

Doing that (being a Regional Manager in Economic Development) I got to really know all the programs, not just for youth, but family source, work source, business source. Which are city run programs that we contract out to non-profits. I used to do that work for sixteen years. The city gets money from the feds and then funds workforce development programs and social service programs in low income communities. We RFP them out to local non-profits and contractors in the community. So I oversaw these programs. I get a cross-section of how all those things run. Their efficiencies and deficiencies.

Not only did Bridgers gain knowledge, skills and access to resources and networks, they also gained decision making, authority and power. As suggested by one microfinance worker (Taz): “I was auditing them, programmatically, budget analysis – making sure funds were used in appropriate ways.” The combination of knowledge, experience and access enabled bridgers to “bridge” the distance between two different worlds. Alejandro referenced the “strategic linkages” he was able to make for local business owners with the City or the state because he had access. Many others also referenced these links. He explained how his past experience as a city worker and community member enabled him to be able to facilitate immigrant entrepreneur’s “access to capital”. He understood their businesses and he understood what the lenders required. He could help bridge the gap. When the political environment changed and the opportunity became available, he decided to return to community to make a difference.

When our new President, the forty-fifth president was voted in, I said we need more people like me on the street. People that can tell stories, that can share knowledge and understand both the streets and the boardroom. And get someone on the ground who can get access to that information.

Returning to the streets was more urgent given the political, economic and social environment. “These programs are in jeopardy”, he said. The solution involved having the right type of people involved, including the bridgers and the returners.

So I said that somebody’s got to go out there that understands these two worlds and be able to cultivate young minds and get them to understand that even though they feel so removed from this process, their engagement and participation is vital.

He also referenced others who were returning to the community to make a difference.

I think it’s a great time because a lot of kids that I used to mentor are now coming back from college. Some are getting Master’s degrees and they are saying how can I contribute to our community. So I’m here to help them grow these ideas. It’s exciting for me.

Similarly, a Black woman named Patricia, said after two decades of experience working in business, management, finance and operations, it was time for her to give back and return to her community. She shared that we (people of colour) need to “mirror the population we serve”, that “race matters”, when “clients feel comfortable, they feel

safe...they share things they haven't shared with anyone" and that this helps them to achieve their dreams. Mohammed, a Toronto based microenterprise worker, shared that the program had little engagement in its early days because the program director was a white woman, and the target population was mostly brown and black. Once the organization hired someone who shared a similar racial, cultural, and religious background, participation rates increased. What is interesting is that the bridgers spoke as much about their lived experience, their identity, their intimate community knowledge and mobilizing the community in the interest of the collective at least as often as they discussed business development. For them, both were intimately connected.

Bridgers were also aware that the endorsement or leadership of white people validated programs.

A lot of people go to homeboy industries....(they help people) with serious records. They have tattoos and facial tattoos. Hard to get jobs. It helps that he is a white guy....people trust him. He is white and he is helping brown people. But if we were running it, it wouldn't be that popular....I used to do the same work he does, but I didn't write a book. Those people have power. I can't take it personally. I can't dwell on it. I just keep moving forward.

For bridgers, race was part of every decision, every problem and every solution. They were aware of the advantages granted them as bridgers, but at the same time recognized that no amount of education could buy or earn the trust associated with whiteness.

Immediately after referring to community change and the election results that posed real threats to already struggling communities, he shifted to job creation through entrepreneurship.

So I have three years to create forty jobs and uh, ya know, at first I thought it would be simple. We can create jobs. That's not hard to do, but how do we create jobs that are sustainable – that are going to be around? That's forty jobs, not forty businesses. Forty jobs through businesses. So we are growing businesses or starting new businesses.

For bridgers, microenterprise development was a starting point through which individuals could care for their families and create new jobs. This would help buffer the impacts of societal problems but also help them reshape those conditions as well. They shared

stories of how a new business could help a single mother whose partner had been incarcerated. They offered an extensive critique of the prison industrial complex while simultaneously sharing the hope story. A new business or connecting business with legal services could buffer the negative effect of deportation if a family member was sent away. They explained the injustice of anti-immigrant sentiment and policy but described what could be done. It was not that business would solve deportation or incarceration but rather it may help a family secure the resources to better respond to the injustice. Bridgers did not lose sight of the structural conditions of inequality when they spoke of microenterprise development. One Los Angeles worker (Taz) said “there are always actions and changes and politics and policies and legislation. And you can extract some good from it.” They articulated finding ways to participate in a system they found to be unjust, but in ways that could serve their community members’ interest and society more broadly. In addition to valuing economic development, bridgers always position structural matters (racism, discrimination in the job market, the political environment, precarious work, lack of access to affordable housing, benefits, healthcare) at the center. There were no assumptions of meritocracy or just rewards for hard work and investments in education. “As a result of colonialism, imperialism, slavery, apartheid, and other systems of racial discrimination, Blacks share a common experience of oppression” (Collins, 1989, p. 228). For bridgers, a shared experience of oppression shaped a shared understanding of community problems and solutions.

Bridgers spoke at great lengths about the structural conditions that kept people trapped in difficult circumstances. They turned their attention towards the facts that shaped individual agency, a key facet of an empowerment framework. Among their concerns were work conditions under corporate employment and environmental degradation. One worker and microenterprise event speaker said:

Corporate employment pushes down wages and benefits. They are externalizing costs for pollution, infrastructure and healthcare onto the public budget. The goal is to create ever greater profits for external investors who do not live or work in our community. They are pushing down wages and driving mom and pop shops out of business. They might pollute the river next door and expect the city to clean it up. In the Walmart employee package, they put the welfare healthcare application in the package.

