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**FINANCIAL SERVICES AS A TRANSFORMATIVE SOCIAL CHANGE
MECHANISM:
THE CASE OF MICROFINANCE PARTNERSHIPS WITH WOMEN
ENTREPRENEURS IN CAMEROON.**

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Abstract

Over the past decades social problems, and poverty in particular, have been of great concern to international organisations, academics and practitioners. The multidimensional nature of poverty has made intervention programs aimed at alleviating poverty very challenging. Social partnerships have been hailed for their potential to bridge the challenges, difficulties and differences faced by individual sectors, and offer useful solutions and compromise that fulfil the mission of the partners and the overall objective of addressing the social problem set out by such partnerships. Previous studies on cross-sector partnerships have not looked at change specifically at the micro (individual) level and the role of the intended beneficiary in the partnership process.

The study examines the interaction of poor women and microfinance institutions in cross-sector partnerships involving microfinance institutions and non-profit organisations in Cameroon in Sub-Saharan Africa. The thesis examines two case studies whose main objective and motive is to address poverty as a social issue prevalent in communities in the North West and South West regions of Cameroon. It focuses on the formation and implementation processes of such partnerships, with particular attention on the role of the beneficiary that is, the voice of the beneficiary in the process and outcome of the partnership. The active involvement and participation of beneficiaries has a higher potential for transformative social change.

The study focuses on value creation processes at the micro (individual) level for the intended beneficiaries of the two partnership case studies. By studying the interaction process between microfinance institutions and non-profit organisations in cross-sector partnerships, it aims to identify areas within the interaction process with the potential to increase value creation through capability development, and the enhancement of functioning for the beneficiaries. It also aims to identify opportunities for the involvement and participation of the beneficiaries in partnership processes that facilitate transformative social change and impact on the partnership organisations.

This thesis argues that, involving beneficiaries in the formation and implementation processes of cross-sector partnerships for poverty alleviation, is essential to maximise financial services for transformative social change.

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TO GOD BE THE GLORY

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List of Abbreviations

BEPHA	Bamenda Ecclesiastical Province Health Assistance
BUS	business
CBC	Cameroon Baptist Convention
CEMAC	Central African Economic and Monetary Community
COBAC	Banking Commission for Central African States
CIG	common initiative group
COM	community
CSO	civil society organisation
CSSP	cross-sector social partnerships
CSR	corporate social responsibility
ECAM	Cameroon Household Survey Data
FCFA	Communauté Financière Africaine (African Financial Community)
MFI	microfinance institutions
MFI-A	microfinance institution A (Mutual Guarantee Finance Limited)
MFI-B	microfinance institution B (Nkong Credit for Development Savings and Credit Association)
MIDENO	North West Development Authority
M-Pov	intermediate poverty represented by Nkong Hill Top Association for Development
MPI	Multidimensional Poverty Index
MDG	Millennium Development Goal
MUGFIC	Mutual Guarantee Finance Limited, represented by MFI-A
MOU	memorandum of understanding
NADEV	Nkong Hill Top Association for Development
NC4D	Nkong Credit for Development Savings and Credit Association
NPO	non-profit organisation
NGO	non-governmental organisation
NWOCA	Nkong Women Cash-Up project
OPHI	Oxford Poverty and Human Development Initiative

ROSCA	rotating savings and credit associations
SME	small and medium-sized enterprise
SSE	small-scale enterprises
UN	United Nations
UNDP	United Nations Development Program
WEN	women entrepreneurs
WINHEEDCAM	Women's Initiative for Health Education and Economic Development –Cameroon
X-Pov	extreme poverty, represented by Women's Initiative for Health Education and Economic Development-Cameroon

CHAPTER ONE

1.0 Introduction

1.1 Research problem

Over the past decades, poverty has been a social problem in both developed and developing countries that has been of great concern to international organisations, academics and practitioners. The multidimensional nature of poverty has made intervention programs aimed at alleviating poverty very challenging. There have been several intervention measures and programs by governments, intergovernmental organisations, and markets, as well as civil society organisations (CSPs), to address poverty with the aim of improving the wellbeing and living conditions of the poor in society. Government interventions by government agencies taking a top-down perspective on policy implementation have been criticised for failing to provide the poor with minimum public goods (Wolf, 1979, Wolf Jr, 1993, Wallis and Dollery, 2001). Markets have been heavily criticised for failing to price public goods appropriately, which has produced extraordinary levels of inequality and increased the level of poverty (Bower et al., 2011, Rogoff, 2012).

Interventions to address and alleviate poverty have mainly focused on outcome measures, that is, the achieved functionings expressed as ‘being and doing’ of the poor, pre-determined prior to project implementation. These interventions have failed to recognise the role of the beneficiary as individuals or groups and the capabilities that can be developed and enhanced through their participation in intervention projects to ensure greater and higher achievement of functionings for sustainable poverty alleviation.

Microfinance institutions, whose stated ambition is to provide financial services to poor borrowers who would otherwise be excluded from formal financial institutions, have been hailed by many as the best way to tackle poverty (Hermes and Lensink, 2007, Armendariz and Morduch, 2010). Despite the acclaimed benefits of microfinance in meeting the needs of the poor in society, microfinance institutions have been criticised for selective targeting, charging high interest rates (Morduch, 2000) and exploiting the poor. Advocates of microfinance have been criticised for

exaggerating the impact of microfinance on the poor. Existing studies on the impact of microfinance on the poor provide inconclusive results ranging from substantial positive results to insignificant results.

Interventions by governments and markets have led to a decline in levels of poverty in society. However, individuals are still vulnerable to fluctuations in and out of poverty with persistent poverty, particularly high in urban slums and rural areas. This indicates the need for more studies aimed at addressing the multidimensional nature of poverty.

Fundamentally, there are reasons why poverty interventions through microfinance have not worked and why, even where there has been a little impact, the outcome has not been sustainable, with the poor moving in and out of poverty. These reasons for failure are based on the fact that poverty interventions have failed to recognise the different requirements of two conditions for success: how to help the development of enterprise and how to enable the sustainability of the enterprise.

Governments, markets and CSOs all face different challenges in their efforts towards poverty alleviation. However, their complementary strengths through working in partnerships have great potential for effectively addressing the limitations of each individual sector or organisational type. Social partnerships have the potential to bridge the challenges, difficulties and differences faced by individual sectors, and offer useful solutions and compromises that fulfil the mission of the partners and the overall objective of addressing the social problem set out by the partnership (Van Tulder, 2006). Poverty intervention has mainly been looked at from a single-sector perspective. The individual nature of poverty makes it complex and challenging. There is a general consensus that, poverty is multidimensional and the challenges of addressing poverty are so diverse and great that no sector (public, private or civil society) can individually address the challenges of poverty alleviation. There have been calls for collaborative efforts to address the challenges faced by individual sectors.

Cross-sector social partnerships have been credited for having the potential to address common social challenges that are considered too great and too complex to be solved by one sector alone (Austin, 2000c, Kolk and Van Tulder, 2010, Lucea, 2010, Rivera-Santos and Rufin, 2010b, Seitanidi et al., 2010). Cross-sector social partnerships achieve social outcomes by partner organisations pulling together resources,

capabilities and strengths through collaboration processes to create value. Value is generally understood as the creation of benefits or reduction of cost to individuals, organisations or society in general (Phills et al., 2008). Value for the purpose of this study is viewed from the standpoint of a specific group of the poor women entrepreneurs involved in the study and conceptualised as the creation of benefits and reduction of cost that enable the development of capabilities and achievement of functionings to ensure greater and sustainable wellbeing for the women entrepreneurs. Chapter three of the thesis discusses in greater detail cross-sector partnerships and value creation for poverty alleviation. Value creation processes and the value created for the women entrepreneurs are the focus of chapters five and six.

Despite the potential of cross-sector partnerships in addressing social problems through value creation, the role of the beneficiary and active participation in the co-creation of value have not been considered. Previous studies on cross-sector partnerships have not looked at change and the role of the intended beneficiary at the individual level. This study focuses on change, particularly how cross-sector partnerships enable transformative change with particular interest in the role of the beneficiary in the partnership process. The active participation of beneficiaries has the potential to unlock the agency of the beneficiary to be actively involved in the co-creation of value for sustainable poverty alleviation. The participation of the beneficiary in the partnership process is fundamental for sustainable outcome value creation.

This study is positioned within the literature on business (BUS) and non-profit organisations (NPOs). It applies elements of previous studies to examine partnerships between microfinance institutions (MFIs) and CSOs that are referred to here as partnerships MFIs and women entrepreneurs (WENs) (henceforth referred to as MFI-WEN partnerships) for sustainable value creation in poverty alleviation projects. The purpose of the study is to investigate the role of women entrepreneurs WEN in cross-sector social partnerships in maximising access to financial services for transformative social change. The study extends the role of the beneficiary in cross-sector social partnerships as active beneficiaries to active partners in the value creation process.

This thesis argues that involving beneficiaries in the formation and implementation processes of cross-sector social partnerships for poverty alleviation is essential to maximise financial services for transformative social change.

1.2 Research question

The main research question is: what is the role of the beneficiary of cross-sector collaboration in improving how women in Cameroon experience entrepreneurship as a process of social change? To answer the research question, sub-research questions are used to address different sections of the study. In chapter two of the literature review, the question that the section aim to address is: what is the role of beneficiaries in sustainable poverty intervention programs. In chapter three of the literature review the sub-question is: what is the role of the beneficiary in value creation for poverty alleviation? These sub-questions were used to guide the data collection process.

1.3 Research context

This study is situated within the context of entrepreneurship in a developing country and particularly focuses on women. Women dominate the ranks of the most vulnerable, at the lowest ranks of the poverty pyramid. Many have argued that targeting women for financial inclusion results in a greater increase in household welfare and poverty alleviation. The advantages and potential for financial institutions targeting women for financial inclusion is the focus of discussion in section 2.4.6.

Entrepreneurship is a developing phenomenon that has been defined differently by various authors. Entrepreneurship is conceptualised as a;

‘context-specific social process through which individuals and teams create wealth by bringing together unique packages of resources to exploit market-place opportunities’ (Ireland et al., 2001: 51).

The conceptualisation by Ireland et al., (2001) reflects the nature and practice of small scale entrepreneurial activities by women in developing countries as a means to create wealth and lift themselves out of poverty. Entrepreneurship in a developing country context is the focus of section 2.9 of this thesis.

The study is carried out in Cameroon a developing country in Sub-Saharan Africa. The sub-section below presents poverty in the context of developing countries, Sub-Saharan Africa in general, and Cameroon in particular.

1.3.1 Poverty in developing countries

Poverty in developing countries has commonly been perceived as a rural problem, mainly due to much larger numbers of people in rural areas where average earnings are considerably less than those in urban areas (Pernia and Quibria, 1999). In virtually all developing countries, real urban incomes per person are higher than those in rural areas. As such, the incidence of poverty in urban areas is generally assumed to be lower than in rural areas (Pernia and Quibria, 1999). Rural-urban migration generally improves the standard of living, although rural-urban migrants may still be classified as urban poor (United Nations, 1995).

Rural and urban poverty can be distinguished by their characteristics. Rural poverty can be characterised in many ways, including limited access to land and irrigation facilities, slow adoption of modern technology, a large dependency burden, limited human capital, and concentrations of minority and ethnic groups (Asian Development Bank, 1992). With increasing urbanisation and higher urban population growth rates, urban poverty is becoming increasingly high (Pernia, 1994). Most characteristics of rural poverty are applicable in urban poverty (Asian Development Bank, 1994). Other characteristics that describe individuals considered to be living in poverty include; limited access to resources and services, inadequate human capital, large dependency burden, low wages, reliance on unorganised and small-scale enterprises (SSEs), belonging to disadvantaged subgroups, and living in slum areas (Asian Development Bank, 1994, Pernia, 1994). This study limits its scope to urban poverty and the case studies selected for analytical review are drawn from urban towns and cities in Cameroon.

Poverty solutions in developing countries have focused mainly at the macro level through macroeconomic policies in the form of stabilisation and adjustment policies (Behrman, 1993). Stabilisation policies involve reforms that follow shocks such as war and natural disasters, while adjustment policies involve reforms aimed at changing the current path of an economy. Macroeconomic policies affect the real incomes of the

poor, primarily through their impact on the return of their assets in terms of the price of goods and services. During the implementation of an adjustment policy, economic growth is slow, which exacerbates poverty in the short-term, however, in the long-run, economic growth is higher and the poor are more likely to be compensated (Behrman, 1993). In most developing countries, governments are either absent, corrupt, or lack the resources necessary to act in favour of the 'greater good' (Jamali and Keshishian, 2009). The absence of governments and increase corruption increases inequality and results in wide incidence of poverty. It is generally assumed that adjustment programs follow a planned and smooth pathway to economic growth and poverty alleviation; however, this may not often be the case in developing countries where adjustment programs may take longer than expected due to varying challenges inherent to the region and, in the case of Africa, the continent, as well as due to bottlenecks. This may often slow economic growth and lead to deeper levels of poverty in rural and urban communities and slums.

1.3.2 Poverty in Sub-Saharan Africa

Sub-Saharan Africa experiences the most extreme, multidimensional, chronic poverty on the map of global poverty (Hulme, 2010:35). This is evident from World Bank statistical data, as shown in Figure 1. Collier (2007) argues that, with the high economic growth in China and India, poverty will eventually be eradicated in Asia. He says that 'Africa plus' (Sub-Saharan Africa plus countries such as Haiti, Bolivia, Turkmenistan, Laos, Burma and North Korea) is the future geography of extreme poverty. One reason put forward to back this argument is the effect of the fundamental forces, such as geography, climate and culture (Bloom et al., 2003). Thus, for poverty alleviation measures to have far-reaching impact, intervention measures should be able to transcend the boundaries of fundamental forces. According to Jalan & Ravallion (2002), the existence of 'geographic poverty traps', characterised by a household's area of residence – its 'geographic capital' – entails that the household consumption cannot rise overtime, while otherwise identical households living in a better-endowed area enjoy a rising standard of living. However, geographic externalities and their impacts on poverty are far outside the scope of the study and thus not an area of focus.

Figure 1 below presents the poverty levels per region, with South Asia and Sub-Saharan Africa showing very high poverty head count ratios at both income levels. The poverty level of Cameroon (in Sub-Saharan Africa) is more than the combined poverty levels of Europe and Central Asia, Latin America and the Caribbean and the Middle East and North Africa.

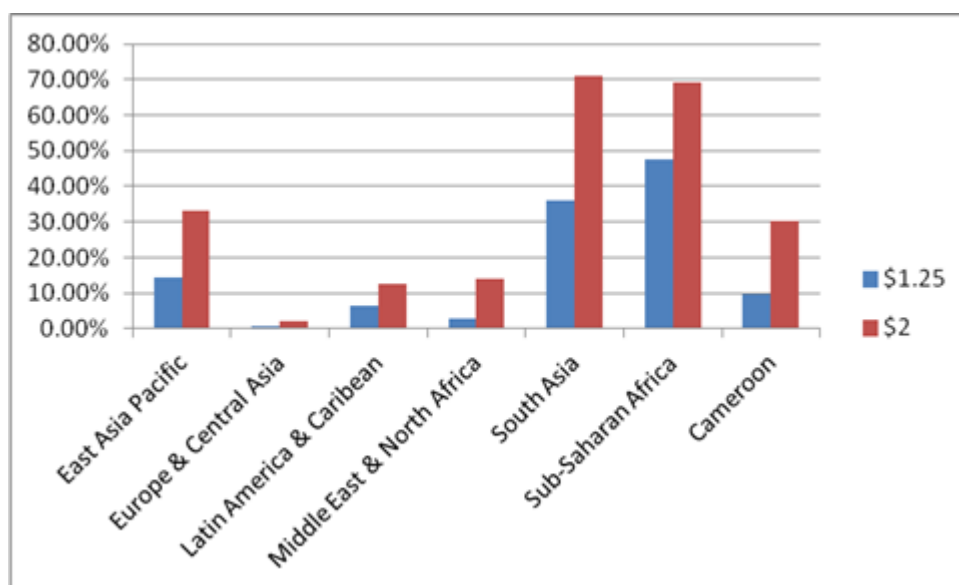


Figure 1: Poverty head count per region (\$1.25 and \$2.00)

Source: World Bank (Poverty & Equity Data Dash board accessed August 2012)

However, according to the Multidimensional Poverty Index (MPI) for these regions, which is based on three dimensions of poverty (health, education and standards of living), the results show that the incidence of MPI poverty is greatest in Sub-Saharan Africa and South Asia. In Sub-Saharan Africa, 64.5 per cent of people are MPI poor; in South Asia, 55 per cent are MPI poor (Alkire and Santos, 2010a). The percentage of people living in poverty according to MPI is higher than the percentage of people living on less than \$1.25 per day according to World Bank statistics, and slightly lower than the percentage of people living on less than \$2 per day. The World Bank measures of \$1.25 and \$2 are based on daily income, unlike the MPI, which is based on health, education and standards of living. This explains the depth and breadth of poverty (expressed in percentages) in South Asia and Sub-Saharan Africa using the MPI poverty measure.

1.3.3 Poverty in Cameroon

Cameroon, like many developing countries, is increasingly addressing the concerns and needs of the poor as well as pursuing economic growth and development strategies through public policy reforms. Such policies are executed through state budgets in the form of public spending and expenditure. According to the World Bank (2010) country report for Cameroon, there has been an increase in public spending on targeted priority sectors (health, education, agriculture and infrastructure) from about 42 per cent in 2004 to 68 per cent in 2008. However, despite this increase in public spending, priority sectors have had a modest growth impact. Public spending in the health sector remains low by international standards. Inadequate resources compounded by significant inefficiency and government issues have led to an inequity gap in access to health services. As a consequence of such policy spending restrictions, the poorest 60 per cent of households have a four-fold risk of illness, in contrast to those living in relatively better-off households (World Bank, 2010). The World Bank (2013) explains that the reasons for Cameroon's disappointing sustainable growth, poor infrastructure, weak governance and an unfavourable business environment.

Poverty remains primarily a rural phenomenon and disproportionately affects the Northern and Extreme North regions of the country, with a large number of household experiencing chronic poverty. The analysis of the evolution and extent of poverty indicates that monetary poverty has remained stable during the period from 2001 (40.2 percent) to 2007 (39.9 per cent), as shown in the poverty dynamics household survey data sets for 2001 and 2007 (as per the Cameroon Household Survey Data I and II). This indicates that approximately 39.9 per cent of the population lives below the national monetary poverty line. However, the actual number of poor people increased due to an annual population growth rate of 2.7 percent (World Bank, 2012). Cameroon has a high level of chronic poverty, and social indicators remain very low. On the United Nations Development Programme's (UNDP) 2011 Human Development Index, it ranked 0.460, which is very low (150 out of 179 countries in 2011) (UNDP, 2011).

Table 1: Poverty Headcount Ratio at National Poverty line (% of population) for Cameroon.

Poverty headcount ratio at National poverty line (% of Population) and % change		
Year	Poverty head count(%)	% change
2007	39.90%	0.75
2001	40.20%	24.58
1996	53.30%	

Source: World Bank (Poverty & Equity Data Dash board).

The 2012 World Bank country report for Cameroon reveals the following indicators: a population of 21,699,631 people, annual growth in gross domestic product of 4.6 per cent (developing countries 4.7 per cent, Sub-Saharan Africa 3.5 per cent).

1.3.4 Poverty dimensions and indicators in Cameroon

This section presents the poverty dimensions and indicators in Cameroon as highlighted in previous studies. These dimensions and indicators form the base line for assessing how the processes of the formation and implementation stages enabled and enhanced poverty alleviation through improved wellbeing and freedom of choice for the beneficiaries as discussed in chapters five and six. World Bank reports indicate that the percentage of income poor living on \$1.90 a day is 29.3 per cent, the percentage of income poor on \$3.10 a day is 54.3 per cent and the percentage of poor at national poverty line is 39.9 per cent (The World Bank (2015)). The figures indicate that, 29.3 per cent of the total population of Cameroon lives on less than \$1.90 a day and 54.3 per cent live on less than \$3.10 a day.

According to the Oxford Poverty and Human Development Initiative (OPHI), an individual is considered multidimensionally poor (or MPI poor) if they are underprivileged in one of the three weighted indicators identified on the table above. The occurrence of poverty or headcount ratio refers to the proportion of the population that is multidimensionally poor (Oxford Poverty and Human Development Initiative (2015)). The OPHI statistics indicate an MPI for Cameroon for 2011 at 46.0 per cent compared to 53.3 per cent for 2004, with the MPI for the North West province at 38.8 per cent and the South West Province at 29.5 per cent of the population. Table 2 below presents the MPI percentage of the population from which the two case studies are drawn for each of the ten OPHI indicators. The MPI otherwise known as the ‘incidence’ of poverty for each region (M-Pov for the South West province and X-Pov for the North West province), is the proportion of people who experience multiple deprivations at a given proportion of weighted indicators. It presents the baseline line dimensions and indicators that guide the analysis and discussion in the subsequent sections of this thesis and the partnership outcome in chapter six. The OPHI (2015) identifies three dimensions (education, health, living standards) and ten indicators – years of schooling, child school attendance, child mortality, nutrition, electricity, sanitation, drinking water, flooring, cooking fuel and assets.

Table 2: MPI poverty dimensions and indicators for the two case study regions

Poverty dimensions	Poverty indicators	Deprived if:	Headcount ratios of MPI poor as a percentage of population.	
			X-Pov	M-Pov
Education	Years of schooling	No household member has completed five years of schooling.	4.1	3.1
	Child school attendance	No child is attending school up to the age at which they should finish class 6.	6.3	4.6

Health	Child mortality	Any child has died in the family.	19.6	19.4
	Nutrition	Any adult or child for whom there is nutritional information is malnourished.	8.6	6.8
Living Standards	Electricity	The household has no electricity	32.7	22.8
	Sanitation	The household's sanitation facility is not improved (according to MDG guidelines), or it is improved but shared with other households	32.6	27.7
	Drinking water	The household does not have access to safe drinking water (according to MDG guidelines) or safe drinking water is more than a 30-minute walk from home, roundtrip	25.1	17.3
	Floor	The household has a dirt, sand or dung floor	31.4	19.0
	Cooking fuel	The household cooks with dung, wood or charcoal	38.8	28.2
	Assets	The household does not own more than one radio, TV, telephone, bike, motorbike or refrigerator and does not own a car or truck.	24.4	15.8

Source: Oxford Poverty and Human Development Initiative Country Briefing
December 2015

Previous studies have highlighted social exclusion and social isolation as characteristic of those experiencing poverty (Silver and Miller, 2003, Adato et al., 2006, Stewart et al., 2009). Amartya Sen's capability approach as applied in this thesis argues for freedom of choice in the personal, the social, the economic and the political spheres (Sen and McMurrin, 1980, Sen, 1984, Sen, 1993, Sen, 1999). The OHPI poverty dimensions of poverty as shown in the Table 2 do not account for social exclusion and social isolation. The OPHI poverty dimensions of education, health and living standards provide indicators for freedom of choice in the personal and economic spheres and no indicators for social and political spheres. This lack of indicators and of a dimension to represent an individual's freedom of choice in the social and political spheres is a gap in the theory and practice of poverty alleviation.

1.4 Business case for poverty alleviation

Academics and practitioners have increasingly argued for business models in addressing poverty. The development community and development agencies have come under growing scrutiny because of concern about current poverty alleviation strategies embraced by institutions within the development community (Easterly, 2006, Sen, 1999, Sachs, 2005) with increasing demand to explore new models and mechanisms to reducing poverty. People living in poverty constitute a large potential market that businesses can tap into by developing products and services that meet the needs of the poor and those on low incomes. The challenges faced by NPOs in soliciting private donations coupled with limited government and foundation grants have motivated innovative response in form of social business models (Dees, 1998a). Businesses seeking win-win outcomes through synergistic value creation (Carroll and Shabana, 2010) have the potential to turn social problems into economic opportunities and economic benefits for the poor.

This study focuses on the interaction process between MFIs operating as businesses with a profit motive and NPOs to identify potential areas of economic opportunities and economic benefits for the poor. The role of business as a development agent is further discussed in section 3.2.

1.5 Methods

This research follows an interpretivist approach and adopts a phenomenological perspective in the study of the experiences of poverty alleviation by poor WENs. The study involves a qualitative analysis employing the case study approach combining interviews, life history interviews, documents and archives as data collection tools to study and analyse WENs' perceptions of their experiences of poverty alleviation through their interaction with MFIs and CSOs. The study is focused at the individual level of analysis, and it also aims to identify potential opportunities at the micro level that facilitate outcomes at the meso (organisational) level of analysis.

Two case studies involving MFIs and CSOs are analysed to investigate the role of the WEN in the formation and implementation processes of the partnership. Case study one involves a partnership interaction between Mutual Guarantee Finance Limited an MFI, and Women's Initiative for Health Education and Economic Development – Cameroon a CSO. Case study two involves a partnership interaction between Nkong Credit for Development Savings and Credit Association and Nkong Hill Top Association for Development. The case study partnership overview and organisational characteristics are presented in section 4.7.

1.6 Structure of thesis

This section presents the structure of the thesis.

Chapter one is the introduction to the thesis. It presents the research problem, methodology and the research context with specific focus on Cameroon, a developing country in Sub-Saharan Africa.

Chapter two presents a review of the financial inclusion of the poor with focus on MFIs whose main objective is to provide financial services to the poor and unbanked. It gives an overview of the phenomenon of poverty, its conceptualisations, and different approaches that have guided the study, understanding and evaluation of poverty dimensions. The chapter presents the capability approach as a superior approach to the study of poverty, and its application to the study of poverty alleviation experienced by WENs in the study. It provides the definition and concept of entrepreneurship, entrepreneurship in developing countries and entrepreneurship as social change.