Bridgers were critical of the wages corporations paid and the methods corporations employed to pay workers as little as possible while using public resources to minimize their costs and expand their reach and profits. It is important to note that bridgers often facilitated critical conversation at microenterprise development workshops and training sessions. For them, microenterprise was simply a tool, one tool from many, to equip and resource the oppressed to better respond to oppression. Bridgers often described the labour market as particularly unforgiving for “brown and black communities”. An environment with increasing contract, flexible and low paid work hit these communities hardest. Additionally, profits made within communities were transferred out of the communities to investors. “As corporations make more profits, they go to outside investors. It pumps wealth outside of communities. We want to keep the wealth that comes from spending locally.”

Bridgers also spoke of white privilege and white fragility when they explained how brown and black people had to navigate the world, even once they “had made it”.

Alejandro said:

There is a professor, locally in LA. She teaches a class on black history. Some of the white kids get defensive. They say why are you talking about black things. She says it’s called a course in black history. She talks about post traumatic slave syndrome. There are different types of white students. The one that cries. The one that gets defensive. She goes through the cast.

The microenterprise worker shared this story to explain the delicate nature of advocacy, resistance, progress and collaboration. These programs could not run without the support of the powerful. Bridgers then had to craft their messaging in a way that would be pleasing or acceptable. This was not unique to microenterprise but is a shared experience by people of colour who have reached some level of success.

8.5 Chapter Conclusion

This chapter explored how white microenterprise workers empower their clients based on their colourblind racial attitudes. These colourblind racial attitudes serve a purpose. According to Critical Race Theorists, they normalize racial oppression, and they draw attention away from the social and historical context, so that seemingly neutral concepts

may reinforce inequality (Delgado & Stefancic, 2017). Introducing a critical analysis of race highlights how microenterprise development worker's beliefs about race and racism contributes to the way they theorize about poverty and poverty alleviation strategy. Colourblind approaches go hand-in-hand with neoliberal agendas. Programs are presented as empowering, but what is often meant is that the poor must become more responsible for their way out of poverty. Inadequate attention is paid to race, racism and other factors that shape poverty. Empowering the poor involves responsabilizing them for system failures while equating their liberation with income and asset accumulation. These ways of thinking and knowing in turn impact empowerment. White workers often act as if human liberation were one-in-the same as entrepreneurial citizenship, whereby individuals are free (from barriers) to participate in the free market. This is different from the liberation espoused by Bridgers (racialized and minoritized) workers, and critical race theorists, for example. Bridgers act as if human liberation requires transformation of unjust systems. Therefore, they initiate and facilitate different conversations with clients; these are conversations that prompt problematizing the status quo. Practitioner standpoint and structural location influence microenterprise development worker's scope of practice (emphasizing financial and business management skills versus human capital dimensions AND critical consciousness-raising, for instance), their language and the meaning they attach to their work.

For racialized practitioners, microenterprise development work was bound up in the realm of political struggle. They pursued resistance, anti-oppression, and alternative power relations. They aimed to arm community members with tools and knowledge to resist oppression. Non-racialized workers focused on the economic dimensions of their client's challenges. They identified human capital investments and behavioural change as the most effective pathway to empowerment. They often identified with progressive liberal concerns of social justice, yet they rarely mentioned race or racism in their analysis of poverty, despite working in racialized communities. This invisibilization of race and racism diminished the capacity for empowerment as it limits the extent to which a microenterprise development worker can understand or address the challenges face by their clients. Clients are not simply poor or low income. Rather they simultaneously experience their race, class, gender and immigration status as well as the related 'axis of

oppression' coined by Collins (1990). Service provision that presumes race-less subjects limits their effectiveness. Contrasting this epidemic of colourblindness with the practice Bridgers who engaged in collective lament, grassroots organizing and critical consciousness raising illuminates the importance of lived experience and anti-oppression activism. It also suggests that the pathway to empowerment, for microentrepreneurs, may be in the unintended outcomes associated with participation.

Bridgers are an example of how social and historical location shape practitioner knowledge and action. Bridgers made a valuable contribution to knowledge (about their community's problems) and practice. If microenterprise development directors and funders can embrace that location as potentially a valuable contribution to knowledge and solving community problems, then this may in fact improve outcomes. Bridgers' descriptions stood in stark contrast with non-bridgers who tended to start with the assumption that money and profit-making were racially- and gender-neutral projects. This reasoning implied that the acknowledgement of the effects of socio-historical location would somehow disrupt the business creation process. Instead bridgers' approaches illuminate how one's gender, race, or class plays a role in shaping what one can know and how one approaches profit or business creation and limits or enables what we are able to know.

Clients, with many shared experiences of racism and oppression (with one another and with the bridgers), shared what Collins (1996) referred to as everyday knowledge shared by an oppressed group. Bridgers, who have a deeper understanding of these experiences of oppression than non-bridgers, often act as members of the oppressed group who express the group's standpoint. Collins (1996) refers to the benefits of standpoint-specific knowledge and of the related double consciousness, as well as the ability to move between two standpoints. Collins' work, and both standpoint and intersectionality theory, provide an analytical tool to assess the intersecting identities and complex inequalities on the ground.