Chapter three is an overview of partnership literature, focusing on cross-sector social partnerships involving business and NPOs. It presents a classification of cross-sector partnerships at the intersection of government, business and CSOs. The chapter describes the role of beneficiaries in cross-sector partnerships, extending the role of beneficiaries from active recipients to partners involved in the co-creation of value in cross-sector partnerships. The last section of the chapter presents an overview of microfinance partnerships

Chapter four describes the research method and methodology adopted for the study. A detailed explanation of the research design is presented with justification for the case study method, stating the criteria for selecting the specific case studies for the research. The data collection process is discussed and identifies the instruments and techniques used, presenting the organisations involved in the research.

Chapter five presents the microfinance partnership formation and implementation stages of the case studies under investigation. The chapter explains the analysis and discussion of the MFI-WEN partnership formation and implementation process, focusing on the role and involvement of the women in the partnership processes.

Chapter six discusses the microfinance partnership outcome from the beneficiary stand point. It presents the MFI-WEN partnership outcomes at the individual level as achieved functionings based on the poverty dimensions identified in the literature review: health, education, living standards and social networks.

Chapter seven presents and discusses the main findings of the research within the literature, highlighting the contribution of this study. It explains the limitations of the study and possible directions for future research.

1.7 Contributions

This study contributes to three main literature: the capability approach, financial inclusion in poverty studies and cross-sector partnership literature.

This study extends the capability approach to the study of poverty and poverty alleviation in a developing country context, highlighting the importance of the voice of the beneficiary in the partnership processes and outcome in expressing valued

capabilities through their aspirations. Findings from this study may be applied in the study of poverty in other developing as well as developed countries.

Results from the analysis of the two case studies suggest that, social network of the poor especially those developed through their interaction with MFIs is important and key to financial inclusion and the use of financial products and services with great potential for other poor women within the WEN's network to become involved. The findings from the study highlights that contrary to MFIs targeting the marginally poor and moving 'up market', targeting the extreme poor and vulnerable in society can be profitable resulting to increase levels of financial inclusion and consequently improved levels of poverty.

Previous studies on cross-sector partnerships have not included change from a micro (individual) level perspective. This study contributes to the literature by highlighting the potential of cross-sector social partnerships in enabling transformative social change by enabling the 'becoming' of poor women entrepreneurs. It extends the role of beneficiaries as partners in the co-creation of value in cross-sector partnerships. The contribution of the study is discussed in greater detail in section 7.7.

CHAPTER TWO

2.0 Financial inclusion and entrepreneurship as social change

2.1 Introduction

Financial services and financial goods are essential for the effective functioning of markets and communities. Through the provision of financial services and financial goods, financial institutions create opportunities and increase income levels for individuals and households, consequently reducing inequality and poverty. Financial institutions do not always provide access to financial services to everyone who would want to participate in financial activities. The lack of access to financial services by financial institutions is referred to as financial exclusion. Microfinance institutions (MFIs) have claimed to have the potential to fill this gap by providing financial services to the poor and unbanked, who would normally not have access to financial services from main-stream commercial banks and other financial institutions.

This chapter reviews the literature on microfinance, focusing on how microfinance institutions provide financial services to the poor and unbanked, and by so doing addressing social problems such as poverty. To understand and address the role of beneficiaries in poverty alleviation, it is important to understand how access to financial services may affect the lives of the poor, the different approaches to the study and conceptualisation of poverty, and the theoretical perspectives of beneficiary involvement in poverty alleviation projects. The main research question the thesis seeks to answer is: what is the role of the beneficiary of cross-sector collaboration in improving how women in Cameroon experience entrepreneurship as a process of social change? To answer the research question, this chapter seeks to address the role of the beneficiary in poverty alleviation through entrepreneurial social change. The rest of the chapter is structured as follows.

The first section presents a conceptual map with the key concepts discussed within the thesis, the links and possible relationships. The second section gives a brief review of financial institutions and access to financial services. Section three reviews the literature on microfinance and the provision of financial services, presenting the practice of microfinance, the financial sustainability and efficiency of microfinance

institution, the classification of microfinance institutions and client targeting by microfinance institutions.

The fourth and fifth sections offer an overview of poverty, the different approaches to the study of poverty and the justification for adopting the capability approach as a superior approach to the study of transformative social change. Microfinance institutions, by providing financial services to the poor, hope to achieve social change, so the sixth section presents the literature on social change with a focus on entrepreneurship as social change. The last section of the chapter discusses the challenges and failures of microfinance.

2.2 Conceptual map

This section presents a graphical representation of the key concepts and relationships that guide the review of the relevant literature in chapter two and three and the subsequent analysis and discussion in chapter five, six and seven (see Figure 2). The first section of the conceptual map with the key concepts of financial inclusion by microfinance institutions, poverty, women entrepreneurs (WENs) and entrepreneurial activities is the focus of the discussion in chapter two. The second section of the conceptual map, cross-sector partnership and value creation is the focus of discussion in chapter three. The third section of the conceptual map (later discussed in chapters five, six and seven) discusses value creation, capability development and achieved functionings from the perspective and experiences of the women entrepreneurs through their involvement and interaction in the partnership process.

Poverty conceptualised in terms of minimum income level, lack of basic needs and basic capabilities have been positioned within development studies (Bucheli and Gustafsson, 1996, Datt and Ravallion, 1992, Nussbaum, 1992, Sen, 1999), social policy (O'Connor, 2000, Passaro, 1996, Green, 2006, Bhatt and Tang, 2001). Microfinance is positioned within development studies and development economics (Kochar, 1997, Morduch, 2000, 2005, Pitt et al., 2006). Cross-sector social partnerships is positioned within management studies, business and non-profit studies (Austin, 2000, Austin and Seitanidi, 2012a, 2012b, Kolk et al., 2010, Selsky and Parker, 2005, Waddock, 1988).

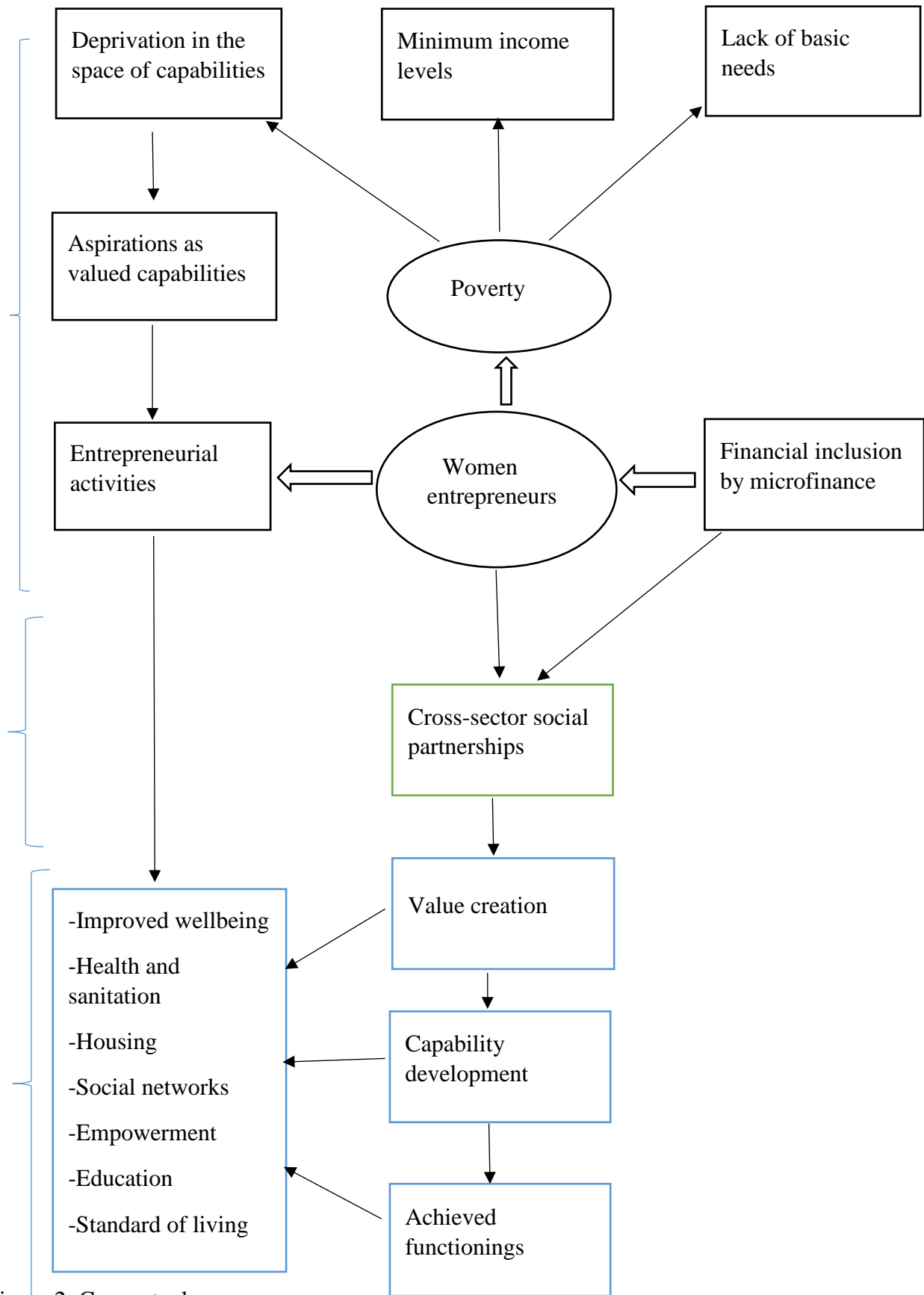


Figure 2: Conceptual map

It is important to understand the concept and nature of poverty and how interactions between development agencies and beneficiaries help improve intervention measures to ensure sustainable long-term poverty alleviation. Microfinance institutions have long been credited for their fight against poverty by implementing various poverty intervention programs as discussed in section 2.3 and 2.4.

The conceptual map in Figure 2 is used as a tool to develop and present the conceptual framework for this study. As seen across the top of the map; previous studies have conceptualised poverty in terms of lack of basic needs and minimum income levels. These conceptualisations ascribe arbitrary assumptions and quantifiable measures to poverty that are inadequate for assessing the quality of life, heterogeneity of human beings and environmental complexity and diversity. Conceptualising poverty from these perspectives (basic needs and income) implies predefined outcome measures that may not be of significant value to potential beneficiaries and hence the outcome of such intervention programs.

Conceptualising poverty from the perspective of potential beneficiaries addresses various complexities and dimensions of poverty as experienced, incorporating basic needs, income levels and deprivations in space of capabilities. Determining outcome measures for assessing intervention programs therefore depends on what potential beneficiaries consider valuable in enhancing their quality of life and consequently improve poverty levels through transformative social change.

MFIs through financial inclusion have enabled women to engage in entrepreneurial activities that ensure transformative change in terms of achieved functionings and capability development. Social partnerships and in particular cross-sector social partnerships have been hailed for their role in addressing social problems such as poverty. Such partnerships have been able to achieve social outcomes through mutually reinforcing systems that combine the unique capabilities and resources of each partner to deliver outcomes that surpass those of any one sector acting in isolation (Googins and Rochlin, 2000).

Despite the potential of cross-sector partnerships in creating value for potential beneficiaries to enable the achievement of functionings and capability development, the role of the beneficiary in such partnership processes has not been explored. If poverty is to be conceptualised from the stand point of those who experience it- that

is, the beneficiaries of poverty intervention programs, it is thus logical to involve them in cross-sector partnership processes in defining poverty and valuable outcomes that enable sustainable long-term value creation in terms of achieved functionings and capability development. The processes of such partnerships become very important in identifying opportunities and potential areas that enable value creation from the perspective of the beneficiary.

To evaluate cross-sector partnerships involving microfinance institutions and civil society organisations aimed at addressing poverty, it is thus important to determine the role of the beneficiary in such partnerships. Hence the research question of ‘what is the role of the beneficiary of cross-sector collaboration in improving how women in Cameroon experience entrepreneurship as a process of change’. To address this research question, it is essential to understand the experiences and conceptualisation of poverty through the life stories of the women who have interacted and benefited from microfinance partnerships. Importantly, what is considered valuable to the women entrepreneurs, their aspirations in terms of improved wellbeing, health and sanitation, housing, social networks, empowerment, education and standard of living becomes significant in determining the outcome of cross-sector partnerships in terms of value creation for the beneficiary.

2.3 Financial institutions and access to financial services

There are several things that money can be used for, among them goods and services. A good is generally accepted as something tangible that can last, and a service is a task that someone performs for another. The Cambridge Dictionary defines financial services as business services relating to money and investments as those offered by banks. A financial service is the process of acquiring a financial good, that is, the transactions required to obtain the financial good (Asmundson, 2012). Various types of transactions, provided by different types of organisations across different areas such as real estate, consumer finance, banking, and insurance as well as investment banking make up the financial sector (see Table 3). Asmundson (2011) provides a categorisation of different types of financial services based on two areas of the financial sector; insurance and banking.

Table 3: Types of Financial Services

Sector	Financial services
Insurance and related services	Direct insurers pool payments (premiums)
	Reinsurers
	Insurance intermediaries
Banks and other financial service providers	Accept deposits, repayable funds and loans
	Administer payment system: facilitate funds transfer and transactions through debit and credit cards, bank drafts, cheques, electronic funds transfer
	Trading: securities, foreign exchange and derivatives
	Issue securities
	Manage assets

Source: Asmundson, 2011

Financial institutions often measure their depth of financial services by measuring the number of individuals and households that are interacting with the financial institution. In order to provide financial goods and services, banks and other financial institutions depend a great deal on trust (Asmundson, 2012, Ferrary, 2003). The nature of financial services' activity implies risk-taking by financial institutions that customers will honour future debts and financial goods, and consequently profitability depends on the quality of the risk evaluation (Ferrary, 2003). Information, assets and other resources by prospective customers are thus required for risk evaluation and trust by financial institutions in order to carry out financial service transactions. The lack of insufficient availability of information, assets and trust means some individuals and groups may not be able to take part in financial service transactions with financial institutions; this is referred to as financial exclusion. Financial exclusion occurs when individual consumers are denied or cannot access financial services from mainstream banks and other financial institutions (Hogarth et al., 2005, Hogarth et al., 2003, Devlin, 2005). The European Commission (2008) has a broader definition of financial exclusion and looks at it from two levels: 'the unbanked', people without any bank product, and 'the

marginally banked', ownership of deposit accounts with limited use. Access refers to the timely availability of adequate financial services at a reasonable cost and can be distinguished from use, which is the actual consumption of financial services (Kochar, 1997, Claessens, 2006). Whatever the terminology used, lack of access to financial services has devastating effects on an individual's wellbeing, household, and community, as well as economic and social development.

There are various advantages of access to financial services. Financial services provide consumers with liquidity, payments (such as bill payments or money transfers), savings (such as interest-bearing accounts) and credit services (such as small loan, credit card, line of credit, or mortgage), and consumers who are without access to these services face multiple constraints to enhancing their wellbeing (Simpson and Buckland, 2009). Lack of access to safe and affordable financial services has been argued to be the root cause of persistent income inequality in many countries (Beck et al., 2009). Buckland and Dong (2008), in their study of financial exclusion in Canada, found that those at high risk and with higher probability of financial exclusion are those with low incomes, low levels of education and low asset levels. Lack of access to financial services is not limited to developing countries, it is especially pronounced among low-income individuals and households. In Germany, more than 50 per cent of households with low income lack access to an overdraft facility, in the United States more than 20 per cent of low-income households do not have a transaction account, in England 37 per cent of low-income households do not have a bank account (Devlin, 2005). Exclusion of this group of individuals and consumers from financial services widens the income and asset disparity gap in society and, consequently poverty levels.

Microfinance institutions have evolved in the last decades to fill this gap in the financial services industry by providing financial services to groups and populations typically excluded by mainstream banking and other financial institutions. The next section presents a detailed study of microfinance institutions, the provision of access to financial services through microfinance and how financial services provided by these institutions address the challenges of lack of access and consequently poverty and the wellbeing of individuals in low-income households.

2.4 Microfinance institutions and the provision of financial services

This section presents a review of the phenomenon of microfinance and the various concepts associated with the practice of microfinance. The first part presents a brief review of the concept of microfinance and its origin. The second part presents the practice of microfinance followed by the financial sustainability and efficiency of microfinance institutions. The final part of the section presents a classification of microfinance institutions, microfinance products and services, and microfinance client targeting.

The seeds of microfinance in its current form were planted during the 1950s-80s, when small loans were extended to poor borrowers who could not post meaningful collateral (Sundaresan, 2008). However, the concept of microfinance came to the lime-light in the 1970s, presented by Muhammad Yunus and the Grameen Bank. Its formally stated ambition was to provide microcredits to the poor at affordable rates of interest, especially to poor women, where the microcredits were intended to be used to help establish or expand an income-generating microenterprise (Bateman, 2010), through innovative financial institutions.

The general assumption is that the purpose of microfinance is to enable the acquisition of technological capital to kick-start the entrepreneurial process (Navajas et al., 2000). Credit to the poor is provided either through joint liability group lending or individual-based lending by microfinance institutions (Hermes and Lensink, 2007). Microfinance presents itself as a new market-based strategy for poverty reduction (Armendariz and Morduch, 2010). The individual lending approach involves a direct relationship between the institution and the individual and comes close to traditional banking, while the joint liability lending involves loans made out to groups of borrowers (Hermes and Lensink, 2007). By providing financial services to the poor, microfinance institutions are playing a critical role in fostering small-scale entrepreneurs (Callaghan et al., 2007). Small-scale entrepreneurs have the potential to stimulate local economies, giving large numbers of people potential access to the formal financial sector (Callaghan et al., 2007). Central to the concept of microfinance is the idea that poverty can be effectively and permanently reduced or eliminated by providing the poor with access to such financial services.

Remenyi (2000) defines microfinance simply as savings and loans for the poor. Khavul (2010) adds to this by identifying the various financial tools such as credit, savings, mortgages and retirement plans that microfinance makes available to people on low incomes. Hulme and Arun (2009) assume that the poor are able to generate income, but they are hindered by a lack of access to credit. Therefore, Microfinance institutions have a great potential to achieve poverty alleviation through transformative social change by engaging in social partnerships.

The words ‘microcredit’ and ‘microfinance’ are often used interchangeably. However, they differ in resonance and are loosely attached to contrasting beliefs about the state of rural finance and the nature of poverty. Microcredit refers specifically to small loans, and was coined initially to refer to institutions such as the Grameen Bank that focused on getting loans to the very poor (Armendariz and Morduch, 2010). Microfinance institutions recognise that, access to financial services is an important means of involving poor and marginalised people in market based activities. Mair et al (2012b) while acknowledging that access to financial services is an important means of involving the poor and marginalised people in market-based activities, argue that these institutions should support and facilitate entrepreneurial and market activities that create local jobs and lead to sustainable livelihoods. Financial capital is essential to generating economic growth, so microfinance thus enables the generation of economic growth by direct engagement with the poor within their local communities to initiate market-driven initiatives (Khavul, 2010).

Proponents argue that microfinance will avoid the shallowness and inefficacy of past approaches by harnessing the power of economic markets, providing working capital, and by enabling the poor to use their skills, knowledge and entrepreneurial spirits to develop locally based solutions to their poverty, rather than becoming dependent on aid. This premise of a development assistant program that is local, rooted in financial services, and capable of generating both economic growth and social transformation of local communities is a seductive one. How microfinance achieves this in practice is the focus of the next section.

2.4.1 Microfinance in practice

Traditional communities have had informal forms of microfinance activities and practices that have been in existence over the ages. These informal microfinance activities include the voluntary rotating savings and credit associations (ROSCAs) of various sorts, proliferating across Southeast Asia and Africa (Mayoux, 2001, Anthony, 2005), which allow individuals to receive periodic pay-outs from group contributions. Informal microfinance activities have been considered very risky, and the uncertainty in the environment in which such activities operate is a major factor. There have been calls to integrate such activities into formal financial systems through public policy (Morduch, 1999a), to redesign institutional approaches to such activities to avoid and manage risk (Morduch, 2006), and to understand better how such activities and practices can be managed to ensure success and consequently benefit MFI members and the community (Anthony, 2005). These savings that the poor accumulate are vulnerable to depletion by numerous unintended uses (Khavul et al., 2009, Mayoux, 2001). In environments where formal means of either saving or borrowing are typically absent, it is difficult to make the sorts of investments that stimulate the endogenous economic growth that is usually facilitated through access to financial capital that comes from savings or borrowings (Khavul, 2010). Informal microfinance activity is outside the scope of this study. Microfinance in its current form has evolved to tackle these challenges by making a range of financial tools available to the poor.

Microfinance started through extending small loans to groups of individuals by microfinance institutions, a practice referred to as group lending (Armendáriz de Aghion and Morduch, 2000, Armendariz and Morduch, 2010), of which members of the group are jointly liable (Khavul, 2010). Unlike collateral required by individuals in formal banking, with group lending the group replaces formal collateral in form of social capital with the MFI saving on transaction costs (Armendariz and Morduch, 2010). The major limitation of the group lending model is the fact that failure by a member of the group to meet up with regular repayments or pay off the loan affects the credibility of the entire group and may result in the group being denied subsequent credit or loans (Armendariz and Morduch, 2010). The group lending approach was a great success in Bangladesh (Yunus, 2007) and eventually spread to other communities.

The loans provided by microfinance institutions, either as individual loans or as group loans, are intended and assumed to help establish or expand income generating activities through entrepreneurial activities. However, part of the loan may be used to enhance other capabilities such as health, education, sanitation, housing and consumption smoothing, which improves the wellbeing and quality of life and importantly poverty alleviation for individuals who have access to and benefit from such loans as discussed later in chapters five and six. For poverty alleviation to be sustained in the longer term, microfinance institutions need to be financially sustainable and efficient to ensure the continuity of the financial services provided to poor and low-income households.

There have been several studies documenting the role of microfinance institutions in poverty alleviation programs achieved through either individual or group loans. However, limited work has been done on the role of the beneficiary in such intervention programs. This study aims to address this gap in the literature by studying the role of beneficiaries in sustainable poverty intervention programs and hence the sub-research question: what is the role of the beneficiary in sustainable poverty intervention programs? The next section presents the financial sustainability and efficiency of microfinance institutions.

2.4.2 Financial sustainability and efficiency of microfinance institutions

Financial sustainability and efficiency are concepts generally used to refer to practices where microfinance organisations strive to minimise operating costs while being able to cover lending costs with income generated from outstanding loan portfolio (Hermes et al., 2011). The sustainability and efficiency of microfinance organisations are essential to ensure survival in a highly competitive environment. The commercialisation of microfinance, innovation and financial sector developments has led to the development of new financial products and services such as charge cards, automatic teller machines and mobile banking. These new products and services have led to financial liberalisation and the need for regulation policies by governments (Rhyne and Otero, 2006). Two concepts that have been used to measure the performance of microfinance institutions are outreach and sustainability (Yaron, 1994,

Morduch, 1999a, Khawari, 2004, Epstein and Yuthas, 2010, Morduch, 1999b). Outreach can be viewed from various perspectives, but from a social welfare perspective, it can be viewed as the social value of the output of an MFI in terms of breadth, depth, length and scope, cost to users and worth to users (Gonzalez-Vega, 1998, Schreiner, 1998). Navajas et al., (2000) identify a range of factors commonly used to measure the outreach of a microfinance project including; the financial and organisational strength of the lender, the number of products offered, the number of users, the gender or poverty of borrowers, the size or terms of loan contracts, and the price and transaction costs borne by the users. Sustainability, on the other hand, aims to maintain sufficient revenue over time to cover all operating expenses (Khawari, 2004).

The large majority of MFIs have been deemed not 'sustainable' compared to formal financial sector institutions, where sustainability in microfinance literature is often equated with financial self-sufficiency (Brau and Woller, 2004). Maximising the expected social value with minimal social cost discounted through time rather than sustainable microfinance organisations has been the social goal (Navajas et al., 2000). There is a general consensus that there exists a trade-off between financial self-sufficiency and depth of outreach (Von Pischke, 1996, Morduch, 2000, Woller, 2002, Olivares-Polanco, 2005, Hashemi and Rosenberg, 2006, Cull et al., 2007). However, other academics have argued that under certain conditions, sustainability and outreach may be compatible (Morduch, 2005).

The emphasis on sustainable microfinance is based on the realisation that microfinance institutions with the largest and longest-term impact are those with the financial discipline imposed by the 'bottom line', without the uncertainty caused by dependency on external resources (Rosengard, 2004). From the macroeconomic perspective, to ensure the 'unbanked majority' contribute to national growth through the accumulation of assets and generation of income, financial intermediaries such as microfinance institutions that serve as a link integrating formal financial markets with informal real markets must be sustainable to ensure long-term provision of essential financial services. (Cohen, 2003). For microfinance institutions to achieve high levels of outreach and contribute to national growth, these institutions must engage beneficiaries in the development and implementation of such essential financial services. Sustainable microfinance institutions therefore ensure improved income

levels to its clients (the poor and unbanked) through the long-term provision of financial services. Chapters five and six analyse the involvement of clients and beneficiaries by microfinance institutions can ensure improved income levels and sustainable long-term provision of financial services.

The fundamental assumption of poverty alleviation through microfinance is that improved income levels from the interactions and involvement of the poor with microfinance organisations ensure better standards of living, improved education levels, health and acquisition of assets, and consequently, improved poverty levels for the clients, their households and the community. If this assumption holds and for the improved levels to be sustained for the foreseeable future and for more clients to benefit, microfinance organisations must be able to cover the costs of providing such services (financial sustainability), and should be able to make a surplus or profit to provide new and innovative products and services to its clients (efficiency). Microfinance organisations, while aiming to achieve their social or development objective, should be able to operate under certain market principles to ensure sustainability and outreach. However, microfinance institutions will have to operate under the ‘bottom-line’ principle or market principles to achieve this wider impact. The next section looks at the different logics operating in the microfinance industry, and the move of microfinance towards commercial market principles, also referred to as the commercialisation of microfinance.

2.4.3 Commercialisation of microfinance

The unique knowledge and experience possessed by non-governmental organisations as a result of their embedded relationship with local communities in developing countries imply they have always been at the forefront of poverty alleviation, with the view that these organisations would revitalise the field of microfinance (Kent and Dacin, 2013). This, in my opinion, is the foundation of the fundamental principles of the development (social) logic of poverty alleviation organisations. Thus, the institutional logic of these poverty alleviation organisations is development and social change.

Critics of modern microfinance have argued that the Grameen Bank model, which was based on the development logic, has been abandoned, and a completely new commercialised microfinance model ('new wave' microfinance), whose primary objective is full financial self-sustainability and profitability, has been ushered in as its replacement (Bateman, 2010). Muhammad Yunus the founder of Grameen Bank, the emergent form of modern microfinance put together the principles of entrepreneurship, financial theory and poverty alleviation (Khavul, 2010, Khawari, 2004) to develop a concept that stresses the financial inclusion of the poor who would traditionally be excluded from main stream financial activities (Armendariz and Morduch, 2010). This indicates Yunus relied not only on the development logic but also on financial theories to achieve poverty alleviation through the Grameen Bank and its poverty lending approach.

Microfinance involves the operationalisation of two institutional logics, the banking logic and the development logic. The banking logic focuses on market principles that advocate for the bottom line and profitability, whereas the development logic stresses social development and social change. To support the mission of microfinance in providing small loans and credit to enable the poor to establish and grow small businesses, the founders of microfinance were keen to select and adopt elements of the banking logic that ensured the mission of social development and social change for the poor was promoted (Kent and Dacin, 2013). Two core principles of the banking logic-economics and entrepreneurship were used to emphasise the fact that providing access to capital to the poor was key in poverty alleviation and enabled the poor to create value through entrepreneurial activities (Yunus, 2007). Economic activities are controlled by interest rates determined by the market. This means interest rates fluctuate and may become high and unaffordable to the poor, and such principles were resisted by the founders of microfinance (Ayayi and Sene, 2010, Yunus, 2011). This indicates that the application of financial principles (financial sustainability and profitability) is not a new concept in the provision of microfinance for poverty alleviation. Commercial principles were used from the inception of microfinance, and thus organisations providing microfinance operated under multiple institutional logics – development logic and financial logic/banking logic.

The institutional logic perspective assumes that institutions operate at multiple levels of analysis, and that actors are nested in higher order levels – individual,

organisational, field and societal (Thornton et al., 2012). If this assumption holds, then there are bound to be conflicts, competition within institutions, constraints and opportunities at different levels of analysis, with the prevalence of one dominant logic. Could competing logics in the microfinance industry be a potential to be exploited for greater poverty alleviation? This competition in logics could explain the variety of forms of microfinance organisations. If competing logics in the microfinance industry explains the different type of microfinance organisations either as for-profit with banking and financial principles as the dominant logic or non-profit with development principles as the dominant logic, then partnerships that bring together both principles could be a potential area to be exploited for greater poverty alleviation. The benefits of collaboration in addressing social issues such as poverty are the subject of discussion in chapter three.

Competing logics can coexist in a single organisational field, giving rise to differences in strategies (Lounsbury, 2007, Marquis and Lounsbury, 2007). An advantage of operating multiple logics is that doing so provides institutions a competitive edge to diversify and be distinct (Lounsbury, 2008). Although integrating competing logics can facilitate the acquisition of resources needed to start entrepreneurial ventures, it can also be a source of dysfunctional tension (Battilana and Dorado, 2010). Reay and Hinings (2009) argue that institutional change can occur through collaborative efforts that encourage independence and separate identities of collaborators, such that the competing interest of actors can be connected to different co-existing institutional logics that are sustained by collaborative arrangements. Conflicting institutional logics do occur, but Reay and Hinings (2009) say they can be managed effectively through collaborative partners maintaining their independence but working together on shared projects.

To adapt to complex environmental requirements, organisations often integrate competing logics (Battilana and Dorado, 2010). This is the case in micro-lending organisations, which incorporate financial and social logics (Almandoz, 2012). Having identified that multiple institutional logics: including banking/business logic and development logic co-existed at the onset of modern microfinance, the banking logic may have taken precedence in the modern microfinance industry, in the form of commercialisation as a result of the invisible forces of demand and supply for microfinance services. Microfinance institutions need to take advantage of the

competing institutional logics and, through their interaction with the poor, ensure the benefits of both logics are maximised at different levels to improve the depth and breadth of financial services, and sustainable financial service provision for long-term poverty alleviation.

The success of microfinance in the past decades was dependent on subsidies from multilateral and bilateral organisations, development agencies, and private and public foundations, and only in the last 15 years have some organisations reached the scale and efficiency needed to become self-sustaining (Cheng, 2011). Without the risk-absorbing capital provided by such donor organisations, microfinance would arguably never have proliferated at its rate (Cheng, 2011). With the decline and fall in donations and subsidies, MFIs have had to look for alternative approaches to sustainability, and adopting a commercialised business model has been seen by many as a precursor to being able to access capital from commercial sources (Cheng, 2011).

The term ‘commercialisation’ is used in different ways at different times. Commercialisation can be used to indicate that an institution is seeking to operate using commercial sources of funding (i.e. with no direct and indirect subsidy element); however, the term is also often broadly used to indicate the application of market-based business principles to the management of microfinance institutions (Armendáriz and Morduch, 2010). The most important shift in the commercialisation of MFIs is the drive for profits. The drive for profitability by MFIs has generated tensions as commercial MFIs target relatively better-off customers and face trade-offs between the objectives of profitability and outreach to the poor (Morduch, 2000, Ghosh and Van Tassel, 2008, Armendáriz and Szafarz, 2011).

The core principle of microfinance is the provision of financial services through extending small loans to the poor and underprivileged (Mersland and Strøm, 2010). When microfinance institutions move away from serving the poor and underprivileged in the community and target more wealthy customers, this practise is referred to as ‘mission drift’ (Woller et al., 1999, Woller, 2002). Mission drift in the microfinance industry is the shift from; targeting the ‘poorest of the poor’ to the moderately poor, the shift from rural to urban, the shift from starting businesses to growing businesses, the shift from peer lending to individual collateralised lending, and the shift from the poor as the primary beneficiary to the investor by microfinance institutions (Cheng,

2011). Mission drift has been discussed from various perspectives. Armendariz and Szafarz (2009) view mission drift as the practice of microfinance institutions increasing their average loan size by providing financial services to wealthier clients. Microfinance institutions often reach out to wealthier clients in what is referred to as progressive lending in order to achieve cross-subsidisation. Microfinance clients who maintain a clean repayment record over a period of time, can move to higher credit ceilings, which is a practice referred to as 'progressive lending' (Armendariz de Aghion and Morduch, 2005). Microfinance institutions sometimes provide financial services to non-poor clients to enable them to cover the transaction costs of larger numbers of small loans provided to poor clients, a practice also known as 'cross-subsidisation' (Armendáriz and Szafarz, 2009). The depth of outreach refers to the MFI's ability to finance the poorest in society (Cull et al., 2007). However, Schreiner (2002) notes that mission drift weakens an MFI's depth of outreach. Bhatt and Tang (2001) comment that this has impacts on women and rural communities.

Gonzalez-Vega (1998) considers outreach in terms of the social value of microfinance projects and identifies various aspects of microfinance output that can be used to determine social value including; breadth, depth, length and scope, worth to users and cost to user. Thus, outreach is the social value of loans from a microfinance organisation (Navajas et al., 2000). The depth of outreach to an individual borrower is defined as the net gain from the interaction with a microfinance institution and the use of microcredit. This is considered a value from the perspective of the community (Navajas et al., 2000). However, as the microfinance industry evolves and grows, organisations poised for growth will need robust market infrastructure to tap larger sources of funding, pushing the tensions of commercialisation even further. This 'win-win' proposition is at the heart of commercial microfinance institutions, and by adopting commercial principles and practices, institutions can do more to reduce poverty.

The 'double-bottom line' principle has been considered a major drive for the commercialisation of microfinance by multinational banks as it allows these banks and investors to fulfil corporate requirements for social responsibility while providing lucrative risk-return profiles (Dieckmann et al., 2007). Despite the huge criticisms, the move towards commercialisation has opened microfinance to servicing customers who are not the poorest of the poor, or who are not even poor by standard measures, but do

not have access to loans under tradition banking practices (Armendáriz and Morduch, 2010). Expanding access to reliable financial services to the unbanked could improve spill-overs (employment to the poor through established entrepreneurial activity, improvement in household consumption, and improved quality of living, education of children) and could improve prospects for a substantial portion of the world's poor. Spill-overs and trickle-down effects may not always be guaranteed, and are therefore not a reliable means of addressing the needs of the poorest of the poor in society.

The rise in commercialisation of microfinance has resulted in increased competition, technological changes and financial market policies to govern activities within the microfinance industry and may positively improve the efficiency of microfinance institutions. Although commercialisation has been heavily criticised, it is likely to attract much needed commercial funds, support outreach goals and enlarge the size and amount of small loans provided to the poor over time (Hermes et al., 2011). The increased efficiency of MFIs as a result of commercialisation in both 'scaling down' (commercial banks providing microfinance in the search for new markets) and 'scaling up' (non-profit microfinance institutions becoming regulated financial institutions in their search for greater impact and long-term sustainability) provides the opportunity for increasing both the scale and scope of operation. This, if implemented efficiently, has the potential to provide the poor and unbanked with increased income levels through access to financial services, and by doing so improve the standards of living and consequently reduce poverty levels. Increasing the scale and scope of operation can be achieved through social partnerships where microfinance institutions partner with non-profit civil society organisations to provide financial services to the poor. The level of financial services provided depends of the type of microfinance institution. The next section looks at the different classification of microfinance institutions.

2.4.4 Positioning and classification of microfinance institutions

Microfinance organisations are diverse. Many are non-governmental, for-profit organisations, including private-public partnerships (Battilana and Dorado, 2010). Different criteria and characteristics have been used in the past to categorise

microfinance institutions. Van Greuning et al. (1998) categorise microfinance institutions based on governance issues and operational requirements. According to Van Greuning et al. (1998), the regulatory status of a microfinance institution is determined by its source of funding, and this distinguishes a licensed bank from a non-bank microfinance institution. They classify microfinance institutions into three broad categories as shown in Table 4: a) microfinance organisations that rely on other peoples' money (through grants and donations); b) microfinance organisations that rely on members' money (in the form of deposits and member's contributions); and c) MFIs that leverage public money (through extensive deposits and generation funds through other commercial means). This classification presented by Van Greuning et al., (1998) includes proposed forms of external regulation of the different categories of MFI that have been excluded for the purpose of this thesis. Table 4 identifies the activity that determines regulatory status, as well as the regulatory agency.

Table 4: Classification of Microfinance Institutions

MFI Type	Activity that determines regulatory status	Regulatory agency
CATEGORY A MFIs		
Type 1 Basic Nonprofit NGO	Making microfinance loans not in excess of grants and donated/concessional funds.	None or self-regulatory organisation
Type 2 Nonprofit NGO with limited deposit-taking	Taking minor deposits e.g. forced savings or mandatory deposit schemes from microfinance clients in community.	Self-regulatory organisation
Type 3 NGO transformed into incorporated MFI	Issuing instruments to generate funds through wholesale deposit substitutes.	Companies registry agency,

		bank supervisory authority or securities & exchange agency
CATEGORY B MFIs		
Type 4 Credit union, savings & credit cooperative society	Operating as closed or open-common bond credit union, deposit taking from member-clients in the community, workplace or trade	Cooperative authority or bank supervisory agency or credit rating entity
CATEGORY C MFIs		
Type 5 Specialised bank, deposit-taking institutions or finance company	Taking limited deposits, microfinance activities more extensive than NGOs, but operations not on scale of licensed banks	Bank supervisory authority
Type 6 Licensed mutual-ownership bank Type 7 Licensed equity bank	Non-restricted deposit-taking activities, including generating funds through commercial paper and large-value deposit-substitutes from the general public.	Bank supervisory authority

Source: Adapted from Van Greuning et al., (1998).

Non-governmental organisations (NGOs) are active players in international development and social welfare of the poor in developing countries, working alongside bilateral aid agencies from developed countries, private sector infrastructure operators, self-help organisations, and local governments (Werker and Ahmed, 2008). The vast majority of microfinance organisations are small NGOs that are not currently operating in a financially sustainable manner and that rely on donor funding and grants to stay afloat (Epstein and Yuthas, 2010). According to Werker and Ahmed (2008), most of

the money controlled by NGOs is aimed at humanitarian assistance and development and involves activities such as transferring goods and services from developed countries to poor developing countries.

NGOs are often considered semi-formal institutions, unique in both the nature and design of their products and services and in how they are regulated. Unlike formal banking institutions, NGOs are licensed, supervised, and regulated by local or national government agencies, borrowing characteristics from both the formal and informal sectors in the design of their products and services (Ledgerwood, 1999). NGOs often operate a wide array of social service programs in addition to a microcredit program. NGOs frequently make use of the small group structure of their microcredit programs as an entry point from which to implement complementary development programs dealing with health or education (Roubos, 2008). In terms of financial services, NGOs generally offer a far less diverse set of services than a bank is able to. In most countries, NGOs are permitted only to make loans, but are not allowed to receive savings deposits (Roubos, 2008).

Non-bank microfinance institutions (NBMFIs) are shareholder firms that distribute excess profits to their shareholders, although unlike banks, NBMFIs are legally limited in the range of services they can offer (e.g. some cannot provide savings accounts) (Servin et al., 2012b). NBMFIs can raise funds through markets, unlike NGOs and cooperatives (Servin et al., 2012b).

Credit unions have a different formation, governance and operational structure compared to other MFIs. These institutions are considered financial cooperatives, organised and managed by their members to meet the members' needs. Any surplus from operations is either reinvested in the credit union, paid out as dividends to members or used to lower the interest rates on loan products (Bauer, 2008). The governance structure is determined by the members, who elect unpaid volunteers and directors to set policies that govern the operations of the credit union. The credit union is distinguished from other forms of MFI based on its emphasis on small value, unsecured and non-mortgage loans and, most significantly, on the fact that it exists to serve members with a common interest or 'common bond' such as members of a local community, employees of a particular firm or individuals with some other affiliation (Goddard et al., 2008).

Although MFIs of all types have social and financial motives, their relative weights differ by type. Non-bank microfinance institutions and banks have clearly defined financial objectives, whereas NGOs and cooperatives put much more weight on social objectives (Servin et al., 2012a). MFIs can be seen as lying on a continuum, with social objectives at one end and financial objectives at the other, where the position of an MFI depends on the weight of the institution's social and financial objectives (Servin et al., 2012a). Credit unions and credit cooperatives are non-profit organisations (NPOs), but unlike NGOs, they may distribute profits to their members, whereas NGOs are non-profit organisations, characterised by a non-distribution constraint (Servin et al., 2012a). The next section presents microfinance products and services.

2.4.5 Microfinance products and services

Both microfinance institutions and formal sector financial institutions provide similar products and services to their clients. However, they differ in the mode of delivery of such products and services. The poor and low-income individuals, like the rich, require and desire different financial products and services to live a happy and comfortable life, making use of products and services such as loans, pensions, insurance, payment services, money transfers and remittances (African Development Bank, 2006). The latest inclusions to the products and services offered by microfinance institutions include microsavings and microinsurance (Battilana and Dorado, 2010, Morduch, 2006). The dominant product of microfinance is microcredit, which can be seen as arrayed along a spectrum. At one end, loans are smaller and, relatively more costly to provide, and at the other end loans are larger, cheaper to administer (relative to loan size), and less burdensome for the client (Roodman and Qureshi, 2006).

Ledgerwood (1999) identifies four broad categories of products and services that may be provided to microfinance clients:

- i. 'Financial intermediation or the provision of financial products and services such as savings, credit, insurance, credit cards and payment services.
- ii. Social intermediation or the process of building human and social capital required by sustainable financial intermediation for the poor.

iii. Enterprise development: this includes non-financial services that assist micro entrepreneurs including business training, marketing and technology services, skills development and subsector analysis.

iv. Social services or non-financial services that focus on improving the wellbeing of micro-entrepreneurs including, health, nutrition, education and literacy training. It is important to note that the degree to which an MFI provides each of the categories of services identified depends greatly on the type of MFI and the approach adopted' (Ledgerwood 1999: 67-81).

Category A MFIs (NGOs) generally offer a far less diverse set of services than a bank is able to provide (Roubos, 2008). To widen the scale and scope of operations and maximise the outcome of the services provided to its clients and the wider community, it is essential for the MFI to employ an integrated financial systems approach to financial services provision. This ensures a wider impact through improved standards of living, health, wellbeing and, education and above all goes a long way to reduce poverty levels within communities. As NPOs and NGOs are limited in the level and diversity of services they can provide, working in partnership with for-profit/commercial MFIs (banks and non-bank MFIs), they are better placed to provide such services to achieve far-reaching poverty alleviation within communities. This study focuses on MFIs as business working in collaboration with NPOs to provide financial services to the poor.

The focus on commercial MFIs does not necessarily reflect the main objective of microfinance and does not suggest the inefficiency or failure of other classes of microfinance institutions (NGOs, credit unions and credit cooperatives). NGOs are essential and very effective in the direct provision of food, investment goods or infrastructure rebuilding, which are fundamental to addressing emergency needs following natural disasters, catastrophes etc. However, recapitalising MFIs under stress may provide an effective liquidity injection by acting as a sort of expansive monetary policy measure for the poor (Becchetti and Castriota, 2011). Frank et al., (2008), in their analysis of commercially transformed NGO's, argue that these organisations provide financial services to twice the number of women clients compared to non-transformed organisations. Microfinance institutions have shown a special ability to reach out to women in their goal to fight poverty through the provision

of financial services. The next section addresses the issues of client targeting faced by microfinance institutions.

2.4.6 Microfinance client targeting

This section looks at microfinance client targeting as a major influence in achieving a wide impact on poverty alleviation, focusing on gender lending. There are two main issues in client targeting: gender lending (lending to women versus lending to men), and poverty targeting (lending to the very poor – the poorest of the poor and the poor versus lending to the marginally poor and the non-poor). Ledgerwood (1999) comments that although typical MFI clients such as traders, street vendors, service providers and artisans are poor, they are not the poorest in society. Most of these activities are predominantly carried out by women.

2.4.6.1 Gender targeting

MFIs have claimed a special ability to reach out to women, who dominate the ranks of the most vulnerable, at the lowest ranks of the poverty pyramid. As a result, MFIs have targeted women as part of their commitment to reduce poverty and claimed benefits from doing so. Women are arguably more diligent than men at observing on-time repayment schedules. Studies have found that the spending behaviour and patterns of women tend to benefit the household more than men's spending (Ledgerwood, 1999). This finding, supported by Mayoux (2001), argues that women spend extra income on improving the health care, nutrition and sanitation of the household, which are aspects of human development. Statistical evidence suggests, women spend 3 per cent more than men on non-food expenditure and 1 per cent more than men on food for the same level of borrowing from a microfinance institution (Khandker, 2005). This evidence suggests that serving women can have a stronger impact on household living standards. Kevane and Wydick (2001) assert that targeting credit at female borrowers allows for a greater increase in household welfare, but that male entrepreneurs are more likely to aggressively expand enterprises when given access to credit.

The financial and social empowerment of women has been the driving force underlying the emphasis of microfinance institutions targeting women as clients for loans (Brau and Woller, 2004). Amin and Becker (1998) in their studies suggest that there is evidence to support the argument that women's empowerment is closely and positively linked to membership in a microfinance scheme. However, critics have challenged the capacity of microenterprise development programs through microfinance as a strategy to promote gender empowerment and argue that women see microenterprise as a space for self-definition and an outlet for expressing their oppressed identities (Ehlers and Main, 1998, Strier, 2010) .

Armendariz and Morduch (2010: 211-218) identify five reasons why women are the targets of finance from the microfinance institution's standpoint: women are more likely to work in the informal sector, are less likely to have credit alternatives, are more likely to be poor than men (UNDP, 1996), are less mobile than men and are more risk adverse. The lack of credit alternatives for women compared to those for men mean women lack adequate access to labour markets, will value self-employment opportunities even more and will have stronger incentives for diligence in repaying loans. Women create a reputation for reliability that makes it easier for the bank to secure debt repayments, making women more reliable bets for banks concerned with financial bottom lines.

Targeting women by MFIs not only reduces the risk of loan delinquency but also allows for far-reaching effects on the well-being of the women and their entire households, it has greater potential for transformative social change and consequently poverty alleviation. Given that women rank the most vulnerable and the lowest in the poverty pyramid and would proportionately spend more on the wellbeing of the entire family, focusing on women and their interactions with MFIs can ensure greater and wider transformative social change and poverty alleviation.

2.4.6.2 Very-poor versus marginally-poor targeting

The trade-off between financial sufficiency and depth of outreach has been one of the most controversial debates in the microfinance industry in recent years (Morduch, 2000). Many have argued that there exists a trade-off in practice. However, the extent

of that trade-off is an area that needs further research. Others have argued that for microfinance institutions to benefit from economies of scale and to lower long-term costs, these institutions turn to clients who are marginally poor or in some cases not considered poor (Morduch, 2000, Woller, 2002). However, Morduch (2005) argues that under certain conditions, sustainability and outreach are compatible. The marginally poor are those living just below the poverty line, and at some point fluctuate from marginally poor to non-poor, based on circumstances surrounding them. Wright and Dondo (2001) argue that it is important for microfinance institutions to include the non-poor in credit programs based on two reasons; first microfinance institutions providing loans to the non-poor is a profitable business and could cross subsidise outreach to the poor and, second the complexity of poverty and its various dimensions means that the vulnerable non-poor could fluctuate in and out of poverty especially in the event of a crisis. Wright and Dondo (2001) argue that MFIs should target the poor but should encourage and offer savings and other innovative products, since the poor have fewer opportunities to utilise credit efficiently, and the very poor and destitute should have relief services before they can use most financial products. Many have argued that the group lending approach or model of microcredit, which uses social rather than material collateral by some MFIs, is a successful approach of targeting both the very poor, the marginally poor and the non-poor within communities (Armendáriz de Aghion and Morduch, 2000, Schurmann and Johnston, 2009). Cull et al., (2009) argue that microfinance institutions moving ‘upmarket’ to target wealthier clients may reach a larger number of poor clients, including women through cross-subsidisation and economies of scale.

It is obvious from the review literature on microfinance that the concept and the industry have developed and changed significantly from the inception in the 1970s as a means of extending small loans to poor borrowers who could not post meaningful collateral. The services provided by microfinance institutions have been developed and have become more sophisticated, and the type and formation of the institutions/organisations providing microfinance services have changed from donor agencies and member institutions to for-profit and commercial institutions. ‘Upmarket’ and ‘cross-subsidisation’ are possible excuses or explanation for mission drift and mission diffusion. Innovation and the prospects of potential economic growth are reasons for the provision of ‘macrofinancial services’ (term used here to indicate

the opposite of microfinance in terms of the loan sizes and poverty levels of the individuals involved) instead of microfinancial services. Is there any difference in the provision of financial services by main-stream financial institutions and microfinance institutions? Main-stream financial institutions (specialised banks, deposit-taking institutions and finance companies – Category C MFIs) are providing similar, if not the same, financial services that microfinance institutions are providing to a similar market group. Do we need to re-define microfinance and the concept as a whole? Do we need a new theoretical framework to make sense and understand the provision of financial services for the poor and destitute? These questions and reflections are left for academics, practitioners and researchers in the field of microfinance to shed more light through continuous research and impact studies. To understand the rationale of client targeting by microfinance institutions, it is important to look at the characteristics, dimensions and various approaches to the study of poverty. The next section provides an overview of poverty and its characteristics.

2.5 Definition and characteristics of poverty

Poverty as a social problem has been a topic of discussion among states and international agencies for decades. States and policy makers have become concerned with welfare budgets and their impact on the general welfare and consumption of its citizens, poverty levels, employment and economic growth. International discussions on how to alleviate poverty and its various dimensions has been the goal of many development agencies, such as the United Nations, World Health Organization, World Bank and many others. There have been various calls by governments, businesses and development institutions and agencies to address the increasing complexity of poverty as a social problem.

Poverty has been defined and conceptualised differently by various institutions. The World Bank's definition of poverty focuses on a minimum level of income required by an individual to meet basic needs requirement, referred to as the poverty line (World Bank, 1999). This conceptualisation has been extensively used by different countries, especially developing countries. However this definition assumes that anyone above the minimum income level or minimum level of daily consumption is not poor. This

is unlikely as poverty is an individual condition and influenced by various specific dimensions.

This study adopts a social constructivist perspective and conceptualizes poverty from the perspective of the WEN and how they articulate their experiences of poverty and poverty alleviation from their everyday interactions with microfinance institutions and other members of their community. The articulation of poverty by WEN is discussed later in chapter five of the thesis.

The World Summit on Social Development in Copenhagen in, 1995 defined poverty as

‘ a condition characterised by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information’ (UN, 1995: Ch. 2, action 19).

Table 5: Characteristics of poverty adopted by the World Summit on Social Development, Copenhagen, 1995

	Characteristics of poverty
A	It depends not only on income but also on access to services
B	<p>It includes:</p> <ul style="list-style-type: none"> -Lack of income and productive resources to ensure sustainable livelihoods -Hunger and malnutrition -Ill health -Limited or lack of access to education and other basic services -Increased morbidity and mortality from illness -Homelessness and inadequate housing -Unsafe environments and social discrimination and exclusion

C	It is characterised by lack of participation in decision making and in civil, social and cultural life
D	<p>It occurs in all countries:</p> <ul style="list-style-type: none"> -As mass poverty in developing countries -Pockets of poverty amid wealth in developed countries -Loss of livelihoods as a result of economic recession -Sudden poverty as a result of disaster or conflict -Poverty of low wage workers -Destitution of people who fall outside family support systems, social institutions and safety nets.