It is important to highlight the class privilege experienced by many of the bridgers and the ways in which this may have also shaped their perspectives. Interestingly, bridgers

often emphasized race-based solidarity with their low-income clients, critically examining class broadly speaking, yet sometimes leaving out the ways in which their personal class privilege shaped their role, their experiences, their perspectives, and their solidarity with low-income clients. This gap emphasized the need of an intersectional lens, one that evaluates the intersecting reality of individuals' lives and experiences of oppression. In the same way that white workers (non-bridgers) often used a colourblind lens, bridgers may sometimes use a class-blind one. Bridgers' ways of knowing, being and doing also sheds light on what it means to be empowered. A more holistic understanding of empowerment, one that embraces critical reflection, critical consciousness raising, dialogue, connection and mobilization makes change possible. Positionality and awareness of oppression are relevant to our understanding of empowerment and are explored further in the next chapter.

Chapter 9

9 Discussion and Conclusion

9.1 Introduction

Sociologists have long been concerned with social inequality, poverty, marginalized populations and the role that work plays in producing and reproducing the structural conditions of inequality. There is extensive scholarship on the polarization of work, good jobs, bad jobs, the growth of the service sector, knowledge, and technological sector, growing workplace precarity and the effects of globalization (Ball & Tepperman 2016; Kendall et al 2016; Lewchuk et al 2015; McMullin 2017; Smith-Carrier & Benbow 2019; Smith-Carrier et al 2017; Vosko 2007). However, microfinance and microenterprise in the global north have not been subjects of interest for many sociologists. Given that many workers have turned to entrepreneurship as a response to these trends, often as a survival strategy, I posit that microenterprise and work in the informal economy for newcomers, single mothers, undocumented workers, homeless or those with mental health challenges are crucial areas of study and concern for sociologists and should not be left as a subject for mostly business scholars to study. This dissertation uses a sociological and often critical lens to examine this field.

Congruent with other scholars, I find extensive evidence of precarity, inequality, an affordable housing crisis with the related dislocation of the poor and working poor, minimal opportunity to secure a good fulltime job with benefits and offer advancement (Ball & Tepperman 2016; Kendall et al 2016; Lewchuk et al 2015; McMullin 2017; Smith-Carrier & Benbow 2019; Smith-Carrier et al 2017; Vosko 2007). Although Toronto and Los Angeles are regionally distinct, I found similar patterns in this regard. Study participants frequently reported that these conditions impact some workers more harshly than others. In fact, many of the microenterprise clients in both Los Angeles and Toronto were from racialized groups. Microenterprise workers described the unique challenges faced by racialized clients. When microenterprise workers explained the community need their organization was designed to address, they often referred to higher unemployment rates in racialized communities and barriers to accessing “good jobs”. In

many of the communities served by microenterprise programs, many racialized residents were living in poverty or were stuck in low wage jobs. Given the salience of race and class in these communities, a critical discussion of race is advanced, not formerly an area of focus in the microenterprise scholarship. Race and social location more broadly are critical factors in understanding empowerment.

In the field, there was evidence that empowerment (and other self-help approaches to poverty alleviation) had been subject to and shaped by neoliberal reforms. Neoliberalism was not only correlated to racial inequality, but it was also accelerated by racism. Like critical race theorists, I found that racism (especially colour-blind racism) was normalized and was a defining feature within the microenterprise field, despite the language of equality and empowerment (Delgado & Stefancic, 2017). This had less to do with the intentions of the actors but rather the ways in which the social and historical context (from which microenterprise operates) reinforced racial inequality. Microenterprise actors embraced neoliberalism and idealized the entrepreneurial citizen, propagating the myth of individualism and meritocracy. These constructs, individualism, and meritocracy, were featured prominently in how actors came to explain poverty and racial injustice. Colour-blindness was the new weapon by which racialized community members and microenterprise clients were blamed for system failures. This highlights a problem for those who seek to empower the poor as it illuminates the risk of engagement that takes place in ways that may be harmful. Given that the structure of inequality and racism are entrenched by neoliberal economic policy, both must be disrupted. Only by turning our attention to system failures, exploitation and oppression, can individuals be empowered.

9.2 A New Model of Empowerment

To address the analytical challenges associated with having no agreed upon definition of empowerment, I will offer a new empowerment model. This model draws upon the stories of those living in poor and under-resourced neighborhoods. I posit that empowerment approaches constitute the most rational and compassionate way in which community development can be organized. Empowerment approaches also must involve systematic processes that raise critical consciousness and center the voices of the

marginalized, in order to pursue human liberation, disrupt unequal power relations and minimize inequality. To operationalize explicitly the critical components, I posit a more detailed and nuanced definition of empowerment that includes an individual's capacity to increase in self-reliance, the right to determine choices, and the ability to influence the direction of change by gaining control over resources in ways that embrace one's own standpoint (Collins 1990) and the structural reasons shaping oppression in order to begin to take actions to liberate oneself (Freire 1972). I offer six characteristics of empowerment. They include:

1. Financial Well-Being: an individual's capacity to increase in self-reliance
2. Decision Making: capacity to increase the right to determine choices
3. Resource Control: capacity to influence the direction of change by gaining control over resources (material and non-material)
4. Reflection and Critical Consciousness: capacity to reflect on one's own standpoint and the structural reasons for oppression
5. Dialogue and Connection: capability to foster and build connections in order to engage in dialogue and problematize the nature and conditions of oppression
6. Mobilization: motivations to mobilize and take actions to improve one's own life, and also the lives of other members of one's community, particularly those who share the experience of being marginalized or oppressed.