Source: UN 1995

The characteristics of poverty as shown in Table 5 are broad, addressing different dimensions within different contexts (developed and developing countries). Table 5 indicates that the characteristics of poverty in a developed country context may vary significantly from those in a developing country context. According to the United Nations, poverty is fundamentally ‘a denial of choices and opportunities, a violation of human dignity’ (UN, 1995). The characteristics of poverty as highlighted by the United Nations are shown in Table 6.

Table 6: Characteristics of poverty by the United Nations

	Characteristics of poverty
1	Lack of basic capacity to participate effectively in society
2	Not having enough to feed and clothe a family
3	Not having a school or clinic to go to
4	Not having the land on which to grow one’s food or a job to earn one’s living, not having access to credit.

5	It is characterised by insecurity, powerlessness and exclusion of individuals, households and communities.
6	Susceptibility to violence, living on marginal or fragile environments with access to clean water or sanitation.

Source: UN 1995

Poverty is often closely associated with the wellbeing of individuals in society. Wellbeing is intrinsically multidimensional and can be viewed from the perspective of what a person can do (functioning) and of the freedom the person enjoys in respect to what they can do (capability), (Sen, 1976, Sen, 1999). The activities that people can do and consider valuable become a state of their wellbeing and include attributes such as being educated, being well nourished, having a good job, being healthy, being safe and being able to visit loved ones (Sen, 1999). This suggests that, a person's wellbeing in terms of functionings is not only related to goods, commodity and the level of income they command but also importantly on what the person is able to do or who that person can be with (Sen, 1999). People will achieve the functioning of being well nourished when the basic need for food as a commodity is met (Alkire and Deneulin, 2009). The functioning of people in terms of what they can do is often linked to attributes such as literacy and life expectancy and not just the level of income they command (Bourguignon and Chakravarty, 2003). Poverty alleviation in terms of capability development and achieved functionings is the subject of discussion in chapter six. Detailed discussion on functionings and capabilities and how they contribute to poverty alleviation is discussed in section 2.7.3.

Poverty is most often conceptualized by one-dimensional measures, such as income. However, no one indicator alone can capture the multiple aspects that constitute poverty. According to the Oxford Poverty and Human Development Initiative (OPHI), poverty is multidimensional and made up of several factors that constitute poor people's experiences of deprivation – such as poor health, lack of education, inadequate living standards, lack of income (as one of several factors considered), disempowerment, poor quality of work and threat of violence. The OPHI argues that income alone can miss a lot in the measure of multidimensional poverty and recommends a range of indicators to capture the multidimensional nature and complexity of poverty, which can be chosen according to the society and situation.

The OPHI advocates for non-monetary, non-financial, qualitative dimensions of deprivation, and this is important as the breadth, depth and population of individuals and households in poverty can be rightly determined for different societies and communities. The OPHI proposes a measure of the multidimensional nature of poverty using the multidimensional poverty index.

The Multidimensional Poverty Index (MPI) has three dimensions and uses ten indicators, which reflects some of the MDGs and international standards on poverty (Alkire and Santos, 2010a, Alkire et al., 2011). The multiple deprivations a poor person encounters in terms of education, health and living standards as emphasised by the Multidimensional Poverty Index incorporates dimensions other than income (Alkire and Santos, 2010a). The population of people who encounter multiple deprivations in a given segment of average indicators for people to be considered poor is referred to as the ‘incidence’ of poverty (Alkire and Santos, 2010b).

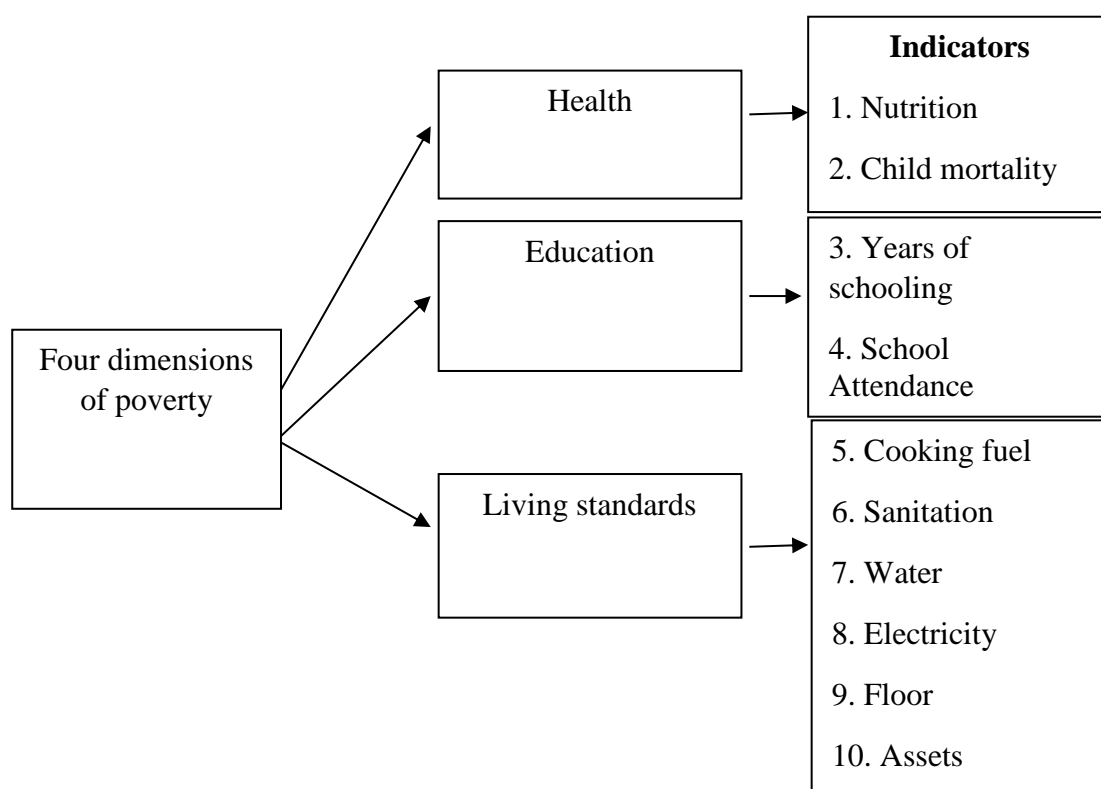


Figure 3: Composition of the Multidimensional Poverty Index: Dimensions and Indicators

Source: Oxford Poverty and Human Development Initiative

The OPHI proposes three dimensions of poverty (health, education and living standards) and ten indicators identified to the different dimensions. Social networks are a great potential for the poor to develop capabilities that enable them to move themselves out of poverty. However, the OPHI dimensions of poverty exclude social networks as a vital dimension of poverty.

Poverty definitions and conceptualisations most often consider and include one or two of the three approaches to poverty (income, needs and capabilities) and rarely all three. This often results in short to medium-term poverty alleviation, with individuals slipping in and out of poverty or being stationary at poverty levels. The next section presents different conceptualisations of poverty from various academic fields and how these conceptualisations guide an understanding of poverty and the various approaches to the study of poverty and poverty alleviation.

2.6 Conceptualisation of poverty

The concept of poverty has been studied and conceptualised differently within different literatures from basic needs to multidimensional deprivation, including other dimensions such as capabilities, entitlement and rights, and not just income. Within the development studies literature, poverty is conceptualised as an aggregate of different attainments of welfare indicators. An individual or individuals are considered poor whenever their aggregate wellbeing level falls below a given poverty threshold, known as the ‘poverty frontier approach’ (Duclos et al., 2006, Ravallion, 2011). Poverty could also be conceptualised in terms of attainment rather than deprivation, where an individual will be considered poor based on the level of attainment of poverty dimensions and indicators. This approach to the study of poverty is referred to as aggregation in attainment space (Ravallion, 2011). Assuming that the dimensions specific to poverty thresholds can be identified and determined, rather than predetermined attainment of indicators, individuals could be defined as poor based on the number of dimensions they are deprived of. This has been conceptualised as ‘aggregating in the deprivation space’ (Alkire and Foster, 2011). This conceptualisation suggests a needs approach to poverty and thus assumes providing for the basic needs of the poor results in a fall in the poverty threshold of the individual and relies on aggregate wellbeing levels. Relying on aggregate wellbeing levels, there

is the possibility of assuming dimensions with low levels of wellbeing masked by other dimensions with very high wellbeing levels considered less important to the poor within such communities.

Within development economics literature, the study of poverty is based on the poverty line and equivalent income. Equivalent income is calculated based on the needs of an adult and the needs of a child in terms of income and poverty, and becomes the lower tail of the distribution of income (Bucheli and Gustafsson, 1996). The poverty line is based on the monetary approach and calculated based on the food energy intake and modest allowance for non-food goods (Datt and Ravallion, 1992). The monetary approach measures wellbeing based on income and expenditure (Datt and Ravallion, 1992). This conceptualisation suggests an income approach to poverty; however, income and expenditure may not always present the true picture of those in poverty or the true level of poverty. Spending on non-food high value items does not necessarily presume non-poverty and may be based on preference rather than need.

The sociological study of poverty is conceptualised in terms of welfare and focuses on inequality in the economy in terms of politics, and the differentiation of society in terms of gender, race and class (O'Connor, 2000). Poverty is assumed to be the effect of broader policies that result in socio-economic inequalities. Within social anthropology literature (as referred in the United Kingdom) and cultural anthropology (as referred to in the United States), poverty is considered as a condition and position expressed in the form of social connections (Farmer, 2003). Poverty represents issues and challenges that must be addressed to ensure social stability and improve social relations in terms of quality rather than content (Green, 2006, Passaro, 1996).

Poverty for the purpose of this study is conceptualised from the perspective of the beneficiaries based on the capabilities they value and the functionings they aspire to achieve that enables them to live a happy life. This conceptualisation considers various aspects of the wellbeing of an individual, income and other resources as well as the capabilities of the individual. The various conceptualisations of poverty discussed in this section adopt one of three approaches to the study of poverty. The next section presents the three main approaches to the study of poverty, highlighting the approach adopted for the study.

2.7 Approaches to the study of poverty

There are different approaches to the study of poverty: the income approach, the basic needs approach and the capability approach. These different approaches view poverty from different perspectives (income, basic needs and capabilities) and assume addressing each of these perspectives is a solution to addressing the needs of the poor. However, having established in section 2.5 the multidimensional nature of poverty, addressing one of the dimensions on its own only addresses one aspect of poverty and for a short-term period. The dimensions of poverty are interlinked and influence the conditions of other dimensions. This section presents the different approaches, identifying the weaknesses of each approach and presents the approach adopted for the study.

2.7.1 Basic needs approach

The basic needs approach is an approach to social justice that gives priority to meeting people's basic needs to ensure that there are sufficient, appropriately distributed basic needs goods and services to sustain all human lives at a minimally decent level (Stewart, 2006). The basic needs approach is simple and identifies a bundle of minimum requirements of human wellbeing that include food, shelter, clothing, water, and sanitation that individuals in a community should have. Doyal and Gough (1984:10) consider basic needs to be 'goals that must be achieved if any individual is to achieve other goals'. These needs are generally considered a prerequisite for engagement in social life (Gough, 2000).

The basic needs approach to poverty has been used extensively. The major criticism is its irrational premise about human nature presupposing specific 'western cultural values' (Gough and Thomas, 1994) and its inadequacy to value other dimensions that are not quantifiable but essential for participation in social life.

2.7.2 The income approach

The income, or monetary approach as many prefer to call it, generally involves some statistical measures below which an individual is classed as poor. The income method determines whether people's incomes fall below the poverty line, the income level at which some specified basic needs can be satisfied (Alkire and Santos, 2014). The monetary approach determines and measures poverty levels based on the poverty line (Ravallion, 1998, World Bank, 1999), income and expenditure as a measure of wellbeing and real income (Bucheli and Gustafsson, 1996). The poverty line defines the minimum acceptable standard of living for the society and is calculated based on food requirements and bundle of commodities (Pernia and Quibria, 1999). The challenges of capturing the multidimensional nature of poverty using the monetary approach imply aggregate indexes are often used in terms of income and expenditure. The monetary approach has been heavily criticised for its weakness in determining the right population, breadth and depth of poverty in society.

Real income theory asserts income to sets of commodity bundles. Sen (1988) asserts that this theory is often used to assess the extent of economic inequality. However, real income theory can be a misleading guide to a person's actual freedom to lead one kind of life rather than another. Real income might be spent on nutritional wellbeing rather than commodity command. The concentration on incomes at the aggregate or individual levels ignore the influences that differentiate the real incomes of people and takes away the variations related to personal characteristics, as well as the social and physical environment (Sen, 1991). Sen (1985) argues that the standard of living lies in the living and not in the possession of commodities. Income and commodities as indicators are insufficient for evaluating the quality of life; consequently, the heterogeneity of human beings, the environmental diversity, variations in social context, and differences in relational perspectives all influence the quality of life of human beings (Sen, 1985).

The income approach has been criticised for its inability to capture how growth in such income is achieved, what consequences it has created and the inability to reflect the nature or quality of change (Deneulin and McGregor, 2010). Rather than using commodities and income as a measure of wellbeing, Sen (1988) proposes a measure of freedom in terms of functioning's and capabilities. The call to move from the

monetary to the capability approach is a view shared by some development agencies. In its 1990 report, the World Bank (1990) viewed poverty primarily in monetary terms. However, the 2001 report sees poverty as a multifaceted deprivation not only of income but also of the capabilities to achieve full human potential (World Bank, 2001). This suggests a move from income and basic needs to the capability approach to poverty.

2.7.3 The capability approach

The capability approach to the study of poverty and inequality was a result of academics and researchers fundamentally criticising the utilitarian view in economics that conceived poverty and inequality solely in terms of household command of income and commodities (Deneulin and McGregor, 2010).

The concept of ‘capabilities’ was introduced in the 1980s by Amartya Sen, an economist as a way of thinking about human wellbeing that was different from the income and commodities approach (Sen, 1988). The concept has been developed in the past decades into what has become known widely as the ‘capability approach’ in the literature. According to Robeyns (2011), the capability approach can be viewed as a conceptual framework, considered by other academics not as a theory of wellbeing but rather as a flexible and multi-purpose framework (Robeyns, 2005, Sen, 1992) and as a normative framework that can be used to measure, assess and evaluate individual wellbeing and social arrangements (Robeyns, 2006). The human capability approach is directly relevant to the wellbeing and freedom of people, and indirectly influences economic production and social change (Sen, 1997). Although the capability approach is not a theory of poverty, inequality or wellbeing, as a framework it provides an understanding of various dimensions of an individual’s or group’s wellbeing in terms of poverty and inequality (Gasper, 2007, Robeyns, 2006, Robeyns, 2011). It accommodates social, economic and political analysis, and holds that the wellbeing of a person ought to be assessed in the space of capabilities (Deneulin and McGregor, 2010). From the perspective of the capability approach, poverty is defined as ‘deprivation in the space of capabilities, or failure to achieve certain minimal or basic capabilities’ (Sen, 1993: 41).

Sen (1999) identifies three main concepts closely related to the capability approach; functionings, capabilities and agency. Functionings are ‘the various things a person may value doing or being’ (Sen, 1999: 75). Capability is;

‘a set of vectors of functionings, reflecting the person’s freedom to lead one type of life or another...to choose from possible livings’ (Sen, 1992: 40). In an alternative definition capabilities are ‘the substantive freedoms a person enjoys to lead the kind of life he or she has reason to value’ (Sen, 1999:87). Capability is thus closely related and linked to freedom. Sen defines freedom as ‘the real opportunity that we have to accomplish what we value’ (Sen, 1992: 31).

Capabilities are a person’s real freedoms or opportunities to achieve functionings, or better still, capability allows an individual to function (Robeyns, 2011). Sen (1987: 36) further suggests that,

‘functionings are in a sense more directly related to different aspects of living conditions...capabilities in contrast, are notions of freedom in the positive sense: what real opportunities you have regarding the life you may lead’.

Sen throughout his works has argued for five different components in assessing capability including: a) the importance of real freedoms in the assessment of a person’s advantage, b) individual differences in the ability to transform resources into valuable activities, c) the multi-variate nature of activities giving rise to happiness, d) a balance of materialistic and nonmaterialistic factors in evaluating human welfare and, e) the distribution of opportunities within society (Sen, 1976, Sen, 1985, Sen, 1991, Sen, 1999). Supporters of the capability approach have argued that Sen’s use of concepts and words to explain the capability approach makes it difficult to understand and it needs to be simplified for the framework to be operational.

Gasper (Gasper, 2007:341) in an attempt to simplify the concept of functionings as;

‘components of how a person lives -for example, one’s health status, or arguing about one’s rights. Together a set... of such functionings makes up a person’s life’.

Functionings as being and doing can be considered as the different activities and the various states of wellbeing that an individual person can undertake. Examples of being include being nourished, being housed, being educated, and of doing – include traveling, voting in elections, taking part in a debate etc. (Robeyns, 2011). Ansari et al, (2012) put it simply; functioning is an achievement, whereas a capability is the ability to achieve. Capability is a person's freedom or valuable opportunities to lead the kind of lives you want to lead (Robeyns 2005: 95). It refers to 'a person or group's freedom to promote or achieve valuable functionings' (Alkire 2002: 6). Opportunities in economics are sometimes expressed through the income and commodities that people can command. However, Gasper (2007) suggests in practice it can also be expressed in terms of capability.

The capability approach is helpful in understanding capability inputs and capability obstacles (Robeyns, 2010). Capability inputs are the means that are needed to realise certain capabilities such as material resources (money, or commodities), natural resources (air, water, fertile land) or relationship goods (social capital or family capital), and capability obstacles are aspects that need to be removed, eliminated or combated in order to help the corresponding capability to be realised, such as social norms that will prevent women from seeking employment (Conradie and Robeyns, 2013). Constraints to capabilities being achieved (historical, structural, cultural or personal) need to be assessed as they are inherent parts of the space in which capabilities can be realised (Robeyns, 2010). The capability approach has been widely adopted and applied in various fields: sociology, policy, gender studies and development studies. The capabilities of the poor can be viewed as the opportunities they have and how they maximise the opportunities based on what they can freely do; and functionings can be considered as the various aspects of how the poor live their life from their perspective. This is the focus of discussion in chapters five and six.

2.7.3.1 Application of the capability approach

The application of the capability approach to date has involved various adaptations to fit specific context. According to Robeyns (2006) the capability approach is a normative proposition and should be used to assess the extent to which people have

freedom to promote or achieve functionings within a social arrangement. This suggests that greater freedom occurs when people have less poverty.

The capability approach has been applied extensively in developing countries by the United Nations Development Programme (UNDP) in its assessment of human development, UNDP adopted the basic principles of the capability approach in its annual human development reports from 1990-2013. It has been used in poverty and wellbeing assessments in advanced economies (Anand et al., 2005, Anand and Van Hees, 2006, Burchi and De Muro, 2015, Vizard and Speed, 2015). The capability approach is used by the German government as the conceptual framework for the analysis of poverty and wealth in the country (Arndt and Volkert, 2011). In their study of the British household survey, Anand et al, (2005) found convincing evidence to suggest that capabilities do influence wellbeing and argued that personality does have an impact on wellbeing but may influence capabilities and not that capabilities are significantly related to wellbeing.

The capability approach has been used in assessing small-scale development projects (Alkire, 2002). Alkire (2002) applied the capability approach to the study of three different poverty alleviation projects in Pakistan. In her study, she found that, based on traditional cost benefit analysis, the female literacy project was not viable and was a typical example of projects that would be discontinued. Alkire concluded that although the project was not viable, it had a ‘fundamental and transformative impact on women’ (Alkire, 2002:256). Through active participation in the project, women experienced great satisfaction, gained knowledge and understanding and were able to resolve their own problems. This indicates the opportunity to study (capability) was enhanced and developed to achieve the necessary skills to be able to read and be literate (functioning) and they experienced great satisfaction (what they valued). The capability approach thus included and accommodated various dimensions experienced by the women that were hard to quantify using the traditional cost-benefit analysis.

The capability approach has been influential in policy discussions to shape policies. The report of the Commission on the Measurement of Economic Performance and social progress (also known as the ‘the Sarkozy Commission’) which was commissioned in 2008 by the French government to identify the problems people face in their understanding and measure economic development, recognised that what is

measured shapes the policy choices. The report promotes a move from the present 'production-oriented' system of measuring economic development to one focused on people's wellbeing both for the current and future generations i.e. towards broader measures of 'human progress' (Stiglitz et al., 2009). The report goes further and urges governments to allow people's capabilities to flourish and people live well at the heart of its policies so that they have a good life balance and are capable of integrating into their communities and have the necessities of life. It argues that what matters is for people's capabilities to flourish by building those capabilities and protecting the ability to flourish. The application of capabilities in policy discussions as a measure of wellbeing is an indication of the shift of focus on income alone as a measure of poverty and wellbeing to a more qualitative measure based on what an individual is capable of achieving to live a good life and be happy.

The capability approach is applied in this study as a framework for understanding poverty alleviation from the perspective of the beneficiaries, namely poor women entrepreneurs, and their experiences of interacting with microfinance institutions. The application of the capability approach in this study involves two stages: identifying the functionings or set of functionings, and identifying the capabilities that poor women entrepreneurs' value. The first step in the application of the capability framework involves the identification of the functionings. The functionings are context specific and based on previous studies, identified as the dimensions of poverty: health, education, standard of living and social networks with different indicators. The major challenge in the implementation of the capability approach is identifying the capabilities that the poor value. The capability approach argues for capabilities that individuals have reason to value which should be the object of concern, unlike functionings which could be predetermined based on context and other factors.

The challenge of identifying the capabilities of the women entrepreneurs becomes complicated with the different poverty levels – extreme poverty, intermediate poverty and non-poverty. Although the functionings, i.e. the dimensions of poverty, remain the same for each poverty region, the capabilities that the women entrepreneurs have reason to value become complicated and challenging for each region.

Aspirations are considered the most suitable means for identifying the capabilities that individuals value and have reason to value in order to live a good and happy life

(Appadurai, 2004, Conradie, 2013, Conradie and Robeyns, 2013). Conradie and Robeyns (2013), in their study on aspirations and human development interventions, posit that the challenges of identifying the capabilities that individuals have reason to value can be overcome by applying the concept of aspiration in the implementation of human development interventions. The Oxford Dictionary Online defines aspiration as ‘the hope or ambition of achieving something’. Aspiration is ‘the perceived importance or necessity of goals’ (Copestake and Camfield, 2010: 618). Aspiration could simply be a target one wishes to achieve (Bernard et al., 2008). Aspirations can be expressed individually or collectively; aspirations are dynamic and are constructed in the process of thinking about or formulating them (Conradie, 2013; Conradie and Robeyns, 2013). Appadurai (2004) argues that aspirations are always deeply context dependent and to a significant extent influenced by social surroundings, upbringing, cultural and social context as well as social networks. This thus means the aspirations of the women entrepreneurs, according to Appadurai’s (2004) assertion, should be influenced by the poverty region from which they are drawn, their social context, and their social networks.

According to Conradie and Robeyns (2013), aspirations are not only essential in recognising and selecting the capabilities that are valuable in development interventions, but are also paramount in unlocking the agency for those involved to make changes in their lives. They argue that the process of voicing and reflecting upon their aspirations is a process in which agents indicate precisely which capabilities are valuable and most relevant. Talking about and reflecting on their aspirations, especially in a group process, creates a supportive and encouraging atmosphere to unlock their latent agency to make changes in their lives. Conradie (2013) describes the process of unlocking agency, when a person is able to

‘use her aspirations in such a way that she is able to achieve the functionings she wishes to have, she has used her agency to realise the capabilities available to her in order to enable her to live the life she most deeply wants to live’ (Conradie, 2013: 194).

Aspirations are not flawless in addressing the challenges of capability selection. Aspirations are subject to adaptation in adverse circumstances, as well as being ‘overambitious’ (Conradie and Robeyns, 2013). Group discussions and awareness-

raising activities can help to adjust overambitious aspirations back to realistic ones (Conradie, 2013). The aspirations of the WEN are used to determine the capabilities that they value and have reason to, as discussed in section 6.3.

2.7.3.2 Advantages and potentials of the capability approach

There are various studies and reports that have highlighted the potentials and advantages of the capability approach in the study of poverty and wellbeing of the poor. The capability approach focuses more on people and less on goods, as well as on the multi-dimensional approach to wellbeing (Anand et al., 2005). This view is shared by Deneulin and McGregor (2010), who argue that previous approaches to the study of poverty and wellbeing have focused on the means of attaining better quality of life and in the process treating 'means' as output. The capability approach, they say, is a superior approach because it advocates for governments to prioritise people's quality of life in policy decisions.

Some scholars view the capability approach as the most appropriate to portray and analyse people's real life conditions (Burchi and De Muro, 2015). According to Alkire (2005: 117), the major insight of the capability approach is the confirmation that

'the objective of both justice and poverty reduction should be to expand the freedom that deprived people have to enjoy valuable doings and beings'.

Deneulin and McGregor (2010) sum up the difference between previous policy interventions and the capability approach as the latter's regard for human dignity and freedom.

Human diversity is a core characteristic of the capability approach and focuses on the multitude of activities and things a person can do (functionings) and the opportunities to function and achieve functionings as important assessment spaces (Robeyns, 2011). This includes a diversity of dimensions that accommodates different groups within social arrangements (Robeyns, 2011).

The resource-based approach bases its assessment solely on income and commodities as a mechanism of promoting, strengthening and supplementing people's wellbeing whereas, the capability approach focuses on what matters intrinsically to people's

wellbeing in terms of functionings and capabilities (Robeyns, 2003). There are several factors personal, social and environmental that may affect the ability of people to transform resources into valuable capabilities (Robeyns, 2003). The extent to which a person can convert a resource into an activity that they can do is also known as the ‘conversion factor’ (Robeyns, 2011).

The potential and advantages of the capability approach to poverty alleviation is observed by how the WEN express the value of the freedom and opportunities they have through their interactions with MFIs as discussed in section 6.4. Despite the potentials of the capability approach, it has come under criticisms. The next section presents the criticisms of the capability approach.

2.7.3.3 Criticisms of the capability approach

Despite the advantages of the capabilities approach to wellbeing, human progress and social change, there have been many criticisms about the capability approach. Evans (2008) argues that the capability approach claims human freedom as fundamental to its core principles. According to Deneulin and McGregor (2010), the capability approach is limited in its account of the social and political aspects of human wellbeing. They argue that the approach stresses that people ‘live well’, and does not necessarily take account of people living well in relation to others in society. In their argument, Deneulin and McGregor (2010) proposed an expansion of the social condition of the capability approach to ‘living well together’, where people can live well in association with others in society. The term ‘living well together’ was first introduced by Paul Ricoeur (1992) and aims at incorporating the social reality that co-exists between people and social projects. In his critique, Carter (2014) argued that the capability approach is value-laden, and the true worth of the phenomenon is by treating its extrinsic value as if it were intrinsic value. To substantiate his argument, Carter provides three interpretations of the capability approach: functionings and capabilities are jointly necessary conditions for a life of quality, functionings and capabilities are disjunctively necessary conditions for a life of quality, and the quality of life produces the capability to achieve valuable functionings.

The capability approach has been criticised for its individualistic approach to freedom. People live together and by so doing create ‘social irreducibly social goods’ that sustain life (Taylor, 1995). Deneurin and McGregor (2010) support Taylor’s view and argue that the application of the capability approach in evaluating human wellbeing should accommodate the fact that people live together in social environments. Deneurin and McGregor go further to state that individual freedom is used as a yardstick for social arrangements, although in reality individuals live in a society with others, and thus freedom should be considered in relation to others in society. Nussbaum (1998: 175), in an attempt to address this weakness through her version ‘capabilities approach’, argues that

‘the freedom that people have must be respected and consideration given to ‘capabilities that people have reason to choose and value’.

The capability approach focuses on the ends rather than on the means (Sen 1992: 26-28). Capability researchers have argued that there are several advantages of starting the analysis of human wellbeing from ends rather than means. Starting from ends allows the evaluation to focus on means that promote, and develop specific outcomes or sets of capabilities capturing individual differences (Robeyns, 2011). Starting from outcomes, Robeyns argues does not assume that there only exists one supreme means of achieving specific ends.

The capability approach lacks an explicit time dimension and critics argue that it restricts the capability approach to a basic set of capabilities. Basic capabilities are described by Sen (1992) as;

‘the ability to satisfy certain elementary and crucially important functionings up to certain level’ (Sen, 1992: 45).

The freedom a person has to be involved, to actively carry out activities essential for survival and to not be considered poor within their community is referred to as basic capabilities (Robeyns, 2011).

Gasper (2007) in his study argues that the capability approach is not restricted to basic capabilities alone, but seeks to evaluate opportunities in terms of ‘agency freedom’ rather than ‘own wellbeing freedom’. Wellbeing freedom is

‘a person’s attainable life alternatives, which can be valued in terms of those features in her own life which she values or disvalues’ (Gasper, 2007:354).

Unlike wellbeing freedom, agency freedom is considered as

‘the features attainable by the person, described in terms of those features of existence (her own or anyone, or anything else’s) which she (dis)values or goal capacity’ (Gasper, 2007:354).

Wellbeing freedom and agency freedom could be described as sustainable short-term freedoms and sustainable long-term freedoms. According to Pogge (2002), agency freedom is the rationale behind the MDGs which advocated for the promotion of human ends rather than personal or particular ends.

Individuals vary in the way they convert opportunities and resources into functionings, referred to in the capability literature as the conversion factor. This means it is difficult to set a time dimension to the capability approach to poverty. This variation in the conversion of opportunities does not necessarily restrict the approach to a basic set of capabilities. The next section presents the capability approach and how the study attempts to address some of the shortcomings of the capability approach discussed above.

2.7.3.4 The capability approach in context and its application

The capability approach is applied in the study in a narrow sense, primarily in identifying capabilities and functionings as the primarily informational space for poverty assessment and evaluation of women entrepreneurs in the context of a developing country – Cameroon.

The capability framework for poverty analysis is used in this study as a normative lens for assessing the various dimensions (set of functionings) and opportunities, as well as freedoms (capabilities) that poor women entrepreneurs aspire to achieve and have reason to. The precise dimensionality (set of functionings) has been selected based on existing studies on poverty for Cameroon. Table 7 presents dimensions and indicators as a set of functionings employed in the study to analyse and evaluate the experiences

of poverty alleviation from the perspective of the women entrepreneurs through their interaction with microfinance institutions. Applying Gasper's (2007) definition of functionings as 'components of how a person lives', e.g., one's health status and the beings and doings and activities that a person can undertake, this study looked at the dimensions and deprivations of individuals that make them poor, and identified the doings and activities that the poor are involved in to make them happy and have the feeling of achievement and satisfaction. These doings, beings and activities are grouped into the different dimensions of poverty, and make up a set of functionings for the purpose of the study, as presented in Table 7. These functionings are important as they are outcomes of valuable opportunities (capabilities) and capability inputs (resources).

Table 7: Lists of functionings

Functioning category	Set of functionings
Health	Be healthy Afford good and quality nutrition Lower child and maternal mortality
Education	Be educated Be literate Afford education for children
Living standard	Be able to live in a comfortable house Have access to clean water Have access to electricity Good sanitation Have access to cooking fuel Have access to assets that are a command of the local community

Social network	Take part in community activities Have a political voice Be part of community associations
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The study focuses not only on the outcomes or achievements (functionings) of the women from their interactions but also on the opportunities (capabilities) that the women entrepreneurs have to enhance their achievements in terms of both wellbeing freedom and agency freedom. Capability scholars have debated the question of whether the appropriate wellbeing metric should be capabilities or functionings that is opportunities or achievements. Economic wellbeing is enhanced when people have greater freedom to do what they value and have the capacity to realise the potential of such activity (Ansari et al., 2012). This thus means that for poverty alleviation to make a significant and sustainable improvement of the wellbeing of the poor, intervention programs should focus not only on the achievements of a set of dimensions by the poor, but also on the opportunities and possibilities to expand and develop such opportunities to realise what they can achieve. This study aims to identify the capabilities of the women entrepreneurs that enable them to achieve higher functionings, and how such capabilities are enhanced and developed through their interactions with the partners in MFI partnerships.

The capability approach has been criticised for its individualist nature, failing to pay attention to groups and structures. NPOs are able to identify and enable individuals in groups to develop social structures and develop capabilities. Borrowing from the social capital literature, academics have argued that, capability exchange and recombination within a community can be nurtured through social capital (Coleman, 1988, Adler and Kwon, 2002, Nahapiet and Ghoshal, 1998). The coordination and cooperation of a system of relationships for the benefit of the whole community through the use of resources is that community's social capital (Adler and Kwon, 2002, Portes, 1998). Ansari et al., (2012) agree that social capital is a means of enhancing capability development. They argue that within business settings, the interactive process of learning and transfer enables the conveyance of capabilities both at the individual and community levels. Austin et al., (2007) argue that for capability building through

knowledge transmission to be enhanced, ventures such as those featured in their study of BoP, need to create significant social capital.

This study strives to identify opportunities and possibilities created for women entrepreneurs through their interactions with microfinance institutions that generate social capital in the form of group and individual networks, trust and solidarity, information and communications technology, economic performance, social cohesion, empowerment, community and political action, etc., which enhance capability development and expand the achievement of different dimensions of functionings. Social capital acts as a supportive and encouraging environment for the women entrepreneurs to voice and express their aspirations individually or collectively, which helps to identify the capabilities they value and unlock the agency to make changes in their lives. Through the life stories of the women entrepreneurs, their aspirations are used to identify the capabilities that they value and have reason to, and to identify how such capabilities have been enhanced and developed to achieve greater functionings. The social network of the WEN and the partner organisations present opportunities for the women to develop capabilities that enables them to achieve higher functionings and to live well in relation to other group members and the wider community.

Burchi and De Muro (2015) argue that by focusing intervention programs on achieving functionings, as well as identifying opportunities and the possibilities of expanding and developing capabilities to achieve higher functionings, the poor are not simply recognised as beneficiaries of interventions but as agents and partners of change, expanding their agency through empowerment. Partnerships thus present the opportunity and possibility for a relational approach to interactions involving beneficiaries as individuals or groups to develop social structures and develop capabilities.

By focusing on the potential opportunities presented to the women through their interactions with MFIs and the achieved functionings, the capability approach as applied in this study focuses on the ends and also on the means and how the means can be enhanced to ensure greater transformative social change.

2.7.3.5 Operationalising Sen's capability approach.

The capability approach developed by Amartya Sen (Sen and McMurrin, 1980, Sen, 1984, Sen, 1993, Sen, 1999) argues for freedom of choice in the personal, the social, the economic and the political spheres. According to Sen's (1999) capability approach, functionings are the various things a person values doing or being, such as being adequately nourished, being healthy and being able to take part in the life of a community, and a person's capability refers to the alternative combinations of functionings that are feasible for him or her to achieve. The functionings here refer to the outcome of the partnership in terms of the benefits to the women. Capabilities are the freedom component that is, the ability to achieve (Sen, 1987a). The capability set from Sen's (1977) perspective is the substantive freedom to lead the life the individual values, and the capability set should be left to that individual to choose. The capability approach is applied in this thesis as an evaluative framework to assess individual well-being and transformational social change experienced by the women through their interaction with the MFI in the partnerships being investigated.

The partnership processes present opportunities where alternative combinations of potential functionings can be exploited. However, this will only result in the enhancement of capabilities if the beneficiaries are giving the opportunity to take up and exploit such potentials. When beneficiaries are given the voice and the opportunity to actively participate in the partnership processes, they benefit from freedom of choice in the different spheres and take advantage of the combinations of functionings that are feasible to them.

From a process view perspective, the events of the processes of MFI-WEN partnership formation and implementation as discussed in chapter five converts experiences into bases for further action that constitute transformation in the level of functionings based on an understanding of reality. The transformation from the events and actions of the WEN depends on the freedom of choice in the personal, economic, social and political spheres from opportunities made available through partnership structures. The transformational change is determined by the quality and well-being change experienced by the women. A person's quality of life is evaluated and expressed in relation to her capability to achieve valuable functionings (Sen, 1985, Sen, 1993, Nussbaum, 1992).

To have the prospect of attaining a certain level of functioning is one thing, to have the capability of attaining those functionings is quite another. Sen (1993) refers to this as ‘realizable’ and ‘realised’ functionings. To assess the realised or achieved functionings of the women as a result of their involvement and interaction with microfinance, it is important to ascertain the alternative combinations of functionings (capabilities) that are feasible for the women to achieve.

2.7.3.6 Alternative combinations of functioning feasible for women.

According to Crocker (2008), capability as the freedom to achieve various life styles or as alternative combinations of functioning, is intrinsically and instrumentally valuable to human life both as positive freedom and worthwhile options. Crocker further argues that the activity of choosing capabilities may itself be a valuable part of living.

As actual opportunities or substantive freedoms of the women, the capabilities reveal what the women, given their personal traits and (social and natural) environment are free to do and be, in other words, it reveals their achieved functionings. The actual opportunities and freedom are determined from the aspirations of the women and ranked in a pyramid presenting the most valuable alternative combinations at the bottom of the pyramid.

The first step involves identifying the capabilities that the women value and how these capabilities are developed through their participation in the partnership process. Academics have argued for a general list of capabilities. However, Sen (1993, 1997) argues that a distinct list of capabilities should be determined through policy or research and that individuals should determine the capabilities they consider valuable.

The term ‘aspiration’ evokes the idea of a person’s life dreams and how one could have a ‘good life’ with the resources of health, material benefits, creativity and agency one has available (Conradie, 2013, Conradie and Robeyns, 2013). Thus valued capabilities can be determined in terms of the individual’s aspirations to have a good life. Appadurai (2004) argues that aspirations are deeply content specific and to a significant extent are influenced by our social surroundings, our upbringing, the

cultural and social context in which we move, and the social networks in which we are embedded.

Aspirations and dreams voiced individually or in group agendas are identified as capabilities the women value and have reason to. These aspirations are presented in a pyramid, based on the priority and importance of the capability and the value placed on it as presented in section 6.2 of the thesis.

2.8 Social change through access to financial services

The main objective of any poverty alleviation program is to achieve transformative social change that allows beneficiaries to live a happy life. Social change is defined as

‘a change in the institutional structure of a social system, more particularly, a transformation of the core institutional order of a society’ (Lockwood 1964: 244).

Hawley (1978: 878) defines social change as ‘any non-recurrent alteration of a social system considered as a whole’. He further clarifies his definition by substantiating non-recurrent events to

‘exclude rhythmic events such as the waking-eating-sleeping round of the diurnal cycle, daily trips to and from work or school, the annual cycle of holiday festivities, the succession of generations, and other such pulsations’.

Sztompka (1993: 4) looks at social change from a different perspective and conceive social change as

‘the change occurring within or embracing the social system, more precisely, it is the difference between various states of the same system succeeding each other in time’.

According to Midgley (2014) social change is widely regarded as a process involving steady improvements in social conditions.

Social change brings about an integrated, balanced and unified socio economic development of society and gives expression to the values of human dignity, equality

and justice (Omer, 1979). It brings about an improvement in the quality of life of people and a more equitable distribution of resources, and leads to special measures that enable marginal groups and communities to move into the mainstream in society (Pandey, 1981). Social change is conceptualised differently by various disciplines based on the level of analysis. At the macro level, historians most often refer to civilisation and social evolution; for sociology, it is evolutionary development and social welfare development; for social policy, it is social welfare development. At the micro level, social change is generally conceptualised in terms of poverty and various deprivations of human needs, with terms such as social development, human development, and poverty alleviation used to describe social change.

The concept of social development was first laid down by expatriate social workers in British colonial territories by introducing community-based projects that combined economic and social activities, and emphasised participation in development (Midgley, 2014). Paiva (1977: 323) defines social development as

‘the development of the capacity of people to work continuously for their own and society’s welfare’.

This definition looks at social development as a form of capability building to enhance the individual’s skills for their benefit and that of the society. As such, gaining new skills and capability is considered as positive social change that leads to social development, which over time becomes transformative. Another academic definition has considered social development as

‘a process that brings about an integrated, balanced and unified social economic development of society and one that gives expression to the values of human dignity, equality and social justice’ (Omer, 1979: 15).

Yet another has considered social development as

‘a process that results in the improvement of the quality of life of people... a more equitable distribution of resources... and special measures that will enable marginal groups and communities to move into the mainstream’ (Pandey, 1981: 33).

Pandey’s (1981) definition looks at the subjective aspects of people’s life within their communities, and especially the marginalised groups and communities. The UN’s

view on social development advocates for the enhancement of people's welfare, social cohesion and social justice, considering all three as integral components of development (UNRISD, 2003).

From a practitioner's perspective social development is defined as

‘planned and directed change that enables people to achieve greater happiness, satisfaction and a peaceful life’ (Aspalter and Singh, 2008:2).

Social development can be broadly understood as processes of change that lead to improvements in human wellbeing, social relations and social institutions, that are equitable, sustainable and compatible with principles of democratic governance and social justice (UNRISD, 2011:1). Midgley and Conley (2010) argue that social development should give priority to interventions that are investment-oriented and consonant with wider development goals. In a more recent definition, social development is defined as

‘a process of planned social change, designed to promote the wellbeing of the population as a whole within the context of a dynamic multifaceted development process’ (Midgley, 2014:13).

The multifaceted development process highlights the variable dimensions of social change, and its integrated nature involving economic, social, political, cultural, environmental, gender and other dimensions that are key to social development and social change. Social wellbeing is defined as

‘a state or condition that characterises individuals, families, communities and even whole societies that have effectively managed social problems, met social needs and created opportunities for people to maximise their potential’ (Midgley, 1995: 49).

UNDP's definition of social development reflects a preference for interventions that focus on individual households, which the organisation points out can make rational decisions to enhance their own wellbeing (UNDP, 1990). UNDP prefers to use ‘human development’ as synonym for social development and emphasises the point of human choice to its preference for human development in place of social development (UNDP, 1990). Human development

‘concerns more than the formation of human capabilities... it also concerns the use of these capabilities, be it for work, leisure, or political or cultural activities’ (UNDP 1990: 1). It is ‘a process of enlarging people’s choices... these choices can be infinite and change over time. But... the three essential ones are for people to lead a long and healthy life, to acquire knowledge and to have access to resources needed for a decent standard of living’ (UNDP 1990: 10).

This definition emphasises the need for continuous improvement and enhancement of people’s choices and capabilities within their communities to ensure change is sustainable for the long- term.

Human development as an approach is about promoting the affluent qualities of human life as oppose to promoting the wealth of the economy, which constitute only a part of community in which human beings live (Sen, 1998). This view of change through social development and human development suggests a micro-view, from an individual perspective, and presupposes that individual richness drives economic richness at the macro level.

Social change, social development and human development are concepts used in the literature to refer to the difference or transformation in social structures, including rules, beliefs, ideologies, values, opportunities and capabilities (including economic, social, political or environmental). The concept of preference depends on the level of analysis of the change intervention. Where focus and emphasis are at the micro level (individual) social change is often used. However, some organisations prefer social development and human development, where more focus is on economic, political and environment at macro level (national) social welfare as a form of implementing social change. However, these concepts are often used interchangeably to refer to the difference or transformation in social structures within a social system.

In providing access to financial services to the poor and disenfranchised, microfinance institutions offer this group of individuals the opportunity to participate in market opportunities through entrepreneurial practices. Through access to financial services, social structures including rules and beliefs are transformed providing opportunities and capabilities both to individuals and communities excluded from financial services by formal financial institutions. In providing access to financial services, microfinance

institutions hope that these individuals will be involved in entrepreneurial activities to bring themselves out of poverty, and gain increased income levels from the business activities. The next section presents entrepreneurship as social change, with a focus on how entrepreneurial activities ensure transformative social change in the lives of the poor and disenfranchised.

2.9 Entrepreneurship as social change

Financial inclusion by microfinance institutions as a means to address poverty and its multidimensions is based on the premise that, small loans and credit extended to the poor to start up and grow microbusinesses through entrepreneurial activities will enable the poor to develop capabilities and achieve functionings that ensure transformative change. This section looks at entrepreneurial practices by the poor and how these activities enable transformative change. It presents challenges and constraints to entrepreneurial participation faced by women in developing countries.

2.9.1 Entrepreneurship definition and concept

Entrepreneurship, as an emerging discipline has matured in recent years. However, there has been no precise agreement among academics on what constitutes entrepreneurship (Rauch et al., 2009). Academics have defined entrepreneurship differently with conceptualisations based on activities that constitute entrepreneurship. In his definition, Davidsson frames the activities required for entrepreneurship to be engaged as follows:

- ‘(1) entrepreneurship is starting and running one’s own firm;
- (2) entrepreneurship is the creation of new organisations; and
- (3) entrepreneurship is . . . the creation of new-to-the market economic activity’ (Davidsson, 2005: 14).

Davidsson’s (2005) definition presents the characteristics of entrepreneurship or entrepreneurial activity.

From Shane and Venkataraman's (2000: 218) perspective, entrepreneurship is conceptualised as;

‘sources of opportunities; the process of discovery, evaluation, and exploitation of opportunities; and the set of individuals who discover, evaluate, and exploit opportunities’.

Hitt et al. (2001) agree with Shane and Venkataraman's (2000) view of entrepreneurship. However, they extend it to include ‘the identification and exploitation of previously unexploited opportunities’ (Hitt et al., 2001: 480). Ireland et al. (2001), in agreement with Shane and Venkataraman, expand the definition to focus primarily on wealth creation as an outcome of entrepreneurship. They define entrepreneurship as a

‘context-specific social process through which individuals and teams create wealth by bringing together unique packages of resources to exploit market-place opportunities’ (Ireland et al., 2001: 51).

This study adopts the definition of entrepreneurship presented by Ireland et al. (2001) as a context-specific social process, conceptualising entrepreneurship in the context of a developing country as a social process through which poor women, through their interaction with microfinance organisations with access to microloans, create wealth by bringing together unique packages of resources to exploit market-place opportunities and consequently reduce and alleviate poverty as a result.

To generate wealth through entrepreneurship first, value has to be created (Hitt et al., 2011). Entrepreneurship is a socio-economic process (Jack et al., 2008, Steyaert and Katz, 2004) where social value is created in multiple forms at different centres and on different levels, from individual self-realisation over community development to broad societal impact (Korsgaard and Anderson, 2011). This argument is shared by Downing (2005), who asserts that entrepreneurship, like the rest of social life, is a ‘collaborative social achievement’ where the social plays a role in the entire entrepreneurial process. Entrepreneurship thus leads to the development and enhancement of social capital by enhancing capabilities that generate wealth for individuals and the potential to improve the standard of living of poor entrepreneurs. The different definitions and conceptualisations of entrepreneurship presented above are focused on high-growth and high wealth-creation businesses in either established or new start-ups in mature

markets. Entrepreneurship for the purpose of this study is viewed from a developing country context as discussed in the next section.

2.9.2 Entrepreneurship in the developing country context

Researchers have argued that economic behaviour can best be described within its context (Low and MacMillan, 1988). Context can be viewed from various perspectives; 'social' (Granovetter, 1985), 'spatial' (Steyaert and Katz, 2004), and 'societal context' (Weber, 1984). In Baumol's (1996) view, context has a significant influence on the rules of entrepreneurship. Context can provide opportunities for people to become entrepreneurs, while at the same time limit the parameters within which they can operate (Welter, 2011). Entrepreneurship can be studied from two different perspectives of context: the 'omnibus' and 'discrete' (Johns, 2006, Welter, 2011). Whetten defines omnibus context from a broader perspective and focuses on 'who', 'what', 'when', 'where', and 'why' (Whetten, 1989, Whetten, 2009). The discrete perspective of context embodies specific environmental fluctuations (Johns, 2006). According to Griffin (2007), context serves a dual purpose, both as a 'lens' from an omnibus perspective and as a 'variable' from a discrete perspective. This thesis adopts the view of entrepreneurship from an omnibus context, where entrepreneurship is viewed in the context of a developing country as a means through which poor women through the interaction and access to microfinance, enhance and develop their capabilities to improve their standard of living and quality of life, and consequently move out of poverty.

Academics argue that improvement in the wellbeing of people in deprived communities can be achieved through opportunities offered by entrepreneurship and market-based mechanisms (Bruton et al., 2013). Prahalad's (2005) article articulates the point that doing business with the poor is profitable and businesses could meet the needs of the poor while generating profits on their investments from such processes. Prahalad's article has steered a huge debate among academics on the nature of business practices involving the poor. Bruton et al. (2013) adopt a different view and call for business practices that provide entrepreneurial opportunities for the poor to engage in activities that enable them to move out of poverty and not practices that allow

developed economies to take advantage of the poor as investment targets. Entrepreneurship practice in markets involving the poor is different from that of mature, well-established markets and economies.

Entrepreneurial activities are distinguished based on the scope and level of investments such as growth-orientated enterprises with higher levels of sustainability and growth, or efficient and sustainable small and medium-sized enterprises (SMEs) with limited growth prospects (Lingelbach et al., 2005). Opportunity recognition, availability of financial resources, traineeship and human resources management are fundamental areas that distinguish entrepreneurial practices in mature economies from practices embedded in inefficient markets in developing countries (Lingelbach et al., 2005). Entrepreneurship has a significant positive influence on economic growth, innovation and drives competition in markets. Where it proliferates, entrepreneurship could result in poverty reduction (Landes, 1999).

A great number of entrepreneurial activities carried out by the poor in developing countries are predominantly microbusinesses funded by loans from microfinance institutions. Microenterprises or small businesses (d'Amboise and Muldowney, 1988), and administrative entrepreneurs (Webster, 1977) include retail and wholesale merchants whose operations are limited in scope with respect to sales, geographical outreach and potential profit.

Microenterprise refers to small businesses owned and operated by poor people or groups, or poor people with supporting organisations; they may be owned and operated by individuals and often their family members are also involved (Midgley, 2008). Microenterprises have been considered the bed rock of most developing economies, because they deliver outstanding contributions to technological developments and economic growth in form of job creation, exports and economic output (Rosengard, 2004). Chen (2002) argues that a dynamic microenterprise sector is vital for economic growth as well as essential as a base for a market economy that allows for greater equality of income and wealth. This social equality is achieved through improvements in economic opportunities and vertical social mobility. Chen's assertion of the impact of microenterprises on economic growth is highly contested by academics. Microbusinesses launched by microloans by definition are too small to realise the economies of scale that only larger enterprises can achieve; microbusinesses

overwhelmingly are more replicative than innovative and are less likely to produce significant sustained economic growth (Baumol et al., 2007).

Women comprise a vast majority of micro-entrepreneurs, and with limited growth capacity and participation, their effect on poverty reduction and eradication is limited (Midgley, 2008). Where lenders to microbusinesses continue to be subsidised by governments and NPOs, these microbusinesses are unlikely to produce significant change in sustainable economic growth and development. (Baumol et al., 2007). Developing countries thus face a challenge on how to encourage larger and more established institutions including MFIs to move beyond the micro stages of lending and business formation to innovative enterprises with economies of scale that ultimately drive improvements in living standards (Baumol et al., 2007).

There is a strong view that long-established SMEs and growth-orientated enterprises involving more individuals with greater potential and capacity to create jobs and economic growth have a greater impact on poverty alleviation. Karnani (2007) argues that rather than lending \$200 to 500 women so that each can buy a sewing machine and set up a microenterprise manufacturing garments, it might be much better to lend \$100,000 to an entrepreneur with managerial capabilities and business acumen and help her or him to set up a garment manufacturing business employing 500 people, where the business can exploit economies of scale, deploy specialised assets, and use modern business processes to generate value for both its owners and employees. However, compared to their counterparts in more developed markets, entrepreneurs in developing countries face several challenges that hinder them from achieving greater economic growth and poverty alleviation (Lingelbach et al., 2005). Lingelbach et al. identify some of the major challenges faced by entrepreneurs in developing countries: 1) they have inadequate access to capital and fragmented retail and distribution, and 2) they operate in unstable and less mature markets and consequently the opportunities in emerging markets are pervasive.