This model offers insight into why those directing programs and those experiencing them may ascribe different meanings to empowerment. Directors (and non-bridgers) were often focused on only the economic dimensions of empowerment while (racialized) bridgers and clients emphasized dialogue, connection, critical consciousness, and mobilization to resist or transform the conditions of their oppression. It is their stories that breathed life and meaning into my empowerment model.

To understand the degree to which microfinance and microenterprise programs are empowering, one must first tease out what the various actors mean when they refer to

empowerment. It was clear that most actors used the language of empowerment and community development, but that for some, the social justice aims had been stripped away by neoliberal and priorities. If we embrace empowerment from the standpoint of racialized bridgers, we learn something new about the complex middle ground. An empowerment practice that enhances financial well-being and decision making, while also creating space for critical consciousness raising also provides a foundation for future collective and direct actions designed to address community problems. Reimagining empowerment as an anti-oppression framework allows us to embrace both the limitations of programs so closely aligned with the principles of neoliberalism on the one hand, and the stories of empowerment expressed by the beneficiaries and workers themselves on the other. In other words, microfinance programs can be effective, despite their limitations, if we look at empowerment differently.

Recognizing the ubiquitous nature of neoliberalism does not preclude one from acknowledging the ways in which microenterprise programs may facilitate agency, decision making and direct actions. “Agency expresses the idea that individuals do not passively conform to the circumstances of their lives. Rather, they are active participants in social relationships. They sometime rebel and sometimes choose to follow the crowd...” (McMullin, 2017, p. 12). Sociologically, I draw upon McMullin’s assertion that “social structures do not stand outside of the human, social behaviour that produces them, yet they nevertheless take on properties that transcend the behaviour of those that construct it” and that “while these properties of durability constrain and limit the agency of the individual they never do so completely” (McMullin and Marshall 2001: 114). My empowerment model is an analytical tool that enables a more nuanced understanding of how social structures constrain agency but not completely, as posited by McMullin. Additionally, these processes are shaped by social location.

Previously undocumented within the academic scholarship, this dissertation reveals new insight about the intended and unintended consequences of microenterprise programs in Los Angeles and Toronto. Newly documented are the ways microenterprise development programs are taken up as part of collaborative efforts between local government and real estate investors to revitalize priority neighbourhoods as well as the ways that relational

ties are leveraged for empowerment aims. By unintended consequences, I draw upon the work of Robert Merton (1936) who examined the nature of unintended consequences of deliberate acts intended to create social change. Merton's analysis highlighted multiple causes; among them were ignorance, errors in analysis, and immediate interests over long-term, basic values and self-defeating prophecy. Most relevant to this study are ignorance (lack of knowledge) and errors in analysis that are directly related to one's structural location. Finally, the structural locations of the actors are examined and the role that structure plays in the empowerment process is considered. Collaboration, social networks and the invisibilization of race all reveal something new about empowerment in the age of neoliberalism. Although these findings are new contributions to scholarship, the relationship between microfinance and neoliberalism has been explored extensively, particularly in the global south (Bateman, 2010; Harper, 2011; Karim, 2011; Lingam, 2008; Rankin, 2001). This dissertation offers a contribution to this scholarship but without dismissing many of the benefits. It also sheds light on the relationship between empowerment and standpoint. The industry specific microenterprise and microfinance knowledge was socially situated, often resulting in different perceptions and approaches by racialized and non-racialized workers and clients.

9.3 Race and Empowerment

To understand the extent to which microenterprise programs empower their clients, it is important to understand what is meant by empowerment. In the research sites, standpoint shaped participants knowledge and understanding. White microenterprise workers often focused on the economic dimensions of empowerment. They emphasized human capital dimensions such as acquiring business skills or knowledge in financial literacy. The goal was often to transform the individual from the inside out into a more economically rational individual. For these workers, race was not mentioned or prioritized. They embraced colourblind approaches in their work. Their privilege led them to have a blind spot. For racialized workers, bridgers who shared the racialized identity of the clients, empowerment was understood in more holistic terms. Consistent with standpoint theory, their socio-political position was a source of epistemic advantage. They advanced solutions that involved economic dimensions such as improving the financial stability of

the individual, but also the broader community (for example, they stressed the importance of supporting black business). They emphasized the importance of knowing one's legal rights, how to access additional resources, and how the system worked or was rigged, the importance of grassroots organizing and collective action and resistance. Workers ascribed different meanings to empowerment based on their social location. This emphasizes the importance of recognizing the role that social and historical location play in shaping community and industry knowledge.

Theorizing about poverty and poverty alleviation was influenced by social location. Workers who invisibilized race emphasized the behaviour of the poor as both the cause of their condition but as the pathway to the solution. Workers who emphasized the complexity of race and class stressed both the structural conditions of inequality and the agency of their clients. Their understanding considered the ways in which one's agency was constrained by structural and institutional factors outside one's control. This had practical implications on the ground. Racialized workers were more active in facilitating critical conversations, community organizing efforts and direct actions that solved both individual and community problems. In other words, racialized workers (bridgers) often worked in ways that led to client empowerment. This is consistent with Collins'(1989) claim that standpoint is a valuable explanation for why racialized individuals understand both the language of the colonizer and the experiences of the oppressed. This dual vision allows them to correct falsehoods and resist hegemonic ways of thinking. It also sheds light on West's theory, as white workers more often focused on changing behaviour, while racialized workers focused on structuralized issues. There are often two approaches to microenterprise work, those that are primarily concerned with behavioural change and structural change. In the research sites, the former was more prominent, particularly amongst non-racialized workers. Bridgers represented the third way or alternative approach suggested by West that is more holistic and human-centered.

Applying a Black feminist (intersectional) and race-critical lens (on empowerment approaches) highlights the ways in which racialized workers were more client-centered, rather than profit-centered or metric-driven. They prioritize community, collectivist, and communal approaches that center an ethic of care, equality, inclusion, empowerment, and

mutuality, even if they did not specifically mention or acknowledge intersectionality. This practice is consistent with the demands of Black feminism and intersectional theory. The scholarship on Black feminism highlights the ways in which Black women carry the weight of additional burdens, barriers, and obligations compared to their white counterparts. As a result, it emphasizes the need for social justice interventions to consider the intersecting holistic reality of individuals' lives. As applied to microenterprise work, then, any empowerment tactics must consider the whole person, their lived experience, and the context in which they live and work. Black feminism and intersectional theory demand approaches that center an ethic of community, an ethic of care, an ethic of accountability, and inclusion. We see evidence of this on the ground as enacted by the bridgers.

9.4 Neoliberalism and Empowerment

Another important consideration is the intended and unintended outcomes associated with microenterprise programs. In chapter 6, a disconnect emerged between worker's empowerment aims and the work on the ground. As microenterprise programs were enlisted in the City's neighbourhood revitalization plans, they collaborated to pursue a progressive, vibrant, inclusive and entrepreneurial community, within a landlocked neighbourhood. Community development and participatory language were advanced. The belief was that the community could be changed one entrepreneur at a time. The emphasis, however, became making the individual a more economically rational and productive citizen who would pay taxes and get off government assistance. While individualism and meritocracy is celebrated, systemic and institutional barriers are downplayed. This goes hand-in-hand with colour-blind ideology that causes actors to behave "as if" microenterprise work takes place in a post-racial era where race and racism are irrelevant to poverty or social inequality. This model entrepreneurial citizen seemingly exists, and acts void of any political, social or historical context thus normalizing racism and its effects.

In the field, neoliberalism had become “common sense” for many community organizations. Questions arise about who is really benefiting and who gets to decide what happens in the community. What gets funded and what does not is justified along neoliberal lines. Some racialized community residents perceive the efforts to empower them as non-benevolent and manipulative. Empowerment and engagement were seen by some as rhetoric. They feared these empowerment efforts would ultimately lead to the displacement of many in the long run. The picture is less than the ideal presented in the marketing material for the beautification projects. The stated intentions are empowerment of individuals and betterment of communities; however, some are left behind. Once again, social location serves as an important factor in shaping the perspective of the actors. Racialized workers with similar life experiences tended to be more critical or skeptical than non-racialized workers, funders and directors.

Drawing upon these lived experiences, for racialized workers, meaningful empowerment also involved conscientization or critical consciousness, an awareness of one’s own oppression. Simply enhancing an individual’s financial stability was not, in and of itself, enough to be considered empowered. The individual’s economic security was directly linked to more collectivist ideals.

9.5 Social Capital and Empowerment

This critical assessment of microenterprise is not intended to diminish the ways in which microenterprise programs benefit clients. In chapter 7, evidence was presented that validated previous research that increased interactions through group membership fostered structural and relational social capital. This led to improved access to resources and capacity for action. Both the development of relational trust and the expansion of network size played a role. Funders and directors intended to help clients leverage social capital to foster economic and social inclusion. Clients were also interested in achieving economic integration. However, they also expressed a desire to gain psychological aid and instrumental support. They benefitted from being able to address practical issues (such as transportation, childcare or helping one another with their businesses). Group participation enabled problem solving, whether it was through the organization of a women’s business association or by joining a citizenship group.

Most would agree that leveraging social capital to enhance economic, and even social, inclusion is beneficial. But do these deepened relational ties and marginal improvements in financial stability constitute empowerment? According to my Empowerment Model, the additional steps of reflecting and problematizing the nature of oppression and taking action to resist or reshape those conditions would also be required. We see evidence of marginalized community members dialoging on distinctive themes born of brown and black people's lived experiences including work, family, and political activism. These themes "rely on paradigms that emphasize the importance of intersecting oppressions in shaping the U.S. [and Canadian] matrix of domination" (Collins, 1990, p. 252). As "elite White men control Western structures of knowledge validation, [and] their interests pervade the themes, paradigms, and epistemologies of traditional scholarship", they are similarly centered in the everyday practice of microfinance, by experts. Evidence is found in the post-racial colour-blind language of white middle-class "MBA-types". As a result, racialized individuals' experiences have been distorted or excluded from the planning, coordination and execution of programs. Yet, they respond to the mostly white-male controlled programs by utilizing the space provided (intended to create entrepreneurial citizens) as a space to construct a critical consciousness separate from their oppressor. In other words, racialized participants (and racialized microenterprise workers) use what works for them — to move them towards empowerment. "Subordinate groups have long had to use alternative ways to create independent self-definitions and self-valuations and to rearticulate them through [their] own specialists"(Collins, 1990, p. 252).