Although the above arguments against microbusinesses by women entrepreneurs are valid however, the socio-economic environment in developing countries means that these practices and microbusinesses will continue to proliferate. It is important to move the debate forward by looking at how to lift barriers and constraints faced by these

entrepreneurs in their effort to participate in entrepreneurial activities rather than focus on the nature and scope of the activities.

Research suggests that businesses owned by women are a remarkable source of innovation, employment and wealth creation (Brush et al., 2006), accounting for a rapid proliferation of entrepreneurial communities in the world (Brush et al., 2009). There have been various frameworks for the study of entrepreneurship. Bates et al. (2007) set out a framework based on the '3Ms' of 'Market', 'Money', and 'Management' as mechanisms to guide start-ups and develop the growth of new businesses. In 2009, Brush et al., extended the '3Ms' framework of entrepreneurship to the study of women entrepreneurship by adding the concepts of 'Motherhood' and 'Meso/macro environment' to develop the '5M' framework (Brush et al., 2009).

The concept of motherhood is an analogy that represents the influence of domestic responsibilities on entrepreneurial activities (Jennings and McDougald, 2007). This suggests that domestic roles and responsibilities are significant and account for socio-economic differences between men and women and can consequently help explain the processes through which such economic and social differences can be addressed. Economic and social differences result in inequality and various dimensions of poverty. Addressing such differences is vital in the fight against poverty and poverty alleviation. Aldrich and Cliff (2003) argue that understanding the characteristics of domestic roles and their connections is an important aspect in the study of women's entrepreneurship, demonstrating how alterations and changes in such connections allow for opportunity recognition and access to resources to start and develop new businesses. According to Dopfer et al. (2004) and Pitelis (2009), the fifth component of the 5M framework- the meso environment includes 'regional support policies' and 'service and initiatives', while the macro includes; 'national policies', 'strategies' and 'culture and economic influences'. The macro environment, which has 'women exclusive constraints' (Kantor, 2002), or 'perceived constraints' (Rindova et al., 2009), is external, where women entrepreneurs have little or no influence and restricted ability of adapting it. Entrepreneurship, and specifically women entrepreneurial activities, thus has great potential to bring about transformative change through poverty alleviation and better quality of life for poor women.

Although entrepreneurial activities by women have great potential to bring about transformative change, women in developing countries face several challenges to participate in entrepreneurial activities, what Kantor (2002) refers to as ‘women exclusive constraints’. The next section presents some of the constraints faced by women in developing countries.

2.9.3 Constraints to entrepreneurship participation.

The socio-economic environment in which entrepreneurs operate is an important dimension of the type of activities, the opportunities and the level of participation. The environment creates the social needs and thereby social opportunities that entrepreneurs can pursue (Santos, 2012). Government activities and quality of infrastructure (Partzsch and Ziegler, 2011, Santos, 2012), cultural beliefs and preferences (Montgomery et al., 2012) are all variables that influence the involvement and participation in entrepreneurial activities by the poor within their environment. Individuals as social entrepreneurs thus face cultural barriers and institutional voids (Mair and Marti, 2009). Cameroon, like any other developing country, is faced with such socio-economic environments that restrict and constrain the involvement and practice of women in entrepreneurial activities.

The socio-economic environment in developing countries including Cameroon places restrictions on opportunities and participation in entrepreneurial activities by the poor particularly poor women. In many developing countries, women face constraints due to sexuality and sexual violence that limit access to markets in many cultures (Mayoux, 2006). Furthermore, gender differences in opportunity identification and participation are often linked to differences in variables including education (Singh and Belwal, 2008, Jamali, 2009). Gender differences are linked to less human capital to bring to self-employment which negatively affects women in their opportunity identification and exploitation potential (Jamali, 2009).

Cameroon’s economic development is driven mainly by the primary sector of agriculture, livestock and fisheries (African Development Bank, 2008). In the early 1980s, economic circumstances led Cameroon into an economic crisis, mainly as a result of unsuitable macroeconomic policies (African Development Bank, 2008). In

1994, the increase in external debt and the budgetary deficit prompted the government of Cameroon to withdraw from economic activities and a conducive environment was created that favoured the emergence of the private sector (African Development Bank, 2008). Cameroon is considered among the most advanced low-income countries in Africa. Although Cameroon has experienced an improvement in growth, this has not been translated into improved living standards and conditions for the mass population. The country still experiences widespread poverty, a deterioration of the educational and health systems, and governance weaknesses (African Development Bank, 2008).

The Global Gender Gap Report shows that in Cameroon, the ability for a female to become an entrepreneur is 5 per cent, the rate of firms with female top managers is 10 per cent and the rate of firms with female participation ownership is 16 per cent, while these rates are respectively 95 per cent, 90 per cent and 84 per cent for male entrepreneurs (Schwab et al., 2013). Women in Cameroon tend to have weaker social capital that can be transformed into viable assets that can be used to foster entrepreneurship (Epo, 2002). In some communities local leaders and male family members enforce customary laws that only give women rights of access through their husbands or fathers' lineage (Mayoux, 2001). Furthermore, where ownership of land is inherited by widows, it is frequently challenged and encroached upon by men in many regions in Cameroon (Menjo Baye, 2008). Ownership and land title are important collateral assets used in securing credit facilities for entrepreneurial activities. These constraints limit the participation and involvement of women in entrepreneurial activities for poverty alleviation.

2.9.4 Entrepreneurship as transformative social change

The study of entrepreneurship as a catalyst for economic as well as social change has been labelled in the literature as social entrepreneurship (Dacin et al., 2011, Mair and Marti, 2006). Market-based methods to address complex social issues such as poverty and the creation of socio-economic value have been of interest to researchers (Miller et al., 2012). As with the definition of entrepreneurship, academics and scholars in the field have not been able to agree on a definition of social entrepreneurship. Different definitions and conceptualisations of social entrepreneurship are presented here to

identify common grounds and concepts that describe the process of social entrepreneurship.

Social entrepreneurship has been defined and conceptualised differently by academics. Some academics describe it as non-profit organisations striving for funding avenues through business activities (Boschee and McClurg, 2003, Lasprogata and Cotten, 2003). Seelos and Mair (2005) suggests it is business ventures created to meet the needs of the poor . Others define it as the application of social innovative measures to address social issues and achieve social change either through commercial activities or other processes (Dees, 1998b, Martin and Osberg, 2007). Common to the definitions of social entrepreneurship presented above, is the need to address an underlying social problem such as poverty, natural disaster or environmental issues. Not-for profit organisations seek funding to achieve their mission and social objectives. Governments and for-profit organisations create businesses to address the needs of the poor through social innovations. Despite the commonality in the definition of social entrepreneurship, some researchers do acknowledge that social entrepreneurship is a complex, multidimensional concept (Weerawardena and Mort, 2006, Nicholls, 2008) and a multifaceted phenomenon (Bacq and Janssen, 2011).

Academics have adopted different conceptualisations of social entrepreneurship from a narrow to a broad perspective. From a broad perspective, social entrepreneurship is seen as an innovative activity with a social objective in either the for-profit sector, such as social-purpose commercial ventures (Dees and Anderson, 2003), in corporate social entrepreneurship (Austin et al., 2004) or in the non-profit sector, across-sectors such as hybrid structural forms, which mix for profit and non-profit approaches (Dees, 1998a). From a narrow perspective social entrepreneurship is viewed as a phenomenon of applying business expertise and market-based skills in the non-profit sector, such as when non-profit organisations develop innovative approaches to earn income (Reis and Clohesy, 1999, Thompson, 2002). Common across the definitions and conceptualisations of social entrepreneurship is the drive by social entrepreneurs to create social value rather than personal and shared wealth (Zadek and Thake, 1997); the activity is characterised by innovation, or the creation of something new, rather than simply the replication of existing enterprise or practice (Austin et al., 2006a).

A broad perspective of social entrepreneurship is adopted in the study, as innovative activities with social objectives and the intention to gain insights into the transformative processes from the interaction of poor women entrepreneurs and microfinance institutions. The existing literature has mainly concentrated on social value and social change, created by 'heroic' individual entrepreneurs or NGO's and government agencies (Dacin et al., 2011, Rindova et al., 2009, Short et al., 2009). This predominantly focuses at the macro level of society. However, the study focuses on how transformative processes of entrepreneurship touches the lives of those in poverty, focusing at the micro level of societal interactions.

With a few exceptions, the literature on entrepreneurship mainly posits entrepreneurship as a positive economic activity (Calas et al., 2009). Critics argue that conceptualising entrepreneurship primarily as an economic activity may mask much that entrepreneurship is capable of doing (Blake and Hanson, 2005, Kantor, 2002, Steyaert and Katz, 2004). The primary focus of entrepreneurship as an economic activity implicitly presumes economic growth as an outcome, with the possibility of social change.

Entrepreneurship is often presented as creating opportunities for women, where it is believed that entrepreneurs have flexibility in managing work life balance, setting up organisations that adapt to family and home life (Calas et al., 2009). Calas et al., (2009) argue that, creating possibilities for women through entrepreneurial activities enables access to resources and/or augments human and social capital, with particular attention to enhancing economic outcomes for women. It is assumed that transformative social change occurs as more women engage in entrepreneurial activities (Brush et al., 2004, Brush et al., 2006). Entrepreneurship as an opportunity in itself is valuable and thus brings about social change. It presents an opportunity for capabilities to be identified and developed to achieve functionings that are valued by poor women.

From a feminist perspective and based on feminist theorising as an appropriate theoretical support, Calas et al., (2009) proposes an extension of the boundaries of entrepreneurship, and reframes entrepreneurship as social change. Feminist theorising is based on the assumption that gender is fundamental in the structuring of society, with women being historically disadvantaged (Calas et al., 2009). By providing opportunities to poor women through entrepreneurship, they are able to achieve socio-

economic outcomes in the form of positive transformation and social change (Calas et al., 2009). They can remove economic and social constraints (Rindova et al., 2009, Steyaert, 2007). They can thus create new possibilities for themselves and others within society. Achieving social and economic outcomes results in positive transformation in the lives of poor women. Thus, becoming an entrepreneur brings about positive transformative change, referred to as ‘transformative entrepreneuring’.

Entrepreneurship enables the transformation of persistent socio-economic constraints in a process referred to as ‘transformative entrepreneuring’ (Mair et al., 2012a). Entrepreneurial activities while transformative are empowering and ‘emancipatory’ to individuals or groups allowing for socio-economic liberalisation in the process (Rindova et al., 2009). Social entrepreneurs can be either be individuals or institutions. The social intentions of institutional social entrepreneurs are often stated in the mission statement or objectives, where specifically the motive of transformation and or emancipation is explicitly advocated (Rindova et al., 2009). However, institutional social entrepreneurs may not necessarily always support social change achieved through entrepreneurship (Tobias et al., 2013). Organisations focus on the regulatory requirements of corporate social responsibility and not social change specifically for people in communities.

Focusing on entrepreneurship as providing opportunities and possibilities (capabilities) to poor women to expand and enhance the dimensions and quality of life (functioning’s) they value, the entrepreneurship process in the case of this thesis is used as a lens through which such capabilities could be identified through the interactions of the individual entrepreneurs (poor women) with institutional social entrepreneurs (microfinance institutions) working in partnership with non-profit organisations. The extent to which poverty is alleviated in the eyes of the beneficiaries (women entrepreneurs) is exposed through the entrepreneurial process.

To understand the entrepreneurial process and how social entrepreneurs provide opportunities and possibilities, it is important to identify the components of the entrepreneurial process. Choi and Majumdar (2014) suggest a conceptualisation of social entrepreneurship, consisting of five major components: social value creation, the social entrepreneurs, the social entrepreneurship organisation, market orientation and social innovation.

Social value creation is a highly valued aspect of social entrepreneurship (Austin et al., 2006a, Dees, 1998b, Perrini and Vurro, 2006). Social entrepreneurship is considered by many as having a social mission (Dees, 1998b, Nicholls and Cho, 2008, Seelos and Mair, 2005). That mission has been conceptualised differently by various authors. For example, Zahra et al., (2009) say it is social wealth creation. Or it is simply a means of tackling social issues and problems (Alvord et al., 2004), and top social necessities (Mair and Marti, 2006, Seelos and Mair, 2005). Poverty is a complex and multidimensional social problem that affects individuals and communities in different ways. Social entrepreneurs, through their social mission, strive to address the social needs of individuals and communities by providing opportunities and possibilities to create social value through the development of capabilities to ensure the achievement of various dimensions of social needs which those individuals and communities value.

Social entrepreneurs have been considered by some academics as central to social entrepreneurship (Bornstein, 2004, Thompson and Doherty, 2006, Waddock and Post, 1991). The organisational context in which social entrepreneurship organisations occur is what sets them apart from other loosely structured initiatives such as activist movements (Mair and Marti, 2006). However, despite these assertions, the study of social entrepreneurs have focused largely on ‘heroic’ individual entrepreneurs or NGO’s and government agencies (Dacin et al., 2011, Rindova et al., 2009, Short et al., 2009). The focus of this study is on poor individual women entrepreneurs referred to as WEN and MFIs. The organisational context in which microfinance institutions operate and function is complex, given the different organisational forms and characteristics that organisations within the microfinance industry exhibit. Social entrepreneuring can occur with and across different sectors, whether it be the third, public or private sector (Austin et al., 2006b, Chell et al., 2010, Nicholls, 2008). The social entrepreneurship organisations involved in the study are those engaged in partnership working across different sectors, specifically MFIs working in partnership with non-profit organisations and other community organisations.

Social entrepreneurs most often apply market orientation at various levels based on their stated objectives and mission. Market principles, practices and activities that aim at achieving efficiency and effectiveness (Nicholls, 2010), financial sustainability and self-sufficiency are referred by Boschee and McClurg, (2003) and Harding (2004) as market orientation. The degree and level of market orientation of microfinance

organisations depends on the organisational form and type. The range extends from for-profit MFIs that apply 100 per cent of market orientations in the provision of services to not-for-profit MFIs that often apply some level of market orientation to ensure efficiency and effectiveness of the service they provide. However, the level of application of market orientation is far lower in not-for-profit MFIs such as NGOs, and community organisations compared to for-profit MFIs such as commercial banks and non-bank MFIs.

Microfinance organisations have been known to exhibit and carry out complex innovative activities in their attempts to meet the challenging needs of the poor in the different contexts and communities in which they operate. This non-traditional disruptive approach to social entrepreneurship is what sets it apart from traditional social service provision (Nicholls and Cho, 2008).

Entrepreneurs and social entrepreneurs have different motives and drives. What drives entrepreneurship is the value proposition that the entrepreneur anticipates. The difference between an entrepreneur and a social entrepreneur is that, an entrepreneur is motivated by profitability whereas a social entrepreneur is motivated by transformative social change (Martin and Osberg, 2007) or the pursuit of mission-related impact (Dees, 1998b).

Ney et al., (2014) argue that socio-institutional environments generate entrepreneurial opportunities in the space of ideas, structures and practices, which occur through the day-to-day transactions that take place in social settings. The interactions in the socio-institutional environment focus on both the processes and the outcomes of social change (Ney et al., 2014). This thus implies social change is both a process and an outcome following entrepreneurial activities within social settings or as a means to an end (Sen, 1992). Ney et al. (2014) argue that a research framework for understanding social change needs to start with the social function of the entrepreneur. The social function of the entrepreneurs referred to by Ney et al. involves identifying the functionings of the entrepreneur, that is, the ends. Starting from the social function the ends opens avenues and possibilities to question which types of means are important for fostering and nurturing particular capabilities or sets of capabilities (Robeyns, 2011) to achieve higher and greater functionings. Starting the study of social change by identifying the outcomes required allows for the possibility of identifying various

processes through which capability and capability sets could be fostered and nurtured to achieve greater social change outcomes. This study begins the study of poverty alleviation by identifying specific dimensions of poverty alleviation outcomes in a developing country context as functionings and how capability and capability sets can be identified and developed through the interaction process of poor women entrepreneurs and microfinance institutions.

Social change is achieved through the creation of social as well as economic value as a process and an outcome of a social entrepreneurial process. As an outcome, social change embodies the achieved functionings of the individual that they value.

MFIs have predominantly focused on financial outcomes as achieved functionings for reporting and accountability to funders and stakeholders. Due to varying approaches in the provision of financial services within the industry, resource constraints and other challenges, MFIs have failed to, ignored, or in very limited cases, engaged in the process of identifying, enhancing and developing the capability and capability sets of the poor to ensure both social value and economic value are created for the beneficiaries.

Working in partnership with other entities can often create greater social value, where there may be possibilities to influence resources external to the organisation to generate greater value that would otherwise be impossible for the organisation to create alone (Austin et al., 2006). Austin et al., (2006) argue that, networking beyond organisational boundaries to generate social value is a robust approach for social entrepreneurs, given that social value can be created and captured both within and external to the organisation. They further conceptualise social entrepreneurship as a mechanism for generating social value, either directly or through facilitating the generation of social value with and by others. Collaborative working and cross-sector partnerships in particular are the focus of discussion in chapter three.

2.10 Challenges and failures of microfinance

This section presents some of the challenges of microfinance in enabling positive transformative change to the poor and disadvantaged in society. It presents challenges

in the practice of microfinance, and the outcome of microfinance intervention programs.

Microfinance institutions are known to charge very high interest rates on loans to the poor (Morduch, 2000). Critics of microfinance have argued that it leaves the poor in a poverty trap (Bateman, 2010). Microfinance institutions, however, have argued that it is costly to process many small loans and savings accounts than a smaller number of larger ones (Armendariz & Morduch, 2010). Most microbusinesses operated by micro entrepreneurs with loans from microfinance institutions lack the necessary skills and knowledge to run and manage businesses, particularly in challenging business environments. As a consequence these businesses most often fail resulting to low loan repayment rates and leave the entrepreneur in deep poverty (Haynes et al., 2000).

Microfinance institutions most often use loan size as a measure of outreach – how many individuals are served by microfinance (Bateman, 2010) and are therefore most concerned about the loan output and repayment rates. Outreach refers to the extent to which microfinance institutions are able to expand their client base to provide an ever-greater number of genuinely poor beneficiaries, especially women, with microfinance services (Remenyi, 2000). By focusing on loan size and repayment rates, microfinance institutions ignore the process of interacting with poor women entrepreneurs as vital in achieving greater outcomes. Microfinance institutions have been heavily criticised for ‘mission diffusion’ and ‘mission drift’. Mission diffusion occurs when MFIs pursue multiple objectives that are incompatible with each other or the organisation’s primary mission (Epstein and Yuthas, 2011). Although seeking profit and serving the poor can in principle be mutually reinforcing, there are often tensions. Microfinance institutions, while seeking to maximise profits for their shareholders and be financially sustainable, have failed to align the mission of poverty alleviation (development logic) and the business mission (banking logic) and have consequently drifted away from the driving concern of social impact through poverty alleviation. Diffusion results in the ineffective delivery of services and financial distress from the MFIs failure. Drift results in cutting services, increasing interest rates, or shifting attention from poor to wealthier clients (richest of the poor). Lipton et al. (1998) argue that concurrent efforts that incorporate microfinance, health, education and many more is much more effective as an anti-poverty resource when compared to a single intervention such as microfinance. Microfinance institutions have a greater potential to positively impact

poverty levels if intervention in the form of microcredit and loans is accompanied with the provision of other services such as health education and facilities, training and development, networking, marketing and other services to enhance different capabilities.

2.11 Summary

This chapter presented a literature review on financial services provision by microfinance institutions to address the problem of financial exclusion and consequently poverty. The chapter discussed different approaches to the study of poverty, presenting the capability approach as superior in the study of poverty alleviation. Microfinance institutions have the potential to become transformative change agents through socio-economic interventions. However for microfinance institutions to achieve this role and function, they have to interact with society through collaborative working to maximise the potential of financial services provision as a transformative social change mechanism. The next chapter focuses on collaborative working, providing a review of the literature on cross-sector partnerships and the role of the beneficiary in the creation of value in cross-sector partnerships.

CHAPTER THREE

3.0 Partnership literature

3.1 Introduction

Poverty alleviation has been studied mainly from a single sector perspective; the markets, the government and non-profit organisations (NPOs). These interventions from a unilateral perspective have led to the markets failing to price public good, governments failing to provide minimum public good and non-profit organisations being limited in their ability to implement poverty alleviation projects. This second literature review chapter presents partnerships as instruments with the potential to overcome the failures attached to unilateral action by either the markets, government or non-profit organisations.

Cross sector partnerships have the potential to bring businesses together to interact with society. Working in collaboration and partnerships with civil society organisations (CSOs), microfinance institutions (MFIs) as business entities have the capability to maximise financial services provision to address societal problems. The objective of this chapter is to review the literature on partnerships, particularly focusing on social partnership that address social issues, with poverty the social issue at the centre of the study. It aims to examine how the partnership process between microfinance institutions and civil society organisations can maximise financial services to achieve transformative social change, and under what conditions do financial services become a mechanism for transformative social change. This study takes the position that although microfinance institutions collaborate with non-profit organisations in order to provide financial services to women entrepreneurs (WENs) as intended beneficiaries, WEN through their interaction and involvement in the process, act as silent partners in the intervention process.

The chapter is structured as follows: the next section presents the case for business as a development agent through corporate social responsibility objectives. The third section presents the literature on partnerships in general and the advantages of partnership working. The fourth section looks at development partnerships, aimed at addressing social problems and in particular social problems in developing countries.

The fifth section reviews the literature on social partnerships by presenting the findings of existing studies of non-profit organisation and business (NPO-BUS) partnerships that inform the study of microfinance partnerships through their interaction with women entrepreneurs, referred to as MFI-WEN partnerships. Having presented the literature on social partnerships with focus on cross-sector partnerships, the chapter then presents the formation and implementation of cross-sector partnerships in the sixth section. The main objective of cross-sector partnerships is to address social issues through their outcomes, so the focus of section seven is cross-sector partnership outcomes. Section eight reviews value creation in cross-sector partnerships, and section nine focuses on the role of the beneficiary in such collaborations. The last section presents microfinance partnerships.

3.2 Business as a development agent

Businesses are increasingly expected by stakeholders to be a constructive influence for change and to tackle a variety of social problems affecting the environment and humanity (Warhurst, 2005). However, businesses have often shouldered less liability from the adverse effects of their economic ventures in developing countries (Blowfield and Dolan, 2014).

Businesses recently have undertaken a major role in development as agents advocating for proactive rather than reactive positions in the fight against a range of social and environmental problems affecting humanity (Blowfield and Dolan, 2014). As development agents, businesses actively promote new business models, champion collaborations and encourage financial services that safeguard the achievement of international development objectives (Blowfield and Dolan, 2014).

There have been increasing calls for businesses to be proactive and assume responsibility for their activities and policies. Several concepts have been used in the literature to describe the role of businesses on the outcome of their activities and policies such as corporate citizenship, business ethics, stakeholder management, sustainability, and corporate social responsibility (CSR) (Carroll and Shabana, 2010). CSR is often used as an umbrella term which embraces all that firms achieve or

accomplish in the realm of social responsibility policies, practices and results (Schwartz and Carroll, 2008).

CSR is a broad field that has been studied and applied in various literatures including marketing, organisational behaviour, human resource management, industrial and organisational psychology, and operations and information systems (Aguinis and Glavas, 2012). Definitions of CSR often tend to identify various dimensions that characterise their meaning (Carroll and Shabana, 2010). However Carroll argues that the social responsibility of business encompasses the economic, legal, ethical and discretionary (often referred to as philanthropic) expectations that society has of organisations at a given point in time (Carroll, 1979, Carroll, 1991). CSR can thus be seen from two active perspectives: protecting and improving, where companies need to avoid their negative impact and improve the welfare of society by creating positive benefits for society (Carroll, 2015).

According to Drucker (1984: 62),

‘the proper social responsibility of business is to... turn a social problem into economic opportunities and economic benefits, into productive capacity, into human competence, into well-paid jobs, and into wealth’.

Who benefits most from the opportunities created by social problems? Surely the role of the business from Drucker’s standpoint is to turn social problems into economic opportunities and economic benefits, into productive capacity, human competence, well-paid jobs and wealth for the intended beneficiaries, in other words reducing or alleviating poverty. Wheeler et al.(2003: 20) echo Drucker’s position and argue that,

‘the business of business is the creation of sustainable value – economic, social and ecological’.

Businesses are vital in the fight against poverty. However, the major obstacle is how businesses can overcome difficulties, barriers and challenges to turn social problems such as poverty into economic opportunities and economic benefits, productive capacity and human competence, well paid jobs and wealth through the creation of sustainable value for the intended beneficiaries. For businesses to be able to turn social problems into economic opportunities and benefits through the creation of sustainable economic, social and ecological value, they will have to work closely with other

organisations that have knowledge and experience of dealing with various social problems in society in order to create a win-win scenario for both the organisations and the intended beneficiaries. Partnership working has been hailed by many as a mechanism of achieving win-win activities through CSR.

3.3 Partnership working

There have been various definitions for partnership. One definition which is very specific comes from a United Nations report to the General Assembly:

‘Partnerships are commonly defined as voluntary and collaborative relationships between various parties, both state and non-state, in which all participants agree to work together to achieve a common purpose or undertake a specific task and share risks, responsibilities, resources, competencies and benefits’ (UN General Assembly 2003:4).

Terms such as alliance, compact, collaboration and many others have been used indistinguishably in the literature in reference to partnerships (Rein, 2005). The sum of the resources and capabilities of partners in a collaboration produces results that exceed the actions of each individual partner (Googins and Rochlin, 2000). Social partnerships as defined by Waddock (1988) identify corporate-community collaboration as the fundamental characteristic of the phenomenon:

‘A partnership is a commitment by a corporation or a group of corporations to work with an organisation from a different economic sector (public or non-profit). It involves a commitment of resources, time and effort by individuals from all partner organisations. These individuals work cooperatively to solve problems that affect them all. The problem can be defined at least in part as a social issue; its solution will benefit all partners. Social partnership addresses issues that extend beyond organisational boundaries and traditional goals and lie within the traditional realm of public policy – that is, in the social arena. It requires active rather than passive involvement from all parties. Participants must make a resource commitment that is more than merely monetary’ (Waddock, 1998: 18).

The literature on partnerships primarily addresses the benefits of pooling complementary resources and institutional backgrounds (Austin, 2000b). Partnerships present the possibilities of goal alliances and allows for the promotion of a common interest and filling in of the gap in development arenas, allowing excluded societies to have a voice (Jamali and Keshishian, 2009). Non-governmental organisations (NGOs) have become important actors in recent years, more attuned to social change, and more open to partnering with businesses in search of shared goals (Jamali and Keshishian, 2009). Successful partnerships may lead to significant economies of scale or scope to produce a higher level of efficiency, or even effectiveness in social development (Jamali and Keshishian, 2009). Espinosa (2006) argues that for greater impact and long term potentials of community development, development programs need to apply a bottom-up design, involving wider stakeholder involvement with emphasis on long term potentials rather than short-term investments.

According to Googins and Rochlin (2000), the decreasing role of government, incapacitated civil society, the surge of in global capitalism, the collapse of communism and the breakdown of state economies account for the prominence of the partnership society at the onset of the 21st century. Governments, businesses and civil society have all failed in their individual actions to address societal problems. This accounts for the emergence of partnerships as a mechanism to address various failures by these sectors including; failure by governments through policy measures that results in their incapacity to tackle development problems, failure by markets that limits their ability to become ethically virtuous and failure by non-profit organisations in their efficiency in implementing development ideas (Van Tulder, 2006).

Although partnerships come in a variety of forms and sizes, the assumption of greater outcomes through deliberate collaboration with others is a prevalent attribute among participants (Huxham and Vangen, 2000). Development partnerships is the focus of the next section.

3.4 Development partnerships

Partnerships have evolved increasingly as a popular mechanism for dealing with composite interaction problems and tackling collective challenges (Loza, 2004, Wolf, 2008). Despite the acclaimed significance of such partnerships, studies and research on the effective management of such partnerships to ensure greater and sustainable social outcomes have been very limited (Tracey et al., 2005). Although this thesis does not set out to study the effective management of these partnerships, it aims to study the interactions of the partner organisations with poor women and how such interactions and activities enables transformative social change and consequently poverty alleviation for the women.

As a result of weak intergovernmental regulations and resource constraints in many developing countries (Manning and Roessler, 2014, Jamali, 2011a) cross-sector collaborative arrangements have been identified as critical in promoting complex international development efforts such as poverty alleviation and economic development (Manning and Roessler, 2014). According to Kanter (1999) there is a growing move away from simple philanthropic partnerships to what he refers to as ‘corporate social innovation’ where businesses and corporates see community needs as opportunities for business growth and tackling other issues and problems. Little (2006) refers to this as ‘sustainability-driven innovation’ where firms seek to create new markets and realise real value from their partnerships and sustainability initiatives. Following the 2002 World Summit on Sustainable Development held in Johannesburg, the contribution of companies is seen as crucial in addressing problems of global development and reaching the Millennium Development Goals (MDGs) (Kolk et al., 2008). Kolk et al. (2008), identify three types of partnerships aimed at addressing development issues. The first is public-private partnerships that address the inadequate provision of public goods. This is referred to as the policy rationale for partnerships (OECD, 2006) or ‘underinvestment problem’ where neither the state nor companies invest sufficiently (Kolk et al., 2008 : 263). The second type of partnership, private (for-profit)-non-profit partnerships, addresses underinvestment in ‘social capital’, and the third, tripartite partnerships includes all three sectors. Collaboration between governments, business and civil society organisations has become particularly important in international development and transnational governance context

(Manning and Roessler, 2014). Manning and Roessler, (2014) refer to these collaborations as cross-sector development partnerships.

Development partnerships are driven by the need to address complex

NMenvironmental859 * development and social problems. The term development partnership unlike social partnership is a preferred term used by development agencies. The next section presents an in-depth discussion of social partnerships.

3.5 Social Partnerships

The nature of social problems has been considered challenging and complicated for individual sectors to address. As a result organisations within and across different sectors are engaging in various forms of alliances in a means to tackle this challenges (Austin, 2000b, Kolk and Van Tulder, 2010, Lucea, 2010, Rivera-Santos and Rufín, 2010c, Seitanidi et al., 2010). Jamali (2011a) argues that, the severity of these challenges requires new skills, greater capacity from new organisational forms developed between and across sectors. These different organisational forms resulting from interactions between and across sectors have been given different names in the literature: ‘social partnerships’ (Nelson and Zadek, 2000b, Waddock, 1991b, Warner and Sullivan, 2004), ‘inter-sectoral partnerships’ (Waddell and Brown, 1997), ‘strategic partnerships’ (Ashman, 2000), ‘social, collaborative or multiparty alliances’ (Berger et al., 2004a, Stone, 2000, Zeng and Chen, 2003), ‘multi-stakeholder collaborative’ (Turcotte and Pasquero, 2001), ‘cause-based partnerships’ (Parker and Selsky, 2004), ‘social service partnerships’ (Takahashi and Smutny, 2002), ‘business-community partnerships’ (Loza, 2004), ‘business or governmental non-profit partnerships’ (Austin, 2000b, Gazley and Brudney, 2007), ‘issues management alliances’ (Austrom and Lad, 1989), ‘cross-sector social partnerships or CSSPs’ (Selsky and Parker, 2005), cross-sector collaborations (Seitanidi et al., 2010) and cross-sector social interactions (Crane, 2010, Murphy and Arenas, 2010). The different terminologies identified above are often used indistinguishably in the literature. The prevalent concept is cross-sector social partnerships (CSSPs) used to express collaborations between partners across sectors aimed at tackling challenging social problems (Selsky and Parker, 2005, Selsky and Parker, 2010). This study adopts the

Selsky and Parker's CSSP terminology, although other labels may be used interchangeably.

CSSP, is conceptualised as a form of deliberate alliance developed between institutions from different sectors of society based on a mutual objective of delivering societal benefits (Huxham and Vangen, 2000). The progressive shrinking of government spending, the growing complications surrounding social problems, and the magnitude of environmental turmoil and unpredictability have been considered among others as the drivers of CSSPs (Jamali, 2011b). The rise in regulatory requirements of CSR, the indistinctive and cross over nature of sectorial boundaries, and the growth in non-profit organisational activities have accounted for the need for CSSPs (Jamali, 2011). Social problems that result from the inability to provide for and lack of basic necessities required by people to live a happy and healthy life have the tendency to trickle and spread to multiple communities and groups. These social problems and their characteristics are vast and exceed the breadth and means of any single organisation or sector (Selsky and Parker, 2005). Waddock (1991) says that, these complex social problems have been inadequately defined. As a result institutions have been unable to identify possible solutions (Selsky and Parker, 2005). According to Waddock, social partnerships;

‘can be defined as the voluntary collaborative effort of actors from organisations in two or more economic sectors in a forum in which they cooperatively attempt to solve a problem or issue of mutual concern that is in some way identified with a public-policy agenda item’ (Waddock, 1991:481).

Waddock (1998) goes on to say that social partnerships involves the engagement of resources by all partners to address a shared problem that benefits all partners and a social benefit as the outcome (Waddock, 1998). Social partnership addresses issues that extend beyond organisational boundaries and traditional goals and that lie within the traditional realm of public policy – that is, in the social arena and require active rather than passive involvement from all parties with resource commitment that is more than ‘merely monetary’ (Waddock, 1998: 18). Social partnerships have been used to address complex social problems as disasters, epidemics and other environmental problems.

Waddock (1988) goes further to classify social partnerships as ‘social problem-solving mechanisms among organisations’ and as primarily addressing social issues (e.g. education, health, environment) by bringing together unique organisational resources to render solutions beneficial to both partner organisations and the society. Poverty is the social problem addressed in this study, extensively presented in the second chapter.

3.5.1 Theoretical perspectives of social partnerships

The implementation of collaborations among organisations aimed at addressing social problems has been studied from various theoretical perspectives. Selsky and Parker (2005) identify two core theoretical perspectives driving the increasing number of social alliances: the instrumental and social issues platform. From an instrumental perspective, organisations engage in collaborations primarily for personal gains. Addressing social issues comes secondary, whereas from a social issues perspective organisations form collaborations fundamentally to address a particular social concern or concerns (Selsky and Parker, 2005). Social collaborations by organisations serve other organisational objectives, including securing limited resources, flexibility in operations (Sagawa and Segal, 2000, Jamali and Keshishian, 2009), long term CSR strategies, delivering socio-economic value, and maintaining a high corporate image and reputation to ensure a competitive edge (Jamali and Keshishian, 2009, Sagawa and Segal, 2000, Porter and Kramer, 2006).

The first theoretical approach views partnership from a meso level of society- the organisational level and thus seeks to study and analyse social partnerships from the perspective of the partner organisations. This study seeks to study partnerships at the micro level- the individual beneficiaries of the partnership, where the partnership between the MFIs and the NPOs are formed primarily to address the issues of poverty faced by the poor, unbanked and marginally banked in the communities in which these institutions operate. This study adopts the second theoretical approach to social partnership, namely the social issues platform, where the partnership case studies are developed principally to address poverty.

Although the study is focused on the individual level of analysis, it highlights the link between the micro (individual) and meso (organisational) levels, presenting the role of

the individual beneficiary at the individual level of analysis in enabling organisational objectives and outcomes at the meso level. This is discussed in chapters five and six.

3.5.2 Learning and innovation in social partnerships

Learning and innovation have been considered by many within the BUS-NPO partnership community as a reason for organisations engaging in such collaborations (London et al., 2010, Selsky and Parker, 2005, Teegen et al., 2004, Waddell, 1999). Organisational interactions developed by institutions from different sectors that aim at addressing social problems have various objectives ranging from conflict resolution to resource sharing and learning (Murphy and Arenas, 2010, Austin, 2000b). Collaborations between for-profit and non-profit organisations at the base of the pyramid involve innovations that combine social and economic principles to address social problems (Murphy et al., 2012). Researchers have suggested that, social innovation enables organisations engaged in cross-sector collaborations to achieve social value creation as their main objective (Berger et al., 2004a, Le Ber and Branzei, 2010a, Nelson and Zadek, 2000a, Waddell and Brown, 1997, Waddock, 1991a).

Social innovation is

‘a novel solution to a social problem that is more effective, efficient and sustainable, or just than existing solutions and for which the value created accrues primarily to society as a whole, rather than to private individuals’ (Phills et al., 2008: 36).

Innovation is often linked with technological developments. However, innovation comes in various forms. According to Jamali et al., (2011), innovation can be defined in terms of development involving processes, services and management. Innovation can be considered as alternative and improved ways of accomplishing goals (Dees, 2001). According to Van de Ven (1986: 591),

‘the process of innovation is defined as the development and implementation of new ideas by people who over time engage in transactions with others within an institutional context’

Van de Ven (1986) argues that although this definition and view of innovation is very general, it can be applied to wide variety of technical, product, process, and administrative kinds of innovations. To understand the process of innovation, Van de Ven (1986) argues is to understand the factors that facilitate and inhibit the development of innovation which include: ideas, people, transactions, and context over time.

Early conceptualisations of innovation focused on technological aspects of innovation assessed in terms of observable and measurable forms of capital (Jamali et al., 2011). Researchers have identified three forms of processes that defines innovation: interactions involving multiple actors, the exchange of various forms of knowledge and learning, and the alteration and transformation arising from interactions and exchange of knowledge among actors engaged in relationships (Nahapiet and Ghoshal, 1998, Landry et al., 2002). The formation and implementation processes of the two MFI partnership case studies in the study are assessed for the different forms of innovation and how such innovations enable transformative change for the women as seen in chapter five.

3.5.3 Communication in social partnerships

Communication is essential in facilitating the process of value creation in cross-sector partnerships and most importantly in understanding the nature of the social issue being addressed by the partnership. Communication processes can create higher-order systems that facilitate the emergence of collective agency (Koschmann et al., 2012), with potential opportunities for capability development and achievement of higher functionings by beneficiaries.

Addressing complex challenging social problems affecting various industries and cultures is a means of corporations ensuring they meet CSR regulations (Scherer and Palazzo, 2011). Managing stakeholder expectations and meeting organisational objectives is becoming complicated, involving challenging communication needs of specific stakeholder groups while engaging in the intricate issues related to corporate behaviour (Schultz et al., 2013). Communication in CSR is often viewed as instrumental, conceptualised as managing three key aspects of any business;

marketing, reputation and business relations with the public (Schultz et al., 2013). Communication has been viewed by academics as a continuous and deliberate activity of understanding the events and environment in which people live and interact (Taylor and Van Every, 1999, Koschmann et al., 2012).

Koschmann et al. (2012) argue that the principal benefit of cross-sector partnerships is not simply the linking of deliberate partners but more importantly the potential to act and significantly shape and impact on people and issues within their community and environment. To support their argument, Koschmann, et al., have developed a framework for understanding cross-sector partnership constitutions in terms of 'communication processes', illustrating how cross-sector partnership value can be enhanced and evaluated through communication practices. By focusing on communication practice in cross-sector partnerships, value can thus be seen and understood in light of different dimensions constituted as being outside the realm of economic activities. Cross-sector partnerships viewed in light of communication practices can be seen as collective agents that constitute themselves in ways that create potential capacities for action and enable significant impact within their social environment (Arvidsson, 2010, Le Ber and Branzei, 2010b, Koschmann et al., 2012).

Communication is an integral activity within society that facilitates the sharing and transfer of knowledge, innovation and transformation by organisations through their interactions with communities (Deetz, 1995, Phillips and Hardy, 1997, Phillips and Lawrence, 2004). From this view point, communication is more a practice where actuality is represented using symbols. This is termed the 'communication view' by Schultz, et al. (2013).

Koschmann et al., (2012: 339) have developed a framework of communicative constitution in cross-sector partnership that involves five communicative practices or aspects of communication:

'increasing meaningful participation, managing centripetal and centrifugal forces, creating distinct and stable identity, external intertextual influence and accounts of capital transformation'.

Koschmann and his co-authors (2012) note that these communicative practices can be further grouped into two categories based on the value creating potential of cross-sector social partnerships. The leading three practices focus on cross-sector

partnerships value potential, while the remaining two focus on evaluating the inclusive cross-sector partnership value.

For cross sector partnerships to be effective in ensuring maximum transformative change and poverty alleviation, there must be clear and appropriate lines of communication between partner organisations and beneficiaries. Effective communication ensures that the social issue being addressed is clearly understood by the partner organisations and that there is appropriate communication of the intended intervention measures to meet the expected needs of the beneficiaries. The next section presents the classification of social partnerships.

3.5.4 Classification of social partnerships

There have been various classifications of social partnerships. One of these classifications is the extensive categorization developed by Selsky and Parker (2005), which has four groups based on organisational features (see Table 8).

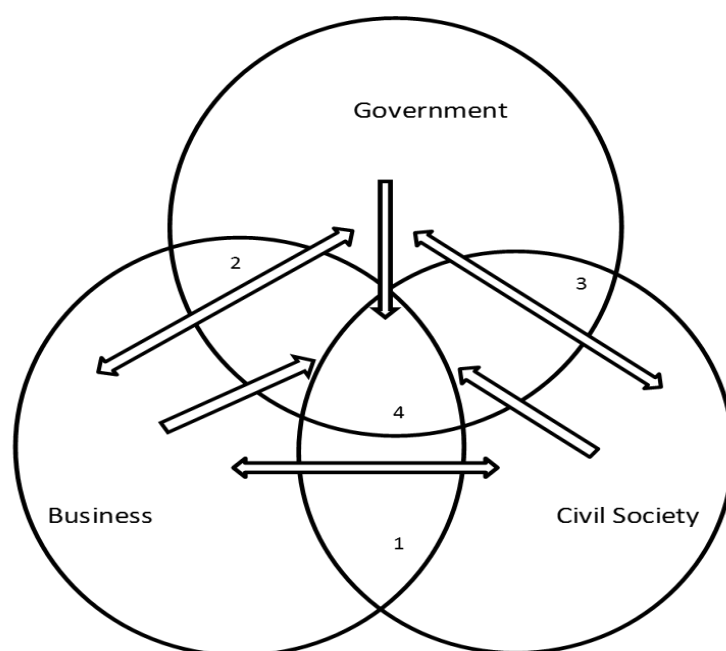
Table 8: Classification of social partnerships by arena/type - 1

Arena/Type	CSSP	
1	Business and non-profit sectors	BUS/NPO partnerships
2	Business and government sector partnerships	BUS/ GOV partnerships
3	Government and non-profit sector partnerships	GOV/NPO partnerships
4	Partnerships at the intersection of all three sectors	BUS/GOV/NPO partnerships

Source: Selsky and Parker 2005.

Alliances between organisations from the three main sectors of society have also been describes as ‘tri-sector partnerships’ (Selsky and Parker, 2005). These partnerships have mainly focused on socio-economic development, environmental problems and healthcare commissioned through international multi sectoral projects (Jamali, 2011).

Figure 4 represents the intersections of the three sectors of government, business and civil society, with the different types and arenas of social partnerships based on structural characteristics.



Source: Jamali 2011

Figure 4: Intersection of government, business and civil society – 1

Selsky and Parker’s (2005) classification of social partnerships is framed on organisational features of the BUS sector, the government sector (GOV) and NPO within the civil society or third sector. The third sector is traditionally grouped into three different theoretical positions: ‘civil society’, ‘social movements’ and ‘non-profit sector’ (Hasenfeld and Gidron, 2005). Volunteer-run groups such as ‘social clubs’ and ‘mutual aid organisations’ created by the interaction of people in communities make up the civil society sector (Smith, 1997). Social transformation achieved through protest and other institutional mechanisms are key features of social movements (McAdam et al., 1996). The non-profit sector is characterised by organisational and

legally organised service institutions not driven by profits and restrained from profit distribution (Hasenfeld and Gidron, 2005). Third sector organisations incorporate multipurpose and organisational features from the three theoretical positions identified above (Minkoff, 1995). These organisations include ‘religious charitable organisations’ (Allahyari, 2000), ‘women’s non-profit organisations’ (Bordt, 1997), ‘peace and conflict resolution organisations’ (Hasenfeld et al., 2002), and ‘social influence organisations’ (Knoke and Wood, 1981).

Organisations within civil society with multipurpose and varied structural features have varied distinguishing characteristics. These organisations aim to preserve and nurture cultural values that are different from mainstream institutional values (Goodwin et al., 2009). One main feature of civil society organisations is, social transformation for members and the community through the provision of services (Hasenfeld and Gidron, 2005). Schmitt and Martin (1999) say that civil society organisations promote collective identity as a way of meeting the social identity needs of their members.

The active position of the civil society and the state in developing countries in Africa is different from that in the West. In developing countries, civil society emerged as a key mechanism to fill voids by suppressed and failing state systems (Carbone, 2005). According to Mohan (2002), the notion of civil society as perceived in the West neglects the concept of context when applied to Africa. The concept of civil society when applied to Africa should be perceived in the context of deep-rooted African communities (Kasfir, 1998, Kasfir, 2013).

Civil society is a

‘public sphere of formal or informal collective activity, autonomous from not recognising the legitimate existence of the state’ (Orvis, 2001: 20).

Orvis’s (2001) conceptualisation of civil society allows for the addition of unconventional non-governmental organisations such as churches, human rights organisations and for-profit organisations community campaigns. These organisations may also include traditional community groups whose main objective is to uphold and nurture the moral values of ethnic rural communities in Africa (Carbone, 2005). The United Nations, World Bank and other international development agencies work closely with civil society and community-based organisations. Civil society and

community-based organisations are vital in articulating local voices and aspirations and interfacing with extra-local NGOs and, state and bilateral institutions in the development process (UNDP, 2001, World Bank, 2003, World Bank, 2005).

According to the United Nations, organisations that make up civil society are varied and range from religious congregations to professional associations and charitable trusts, referred to either as NGOs, NPOs, or civil society organisations (CSOs) (UNDP, 2009).

Civil society is a blanket term describing societal interactions that transcend the boundaries of the public and private sectors (Pharr, 2003). Civil society is independent of state and market control, and is managed by people with the objective of achieving both individual and shared goals, be they social, economic or environmental challenges (Brown et al., 2000, Brown and Timmer, 2006).

The UN's Agenda 21 identifies major groups of civil society including; women, children and youth, indigenous peoples, non-governmental organisations, local authorities, workers and trade unions, business and industry, scientific and technological community, and farmers (UNDP, 1992). Civil society is often represented by NGOs or NPOs (Suleiman, 2013). In the context of developing countries, civil society is mainly equated with NGO's (Allen, 1997, Van Rooy, 2013, Heinrich and Fioramonti, 2007). These civil society organisations are expected to reach the poor, improve equality, compensate for inadequate state services and help to generate economic growth (Edwards and Hulme, 1996).

When individuals in a community or society join forces to address recurrent socio-economic problems, this is referred to as 'collective action' (Olson, 1971). Where such joint forces by individuals in a group are progressive and observable such as a social transformation, it is referred to as 'social movement' (Teegen et al., 2004). Social movements can progress into constituent organisational structures that become NGOs although this may not always be the case (Teegen et al., 2004).

NGOs have been described as not-for-profit, discretionary collection of citizens organised at every level of society, whose responsibility it is to address and bring to the attention of governments socio-economic problems affecting segments of society (United Nations, 2003). According to Teegen et al., (2004: 466), NGOs are;

‘private, not-for-profit organisations that aim to serve particular societal interests by focusing on advocacy and/or operational effects on social, education, health, environmental protection and human rights’.

This study adopts the non-profit terminology and the UN’s definition of an NGO.

From the definition and description of civil society, individuals in small numbers may form collective actions that may never progress or spawn to social movements or formal NPOs/NGOs. These collective actions may be vital to the wellbeing of the collective’s members individually and as part of the collective, compared to the benefits to the community at large. However, larger numbers of small collective actions may result in significant positive transformative change at the individual and community levels. These collective actions are neither classed as social movements nor NGOs. For the purpose of this study, these collective actions are conceptualised as ‘community’ (COM) within the civil society sector. A COM may be men, women, youth or a mixture of all three. COMs may not have formal structures and may not be sustainable in the long-term as individuals may leave at any time, particularly where there may be no formal membership commitment.

The partnership literature looks at four types of social partnerships presented in Table 8. This study proposes a fifth type of social partnership: social partnerships between businesses and collective actions within civil society (individuals and collectives). This proposal therefore extends Selsky and Parker’s (2005) classification of CSSPs to five types/arenas, as shown in Table 9 below:

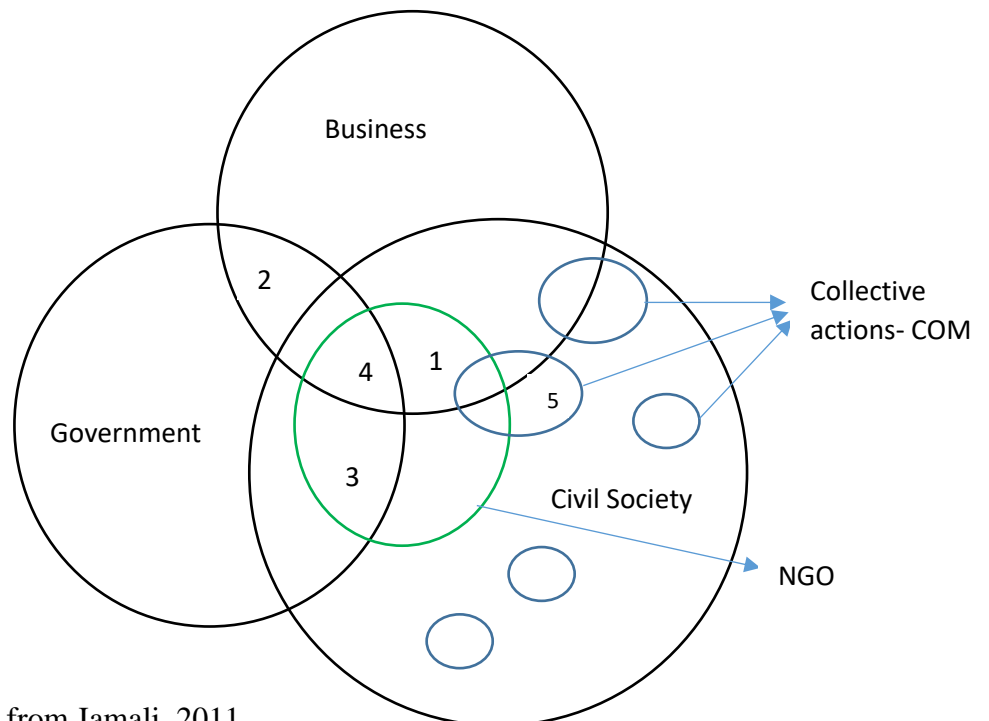
Table 9: Classification of social partnerships by arena/type - 2

Arena/Type	CSSP	
1	Business and non-profit sectors	BUS/NPO partnerships
2	Business and government sector partnerships	BUS/ GOV partnerships

3	Government and non-profit sector partnerships	GOV/NPO partnerships
4	Partnerships at the intersection of all three sectors	BUS/GOV/NPO partnerships
5	Business and community partnerships	BUS/COM Partnerships

Source: Adapted from Selsky and Parker 2005

Figure 5 represents an adaptation of Jamali's (2011) intersections of the three sectors- government, business and civil society, with the different types and arenas of social partnerships based on structural characteristics including collective actions within civil society.