It is important to note the crucial role of dialogue in this process. "Dialogue implies talk between two subjects, not the speech of subject and object. It is a humanizing speech, one that challenges and resists domination," asserts bell hooks (1989, 131). For microfinance program participants, their empowerment is not worked out in isolation from others. This contrasts from the individualistic 'self-reliance' and 'pick-yourself-up-by-the-bootstraps' language of many programs. Instead, connectedness, not individualism, is an important part of the empowerment process. Empowerment, then, is not just about 'me' (or an individual's financial stability) but it is very much about 'we' (resisting and reshaping the conditions of our collective oppression). Collectivist ideals, interestingly, hold cultural

significance: “People become more human and empowered primarily in the context of a community” (Collins, 1990, p. 253).

The “context of community” (and an environment with increased interactions with others) directly enhanced the capacity for direct action. Microenterprise workers (with shared lived experiences) facilitated critical conversations concerning social justice. They also provided information, access to resources and contact with people in positions of power. This catalyzed responses to issues such as worker exploitation, community violence and landlord tenant issues. Once again, social location is relevant. Racialized microenterprise development workers were more interested in critical conversations and had more holistic perspectives of community problems and community solutions.

Overall, this chapter illuminates the empowerment experienced by clients. It is important to note that much of the empowerment described falls within the category of unintended consequences. Participants are often empowered but not necessarily in the way that was intended. Clients came together for an economic purpose. This fostered the commitment of participants. Many of the women entrepreneurs interviewed may not have left their other responsibilities (at work and home) to attend a group meeting, if it were not to improve the economic well-being of their families. In their meetings, they developed trust, shared identities and a sense of belonging. They enhanced their group networks. They met other women (peers) in similar situations but also workers, experts and consultants (including individuals that lived outside of their neighbourhoods). Group participation also helped move participants beyond the boundaries of their neighbourhoods, enhanced mobility, improved confidence, exposed them to progressive ideas and new information about their legal rights and entitlements, resources and the workings of institutions. These all worked together to enhance agency and decision making, leaving participants more empowered.

9.6 Policy and Program Considerations

Given that empowerment is far more complex an aim or experience than what has been previously described in the literature, it is important that practitioners and policy makers consider the multiple meanings and definitions in their program or policy design or

evaluation. For example, the degree of empowerment may be impacted by the extent to which an organization has adopted enterprise logic or neoliberal thinking. Prioritizing economic rationality over all aspects of quality of life may be harmful to individual entrepreneurs. The focus may easily become transforming individuals rather than transforming systems and the opportunities available to individuals. The underlying tone may reinforce messages of superiority and inferiority effectively undermining empowerment aims. To mitigate this risk, a diverse range of voices must be included in policy or program design. Similarly, organizations may also take concrete steps to ensure their governance is diverse, in terms of race, gender and class.

Empowerment may also be impacted by an institutional emphasis on organizational financial stability or scaling (growing the organization) when it takes time and/ or financial resources from those most in need of the resources. There is a risk of moving organizations away from their original mission, or social justice aims, and of reshaping the organization's culture or logic. Non-profit and charitable organizations must exercise caution in their embrace of the entrepreneurial mindset. Although thinking more like-a-business sounds like a common-sense solution to funding scarcity and government cutbacks, there are potentially unintended consequences in embracing this approach. Thinking more like a business may reshape the organization into one that is barely recognizable, where economic rationality and measurement replace grassroots organizing and planning. This has significant implications in terms of empowerment. Policy makers and funders must also exercise caution in their directives to community organizations to become financially viable business-like enterprises that can generate their own revenue. Some social problems cannot be addressed through marketplace sales.

Microenterprise organizations should be cautious in prioritizing expert knowledge over community knowledge. There was a clear privileging of MBA and corporate types on the ground. Many of these individuals were non-bridgers and lacked community specific information. Experts were often external to the community and inadequately assessed the root cause of community problems from which they had no lived experience. This also affected the solutions they prescribed. Community insiders often had more holistic

understandings. Organizations should utilize both formally trained and community experts in their program design, training, and evaluation.

Another important consideration is the organization or leadership's tolerance for controversy or critical conversation. One finding is clear: there is a time and a place for consensus building and collaboration. Social change often requires discomfort, confrontation, and challenging the status quo. Organizations that were open to critical conversations and controversy were also more open to privileging the voices of the marginalized in ways that were inconvenient and at a cost to the organization. Enabling critical conversations was highly correlated with improved agency, decision making and empowerment of clients. Therefore, organizations may want to consider embracing or enabling political activism.

Organizations must consider their hiring practices. This research illustrated the importance of the social location of the actors involved. Who implements a program matters. Important questions must be asked when implementing microenterprise programs. Who are the directors? Are there people with lived experience (especially in poverty)? Are there people from the community? Are there returners? Are there relocators? Given that bridgers were often more likely to make the space and time for critical consciousness raising and were equally concerned about systems change, it is important that organizations embrace both bridgers and non-bridgers. They must also consider the inclusion of what microenterprise workers called the "social work types" and "the business types". Again, the inclusion of diverse team members is crucial. This may significantly impact empowerment.

An organization truly committed to empowerment may also want to consider the extent to which it enables direct actions (beyond economic transactions). Do they provide physical space for meetings? Do they provide access to new information (practical) about laws, policies and systems? Does the organization foster social networks through regular group meetings and support (peers), and connections with outsiders (mentors, business advisors, lawyers, bankers, accountants, municipal government officials)? What types of training are offered? For example, one organization brought in a guest speaker to speak

about worker cooperatives. The degree to which a program is relational versus transactional also matters. Are the microenterprise workers invested in the community for the long-term (for many years) or are they invested short-term, and on a project-by-project basis? To what extent does time horizon impact client outcomes? With some important changes, microenterprise programs can do more to foster empowerment.

9.7 Study Limitations and Future Research

Although this dissertation has addressed some of the gaps in the existing scholarship, additional research is still required. This research has shed some light on the importance of social location and standpoint in approaches to and understanding of issues such as poverty and race. It also demonstrates how social location influences one's practice. Bridgers engage in more holistic approaches than non-bridgers and use strategies such as consciousness-raising, for instance. It is important to note this particular finding was unexpected as I had not reviewed anything similar in the existing literature. This is also one of the study's limitations. A future study whose design sought to directly investigate practitioner standpoint, particularly in the Trump era of extreme political polarization and shifting race relations would be beneficial.

Additionally, more research specifically focused on microenterprise development as opposed to the microfinance organizations that offer loans would broaden the scope and add an important part of the story. Many microenterprise development organizations started out offering loans and later made a strategic decision to specialize in another facet of the microentrepreneur's story, through business advisory support, mentoring or training. By narrowly defining the scope of research to those that provide microloans, insight is lost as many organizations would be left out of the analysis who are otherwise an important part of the microenterprise/microfinance ecosystem.

Another area of study would be a longitudinal study that would follow microentrepreneurs through their business development journeys. Research often captures only a brief moment in time. At a sector level, we know little about the success or failure of microenterprises over time. For example, after 10 years in Canada, do immigrant microentrepreneurs continue to be self-employed? Have they scaled their

businesses and hired employees? Or have they found traditional employment in their field instead? Also, what additional benefits are gained overtime from expanded social networks (developed through group program participation)? How do these relational ties change, and do they last? What about microenterprise development workers? Do they learn, grow or change in their approach over time? I suspect those committed to and invested in communities for the long-term benefit and learn from their clients. We know little about how they or their relationships change over time. What happens once the neighbourhood has been revitalized and microenterprises are thriving? Is it truly a story of hope and renewed dreams for those formerly living in an under resourced community? Or are many pushed out as anticipated by some microenterprise development workers?

9.8 Conclusion

Empowerment approaches constitute the most rational and compassionate way to develop communities. However, empowerment programs are often co-opted by neoliberal agendas resulting in programs moving away from their social justice roots and moving towards more entrepreneurial ones. I have offered a new Empowerment Model as an analytical tool but also as a pathway to a better way forward. Increasing program participants' self-reliance is beneficial but empowerment requires that individuals also experience enhanced opportunities for decision making, influencing the direction of change by controlling resources, reflecting, awareness (critical consciousness), dialoguing, connections, and mobilizing to solve problems and improve community life. If racialized program participants are concerned with human liberation, unequal power relations and societal inequality, then program director and funders must center their concerns in the creation and execution of these programs. Centering the voices, experiences and lives of racialized individuals will lead to more beneficial outcomes.

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Appendices

Appendix A: Interview Questions for Clients

Can you tell me about the circumstances that brought you to this organization? How did you become involved?

Is this the first time you have been involved in a microfinance or microenterprise program? How long have you been involved in the program?

Can you tell me about the program? Do you attend classes or training? What are the topics covered in these classes or training? Have you received a small business or microloan?

Can you tell me about the support you are receiving? Mentorship or Advisory Services?

What is your ultimate hope after completing the program?

How would things be better and/or different if your hopes were realized?

Describe what stage you are in with your new business? (developing the business plan, operating the business, growing the business, etc)

Describe your business venture.

What is working best, what are your business strengths and weaknesses?

What external challenges do you face to meet your business mission?

What opportunities do you see for growth?

What risks or threats to your business do you see?

What do you value in terms of how you do what you do?

How would you like others to view your business?

What principles or beliefs should guide your work?

Who are your customers/clients?

What are their needs?

Are there any gaps?

Do you have any employees? Will you need employees in the future?

What systems, procedures, technology and facilities must be in place for your business to be successful?

What is your total annual revenue?

What suggestions would you make for improvements to the program in your involved in?

Appendix B: Interview Questions for Funders

With which segments of the population is your funding organization concerned (age, gender, ethnicity, place of residence, income level, etc.)?

What are your ultimate hopes for these groups?

How would things be better and/or different for these groups if your hopes were realized?

What conditions would have to exist (within the community you serve) for your organization to no longer be needed?

What is working best, what are your organization`s strengths and weaknesses?

What external challenges do you face to meet your organization`s mission?

What opportunities do you see for growth?

What risks or threats to your organization`s growth do you see?

Can you tell me about your role within the organization?

How has your role changed since you have been involved?

What do you value in terms of how you do what you do?

What do you value in your relationships within your organization and your partners?

How would you like others to view the organization?

What principles or beliefs should guide your work?

What do board members and employees stand for and embrace?

Who are the key stakeholders within and external to your organization?

Tell me about any past collaborations with community partners – has that been effective -

What opportunities do you see for future collaboration?

Who are your customers/clients? What types of service providers are identified as strategic priorities in your organization's mission?

What are their needs?

What programs and funding opportunities are you offering that will meet their needs?

Are there any gaps?

What human resources must your organization possess?

What systems, procedures, technology and facilities must be in place?

Who are your most important stakeholders (current and potential)?

To successfully enact your mission, how must you be perceived by each of your key stakeholders?

What size of budget will be required in five years?

What mix of funding do you think would be most appropriate for the organization?

Appendix C: Interview Questions for Service Providers

With which segments of the population is your organization concerned (age, gender, ethnicity, place of residence, income level, etc.)?

What are your ultimate hopes for these groups?

How would things be better and/or different for these groups if your hopes were realized?

What conditions would have to exist (within the community you serve) for your organization to no longer be needed?

What is working best, what are your organization`s strengths and weaknesses?

What external challenges do you face to meet your organization`s mission?

What opportunities do you see for growth?

What risks or threats to your organization`s growth do you see?

Can you tell me about your role within the organization?

How has your role changed since you have been involved?

What do you value in terms of how you do what you do?

What do you value in your relationships within your organization and your partners?

How would you like others to view the organization?

What principles or beliefs should guide your work?

What do board members and employees stand for and embrace?

Who are the key stakeholders within and external to your organization?

Tell me about any past collaborations with community partners – has that been effective -

What opportunities do you see for future collaboration?

Who are your customers/clients?

What are their needs?

What programs are you offering that will meet their needs?

Are there any gaps?

What human resources must your organization possess?

What systems, procedures, technology and facilities must be in place?

Who are your most important stakeholders (current and potential)?

To successfully enact your mission, how must you be perceived by each of your key stakeholders?

What size of budget will be required in five years?

What mix of funding do you think would be most appropriate for the organization?

Curriculum Vitae

Name: Julie N. Young

Post-secondary Education and Degrees:

The University of Western Ontario (Brescia)
London, Ontario, Canada
1992-1999 B.A.Hons

The University of Western Ontario (Brescia)
London, Ontario, Canada
2010-2011 Community Development Certificate Program

The University of Western Ontario
London, Ontario, Canada
2011-2012 M.A.

The University of Western Ontario
London, Ontario, Canada
2012-2021 Ph.D.(expected)

Institute of Canadian Bankers
Investment Funds in Canada (IFIC)
Ontario Securities Commission (investment license)
1997

Honours and Awards:

Excellence in Teaching Faculty Award
2019-2020

Dean's Honour Roll Teaching Award
2016, 2017, 2018

Ontario Student Opportunity Trust Fund,
Western University, 2014 \$1000

WGRS Scholarship
Western University
2012-2016

Honour W Award
Western University
1999

Royal Performance Award
Royal Bank Financial Group
1999

**Related Work
Experience**

Sister Margaret Hanley Award
Brescia University College
1998

Contract Faculty Member
Brescia University College
2016-Present

Advisor, National Advisory Council on Gendered Violence
Federal Ministry of Women and Gender Equality (WAGE)
Formerly Status of Women
2019-Present

Gender Based Violence Expert, WAGE funded Delphi Study
Centre for Research and Education on Violence Against Women
The University of Western Ontario
2020-Present

Supervisor, Independent Study Courses / Work Study Students
Brescia University College
2016-2020

Experiential Learning, Supervisor & Coordinator
Leadership Practicums / Community Development Placements
Brescia University College
2016-2019

Curriculum Reviewer (for Equity, Diversity and Inclusion)
Assisted Dean, Principal and Chair with Curriculum Review
2020

Course Development
Leadership and Equity, Diversity & Inclusion
Brescia University College
(approved by Dean in 2020/to be offered in Fall Semester 2021)

Lead Organizer, International Day of the Girl Conference
Brescia University College
2016 and 2018

Lead Organizer, Anti-Racism Workshop
Brescia University College
2020

Principal Investigator – The Rwanda Report

Schulich School of Medicine & Dentistry and Western
International (for Dr. Michael J. Strong and Dr. Julie McMullin)
The University of Western Ontario
2014

Qualitative Researcher and Project Coordinator
Homelessness and Resiliency Project
The University of Western Ontario
2014

Teaching Assistant
The University of Western Ontario
2011-2017

Strategy Consultant, Nonprofit Management
Select Clients: City of London, Pillar Nonprofit, CAMH, WOTCH
Mental Health, Libro Financial Services
2010-2017

Board of Governors
Opportunity International Canada
2009-2015

Chair, London Diversity & Race Relations Advisory Council
City of London
2003

Royal Bank Financial Group
Financial Advisor / Assistant Manager Personal Banking
1994-2002

Publications:

Young, J. & Sharon, C. Rise Asset Development Case, Case Research Journal.

Young, J. & Boateng, G. O. Alienation among Social Entrepreneurs: A Case in South-western Ontario. *Submitted to Nonprofit & Voluntary Sector (R&R)*

Young, J. & Boateng, G. O. "The Gateway to Financial Inclusion among the Poor: the Role of Microfinance in Ghana". *Submitted to Journal of International Development (R&R)*