Source: Adapted from Jamali, 2011

Figure 5: Intersection government, business and civil society -2

3.6 Cross-sector partnership formation and implementation

There are several terminologies which that been used in the literature to describe the process leading up to a collaborative relationship; ‘initial partnership conditions’ (Bryson et al., 2006), ‘problem-setting processes’ (McCann, 1983, Gray, 1989, Blockson, 2003), ‘coalition building’ (Waddock, 1989), ‘partnership preconditions’ (Waddell and Brown, 1997) and ‘partnership initiation’ (Jamali and Keshishian, 2009). The term formation is commonly used to link processes leading to the formation of an alliance (Austin and Seitanidi, 2014). Formation is the term of preference in this study, although other terms are used interchangeably to refer to the process leading to the emergence of a partnership.

Some challenges and obstacles in forming cross-sector partnerships to address social and developmental issues have been identified in the literature. They include lack of partner awareness of social issues and lack of familiarity with potential partners (Manning and Roessler, 2014), as well as cultural and institutional distances between partners and their value systems that may constrain the ability to recognise collaborative opportunities (Van Huijstee et al., 2007, Rufín and Rivera-Santos, 2012, Bitzer and Glasbergen, 2010, Le Ber and Branzei, 2010a, Le Ber and Branzei, 2010c, Manning and Roessler, 2014).

According to Lin and Darnall (2015), strategic alliances have generally been looked at from an isolated theoretical perspective . Strategic alliances have been viewed from the resource base perspective (Eisenhardt and Schoonhoven, 1996, Das and Teng, 2000, Grant and Baden-Fuller, 2004), or from an institutional theory perspective (Baum and Oliver, 1991, Dacin et al., 2007, Gulati, 1999, Sharfman et al., 1991). There have been calls by researchers for multiple theoretical perspective of the firm’s motivation to engage in organisational relationships (Parmigiani and Rivera-Santos, 2011, Lin and Darnall, 2015). Prior studies on alliance formation have focused on complementary partner capabilities (Dyer and Singh, 1998), resource dependencies (Pfeffer and Salancik, 2003, Oliver, 1990) and trust (Gulati, 1995, Ring and Van de Ven, 1994, Bierly and Gallagher, 2007) as important drivers of alliance formation (Austin and Seitanidi, 2012a). Manning and Roessler (2014) argue that although general drivers of alliance formation are applicable to cross-sector partnerships, there are specific features that affect their formation that need to be better understood.

Specific issues that affect the formation of CSSPs include the fact that CSSPs typically cross multiple-organisational, geographic, and sector boundaries (Rufin and Rivera-Santos, 2012, Murphy et al., 2012); CSSPs are typically project based with various degrees of uniqueness and complexity (Manning and Roessler, 2014); and CSSP are characterised by time limitations (Kolk et al., 2008, Selsky and Parker, 2005, Selsky and Parker, 2010). Unlike with general alliance formations, these features thus increase the challenges and complexity of CSSP partnerships and consequently their formation and success.

Studies on CSSP formation have not paid particular attention to the distinctive characteristic nature of such partnerships (Manning and Roessler, 2014). Most research on CSSPs to address social and development issues have borrowed from business-to-business alliances emphasising complementary resources and capabilities (Austin and Seitanidi, 2012a, Dyer and Singh, 1998), joint interest (Clarke and Fuller, 2010, Austin and Seitanidi, 2012a), prior trust (Gulati, 1995, Selsky and Parker, 2005, Uzzi, 1997), and resource dependency (Selsky and Parker, 2005, Selsky and Parker, 2010) in promoting CSSP formation. These studies have focused on the formation of collaboration and partnerships from the perspective of the partner organisations, identifying the motivation and role of each partner organisation in such partnerships. CSSP formation from the perspective of the beneficiary have been generally overlooked.

This study takes a different view and looks at cross-sector partnerships from the perspective of the intended beneficiary. It aims to identify the role of the beneficiary and how beneficiary involvement in the formation and subsequently implementation of such collaborative arrangements can help in the understanding of the distinct project-based nature of such partnerships and can help identify potential areas that maximise transformative social change and consequently poverty alleviation for the intended beneficiary. This study attempts to address the challenges and obstacles involved in the formation of CSSPs as identified above by studying the formation and subsequent implementation of CSSP partnerships from the stand point of the intended beneficiary at the micro level.

Manning and Roessler (2014) argue that individual actors, referred to as ‘bridging agents’ (BA), play a particularly important role in facilitating project and alliance

formation by interacting across organisational, geographic and sector boundaries and translating complex and ambiguous conditions into collaborative opportunities. Facing institutional complexities, individuals 'make a difference' (Waddock, 2010) by making sense of ambiguous situations (Selsky and Parker, 2010). Individual actors as 'bridging agents' (Manning and Roessler, 2014) or 'difference makers' (Waddock, 2010) have a significant role in bridging and addressing the challenges and obstacles in the formation of cross-sector partnerships to address social and development issues as identified above. However, their potential and ability may have a limit in the case of complex social issues such as poverty. Poverty, as discussed in chapter two, is a complex and multi-dimensional social problem whose characteristics are very individual and personal. Bridging agents and difference makers may not be as well placed to understand the nature of poverty as are the beneficiaries who experience poverty, and consequently may not be in a better position to articulate the social issue for the awareness and better understanding of partner organisations. Bierly and Gallagher (2007) argue that although cross-sector partnerships are between organisations, they are consummated by individuals whose individual trustworthiness is influenced by their association with their firm. The role of the beneficiary is thus vital in articulating the social problem in cross-sector partnerships and thus the formation of such partnership arrangements.

According to Blockson (2003), conceptualising the complexity of social problems is essential in identifying what kinds of social problems are considered significant to particular individuals and organisations, how those affected attempt to address such issues, and also what challenges they may encounter in their efforts to address these issues. Blockson argues that the main challenge of the problem-setting phase is the need for collaboration participants (organisations and their stakeholders) to find a common definition of the problem at hand. Often, organisations merely gain an understanding of the problem that may be unrealistic or futile (Blockson, 2003). To articulate the social issue a cross-sector partnership seeks to address, partner organisations should strive to understand the social problem from the perspective of the intended beneficiary as part of the formation phase. This involves the active involvement of the beneficiary in articulating their experiences of the social issue that the partnership sets out to address as discussed in chapter five.

Like the formation phase, there are various terminologies that have been used to describe the implementation process or partnership execution (Jamali and Keshishian, 2009). Academics have not been able to come to an agreement on where implementation actually starts and finishes (Real and Poole, 2005). However, other academics do agree that social responsibility initiatives by corporations are sporadic in their implementation (Seitanidi and Crane, 2009). The development of partnerships has been revealed to stretch several years and it can be challenging to sustain the level of commitment by partners (Walters and Anagnostopoulos, 2012) and particularly to maintain the same level of appeal and dedication to the particular social cause (Waddock, 1988). Jamali et al., (2011) extends the understanding of social partnerships and argue that the relational aspects of trust, communication and coordination helps to augment the quality of the relationship and facilitate collaborative behaviour.

In order to overcome the potential challenges of cross-sector partnership formation and implementation, several researchers have developed models and frameworks with chronological steps and processes for the study and implementation of social partnerships. These different frameworks can be grouped into two traditions based on the formation of the partnership (Austin and Seitanidi, 2014). With the first tradition, the formation phase commingles with the implementation process (McCann, 1983, Gray, 1989, Waddock, 1989), so that the process of formation and implementation ‘overlap and interact’ (McCann, 1983). The second tradition examines the formation as a distinct phase that takes place prior to the partnership selection and implementation (Waddell and Brown, 1997, Seitanidi and Crane, 2009, Seitanidi et al., 2010, Seitanidi, 2010, Jamali and Keshishian, 2009, Clarke and Fuller, 2010, Austin and Seitanidi, 2014). This study follows the second tradition and examines the formation as a distinct phase that takes place prior to the partnership implementation.

To investigate the role of the beneficiary in cross-sector partnerships, it is important to identify the distinct processes of each phase of the partnership to ensure the involvement and role of the beneficiary can be easily identified. Where the formation and implementation processes overlap, important processes and opportunities for beneficiary involvement and active participation in the partnership process may be overlooked. Adopting the second tradition is thus essential and vital to allow for the micro-processes of the formation and implementation phases to be examined

independently. Examining the formation and implementation phases separately as is the case in chapter five, allows for potential opportunities for beneficiary involvement within the sub-processes of such collaborative arrangement to be captured.

According to Manning and Roessler (2014) the project-based nature and boundary-crossing character are central conditions affecting the formation of cross-sector partnerships for development. They argue that CSSPs are inter-organisational projects that are designed to promote changes in social economic and/or natural environments and CSSP projects are not seen as ends in themselves but as means or steps towards development goals. If CSSP are to be seen as means or steps towards larger development goals rather than ends in themselves, then the process of such collaboration and the interaction between partner organisations and beneficiaries should be seen as critical and vital in the development of longer-term and larger development goals for the beneficiaries. This study argues that because of the complex nature of cross-sector partnerships for development, the active involvement of the beneficiary is vital and critical in understanding the nature of the social problems they face, their expectations of such partnerships, addressing the challenges in the formation and implementation of such partnerships, and consequently the outcome of the partnership.

3.7 Cross-sector partnership outcome

The final stage of the collaborative strategy is the partnership outcome, which is the result of the actions taken by both the partnership and by the individual partner organisation (Clarke and Fuller, 2010). Clarke and Fuller enumerate six types of outcomes that may result from collaborative strategic management processes: plan-centric, process-centric, partner-centric, outside stakeholder-centric, person-centric and environmental-centric. Table 10 shows a group's collaborative outcome types into the three societal levels of analysis, identifying outcome values associated with each type of outcome.

Table 10: Types of collaborative outcomes

Societal level of analysis	Outcome type	Outcome value
Macro level - society	-Environment-centric -Plan-centric	-Sustainability -Safety -Social welfare and public goods -Economic growth and development
Meso - organisational	-Process-centric -Partner-centric	-Innovative processes -Profitability -Growth, visibility
Micro - individual	-Person-centric -Outside stakeholder-centric	-Capabilities -Functionings -Social networks

Source: Adapted from Clarke and Fuller (2010).

According to Dorado et al. (2009), cross-sector partnerships produce two types of outcome, predefined outcomes and co-defined outcomes. The main distinction between predefined and co-defined outcomes is the fact that, co-defined outcomes are identified by partner members following partnership formation and are adapted to the objectives and requirements of the organisations involved, whereas predefined outcomes could be achieved with alternative partners and identified prior to the identification and selection of partners (Dorado et al., 2009). To support their point, Dorado et al. (2009) argue that delegation is a structural factor that simultaneously supports the formation of partnership but also prevents the involvement and participation that defines outcomes beyond those agreed prior to the formation of the partnership. This implies the level of engagement and participation in the partnership project by staff assigned to the project influences partnership outcome and may affect the development of mutual trust and flow of information between beneficiaries and partner organisations.

Austin and Seitanidi, (2014) view cross-sector partnership outcomes as a complex systematic process, concentrating specifically on who benefits and how. Their study examines outcomes in terms of who benefits and how far the benefits are spread based

on three interrelated levels: the individual (micro-level), the organisation (meso-level) and society (macro-level) level of analysis. This study focuses on micro-level (Austin and Seitanidi, 2014) also referred to as person-centric outcomes (Clarke and Fuller, 2010). It also focuses on process-centric outcomes that benefit the beneficiary at the micro-level. The partnership outcome is expressed as transformative social change experienced by the women, assessed in terms of the level of capabilities developed and achieved functionings as discussed in chapter six.

The focus of this study is partnership outcomes at the micro or individual level, which are person-centric outcomes for the beneficiary outside the partner organisations. Outcome benefits examined in the study may be both predefined and co-defined during the partnership process. Benefits are assessed in terms of value created for the beneficiary of the cross-sector partnership. The next section presents value creation in greater detail.

3.8 Value creation in cross-sector social partnerships

Different schools of thought define value differently. In the strategic management literature, value is defined as ‘the amount that buyers are willing to pay for what a firm provides them’ (Porter 1985:38). It is also defined as properties of products and services that provide utility (Ramirez, 1999), or ‘value as the sum or entirety of benefits obtainable from the exchange’ (Kivleniece and Quelin, 2012). These definitions of value focus almost exclusively on the customers. Stakeholder theory takes a broader and longer-term view of the target of value creation (Garriga, 2014). From a stakeholder perspective, ‘value’ should be understood in terms of stakeholder welfare (Harrison et al., 2010). Harrison et al., (2010) argue that stakeholders will choose those options or opportunities that increase their welfare in the value creation process. This conceptualisation of value implies that different stakeholder groups within different welfare context view value differently. What is viewed as value and the subsequent process of creating the said value for a particular stakeholder group in a developing country context may not necessarily be considered as value by the same stakeholder group in a developed country context. In cross-sector partnerships, the different stakeholder groups include: the partner organisations, internal beneficiaries

(employees within and across partner organisations) and external beneficiaries (customers, intended beneficiaries of the partnership, and the community).

Value creation is a central concept in strategic management. However, scholars in this field have not been able to agree on what value creation is, how it can be achieved, or what value means (Lepak et al., 2007, O'Cass et al., 2010). Bowman and Ambrosini (2000), in their definition of value creation focus on the nature of value and the level of analysis. They focus on two types of value- 'used value' and 'exchange value' and on how organisations create 'perceived used value' and how they capture 'exchange value' (Bowman and Ambrosini, 2000: 4). The main criticism of their conceptualisation of value is its limitation of value creation at the organisational level of analysis and value in terms of income and economic resources. The conceptualisation ignores value created at other levels of analysis such as the individual beneficiary level or micro level of analysis as well as social value.

Lepak et al. (2007) extend Bowman and Ambrosini's (2000) views and definition of value creation to include multiple levels of analysis: the individual, organisational and societal levels of analysis. Lepak et al., to substantiate their view on value creation, argues that

'Value creation depends on the relative amount of value that is subjectively realised by a target user (or buyer) who is the focus of value creation – whether individual, organisational or societal – and that this subjective value realisation must at least translate into the willingness to exchange a monetary amount for value received' (Lepak et al., 2007:182).

Although Lepak et al.'s (2007) conceptualisation of value creation extends the target of value creation to multiple levels of analysis, it assumes value is created when there is exchange of a monetary amount. It therefore ignores the significance of non-monetary exchange in the value creation process, or assumes that non-monetary exchange may not lead to subjective value realisation.

The focus of this study is value creation for intended beneficiaries at the micro level of analysis, namely poor women entrepreneurs. Value is viewed from the perspective of these women entrepreneurs as positive transformational social change achieved through their experiences of poverty alleviation. Value and value created will thus be

viewed and perceived differently by the women entrepreneurs based on their welfare context, in this case the regional poverty classification in which they live.

Cross-sector partnerships are established to generate value for, and with the interest of a third party, in this case the beneficiary (Austin, 2000b, Selsky and Parker, 2005). In the cross-sector partnership literature, value creation is defined and conceptualised both as a process and an outcome. Value creation refers to ‘the amount and quality’ of benefit generated for the partner organisations engaged in the partnership, individuals and communities in which the collaboration takes action (Austin, 2000b, Tennyson, 2003, Austin, 2004). This definition incorporates both qualitative (social) and quantitative (economic) aspects of value created at different levels of analysis. It perceives value creation as an outcome benefit from the interaction of the partners. Sakarya et al.,(2012) conceptualise value creation as a social transformation, creating change in the lives of individuals and their families affected in communities.

The value created from collaborative effects is short-term and persistent benefit when compared to the costs created from the interaction of the collaborators and that accrue to organisations, individuals and society (Austin and Seitanidi, 2012b). The definitions used by Sakarya et al. (2012), and Austin and Seitanidi (2012) present a process and an outcome dimension to value creation. To create sustainable value in cross-sector partnerships, both the process and outcome dimension should be considered. Kallis et al. (2009) argue that a collaboration that is successful in creating process-value will not be sustained if it fails to produce tangible results to address the problem it is intended to solve. This argument can also be considered in terms of creating outcome value and failing to develop and enhance process value for long-term sustainability. This therefore means that for long-term sustainable value to be created in cross-sector partnerships, process dimensions and the outcome dimensions of the value creation process must be given equal consideration. Process value creation in terms of capability identification and development to ensure greater and higher levels of achieved functionings is an important consideration in the fight against poverty.

This study adopts the conceptualisation of value creation used by Sakarya et al., (2012) and views value creation as referred to in the study as transformative social change achieved by poor women in the form of capability development and achieved functionings that enables them to live a happy life and move themselves out of poverty.

Chapter five presents the role of the women in the partnership processes, identifying how the opportunities presented to the women, and their interaction in the partnership processes enables process value creation by enhancing the development of capabilities and functionings through their active participation. Chapter six presents the outcome value and how the capabilities developed enables the achievement of functionings by the women.

Despite their tremendous promise, potential, prevalence and popularity, cross-sector partnerships are complicated and problematic (Koschmann et al., 2012). Cross-sector partnerships have been considered by some academics to present inadequate results (Bendell and Murphy, 1999, Jamali and Keshishian, 2009, Turcotte and Pasquero, 2001). These partnerships include partners with conflicting goals (Selsky and Parker, 2005). They are often susceptible to deadlock and fragmentation (Gray, 2000). Cross-sector partnerships often do not attain their preconceived goals (Idemudia, 2008, Kern and Willcocks, 2000, Lund-Thomsen, 2008, Takahashi and Smutny, 2002, Wettenhall, 2003). Bryson et al. (2006) argue that sometimes cross-sector partnerships seem to aggravate the very social issues they set out to resolve.

This study attempts to address the short comings of CSSP value creation and outcomes by studying the role of the beneficiary in CSSP. Focusing on the active involvement of beneficiaries may enhance the potential benefits in terms of partnership outcomes and value creation for both the beneficiary and the partner organisations. The next section discusses the role of the beneficiary in cross sector partnerships.

3.9 The role of the beneficiary in cross-sector partnerships

Beneficiaries have been defined and conceptualised differently in development studies and by poverty alleviation agencies. Beneficiaries as clients or groups to which NPOs provide services and/or advocate on behalf of, including communities indirectly impacted by activities (Benjamin, 2013, O'Dwyer and Unerman, 2010). Beneficiaries as stakeholders enjoy the services NPO provides and have the right to be involved in decisions that affect their daily lives (Wellens and Jegers, 2011). Beneficiaries are 'intended residual claimants' of NPOs, and thus prime stakeholders of NPOs (Wellens and Jegers, 2014a, Wellens and Jegers, 2014b). Beneficiaries are powerless,

underprivileged sections of the population including the poor, long-term unemployed, disabled, discriminated, socially excluded, etc. (Santos, 2012). What is common to the different conceptualisations above is that beneficiaries are prime stakeholders in any development or poverty alleviation project. There are a variety of terms that are often used by development, humanitarian aid agencies and poverty alleviation programs all related to the intentional interactions between the agency and the beneficiary; participation, empowerment, consultation, accountability, two-way communication and engagement. Cornwall and Brock, (2005) refer to these terms as ‘buzzwords for development policy’ which are often not applicable in practice. Participation is used in this study as the term of preference. ‘Participation’ and ‘empowerment’ are two words often used to describe the role and involvement of beneficiaries in poverty alleviation projects.

3.9.1 Theoretical perspectives of participation

Participation, empowerment and poverty reduction have been advocated by mainstream development agencies such as the United Nations. The notion of participation in development projects for poverty alleviation has been at the centre of debate by academics and practitioners. Who participates and how in poverty alleviation projects has been greatly contested.

Arnstein’s (1969) ladder of participation has been influential and widely used. It looks at participation from the perspective of those on the receiving end, that is, the beneficiary, focusing on the degree of involvement in the intervention project, from ‘citizens’ control’ at the top, which involves delegated power and partnership, to ‘non-participation’ at the bottom (Arnstein, 1969). Pretty (1995) looks at participation from the perspective of the user of the participatory approach that is the agent carrying out the intervention project. Pretty’s ladder of participation starts from ‘manipulative participation’, where participation is simply a pretence with people represented on boards with no voice, to ‘interaction and self-mobilisation participation’ where people participate in joint analysis, development of action plans and where participation is seen as a right (Pretty, 1995).

Poverty alleviation projects aim at providing products or services to vulnerable, disadvantaged and excluded individuals, groups and communities as prime stakeholders. This thesis looks at the role of the beneficiary in formation and implementation of cross-sector partnerships aimed at poverty alleviation. The study identifies three main roles of beneficiaries: passive recipients, active recipients and active partners. The characteristics of each are adapted from Arnstein's 1969 and Pretty's 1995 ladder of participation (see Table 11).

Table 11: Beneficiary participation in poverty alleviation projects

Role of beneficiary	Degree of involvement	Poverty outcome
Passive recipient	<ul style="list-style-type: none"> -Manipulation -People represented on board with no power -People being told what has been decided 	Achieved functionings
Active recipient	<ul style="list-style-type: none"> -Consultation -Informing 	Achieved functionings with the potential to develop capabilities
Active partner	<ul style="list-style-type: none"> -Delegated power -Empowerment -Sharing of resources -Having a voice 	Capability development and higher level of achieved functionings

Source: Adapted from Arnstein 1969 and Pretty 1995

There have been arguments for a shift in the participation discourse beyond beneficiary participation to address a wider question of citizenship, rights and governance (Gaventa, 2002). However, claims of 'full participation' and the 'participation of all

stakeholder' all too often boil down to situations in which only the voices and versions of the vocal few are raised and heard (Cornwall, 2003).

In practice, different forms of participation may be visible in intervention projects (Cornwall, 2008). Farrington and Bebbington (1993) refer to 'deep' and 'shallow' participation, focusing on the depth and breadth of engagement of the participant in all stages of a given activity. Cornwall (2008) argues that, a 'deep' and 'wide' participatory process might be the ideal however, in practice it can prove either virtually impossible to achieve or so cumbersome and time-consuming that everyone begins to lose interest. Cornwall (2008: 276) argues for,

'optimum participation: getting the balance between depth and inclusion right for the purpose at hand'.

Over the last decade, participation has gained acceptance across a spectrum of development actors and poverty intervention programs as a way to improve development practices and poverty alleviation. However, in practice there are limitations to the level of involvement and participation of beneficiaries in such projects and programs. Although development agencies and poverty intervention programs have been criticised for 'manipulative participation' (Pretty, 1995) and involving the voices and versions of the vocal few (Cornwall, 2003), in practice there are certain beneficiary groups and segments that cannot actively participate in such projects. Beneficiary groups and segments that do not have a voice, such as the environment, or those that have a voice but are incapable of understanding, expressing their opinion and contribution such as children, highly vulnerable and disabled individuals and other groups are often represented by advocates. These groups of beneficiaries are limited in their level of involvement and participation in development and poverty intervention projects. These groups of beneficiaries are out of the scope of this study. These groups of beneficiaries are different from those who have the voices, can voice their opinion and contribute to the processes through their involvement and participation but their voices are often not heard and they are not given the opportunity to participate in development projects, and even when there is involvement, it is very limited or manipulative. This study focuses on beneficiaries who have the voice and their voice can be heard through their involvement and

participation in development and poverty alleviation projects to bring about transformative social change.

The focus on beneficiaries who have a voice and are given the opportunity to participate in development is driven by the objective and methodological stand of a micro level analysis, from the perspective of the individual beneficiaries through their life stories. This group of beneficiaries can easily communicate their views and facilitate data collection from a methodological perspective. However, findings from the use of this group of beneficiaries can be transferable and applicable to other poverty intervention projects where beneficiary voices are represented through advocates.

NPO-BUS collaborations present a strategic approach to CSR (Berger et al., 2006, Seitanidi and Ryan, 2007, Selsky and Parker, 2005). They are ‘close, mutually beneficial, long-term’(Berger, Cunningham, & Drumwright, 2006: 129) collaborations that encompass more than philanthropy, sponsorships or cause-related marketing (Vock et al., 2014). Such partnerships denote,

‘the synergistic use of organisational core competencies and resources to address key stakeholders’ interest and to achieve both organisations and social benefits’ (McAlister and Ferrell, 2002: 690).

Despite the implied benefits of partnerships, very few studies have focused on micro level interactions, involving individual beneficiaries.

Academic research on the study of partnerships has mainly focused on either the macro or meso perspectives of cross sector partnerships, that is , the societal and (inter) organisational level (Vock et al., 2014). There are very few research studies that have focused on micro level perspectives that involves interactions among individuals (consumer, employees and beneficiaries). Research studies on micro level interactions to date have focused on employees and customers of cross-sector partnerships (Austin, 2000b, McAlister and Ferrell, 2002, Vock et al., 2014). The interaction of individual beneficiaries (external to the partner organisations) in cross-sector partnerships has been overlooked. This study aims to fill this gap by focusing on the micro level perspective of interactions at the individual level involving beneficiaries who are the intended target of cross-sector partnerships.

Beneficiaries of cross-sector partnerships have been conceptualised differently within different research studies, e.g., beneficiaries as underprivileged in disadvantaged and socially deprived communities (Cornelius and Wallace, 2010). This conceptualisation posits beneficiaries as external to the partnering organisations. Beneficiaries are also seen as individual employees within and across partner organisations, as well as customers (Kolk et al., 2010, Vock et al., 2014). Although the conceptualisations of beneficiaries presented by Kolk et al., (2010) and Vock et al., (2014) include both internal and external micro level beneficiaries (employees and customers), they assume that external beneficiaries are those who can afford to pay a fair value for the goods and services provided by the partner organisations.

Le Ber and Branzei define beneficiary as, 'a unitary actor with the potential to make a contribution to value creation in cross-sector partnerships' (Le Ber and Branzei, 2010b: 601) and as 'marginalised, disenfranchised or vulnerable segments of society' (Phills et al., 2008) who choose to engage in cross-sector partnerships which focus on addressing their needs (Le Ber and Branzei, 2010b). From the various conceptualisations of the beneficiaries of cross-sector partnerships, one would assume an active participation of beneficiaries at various levels of the cross-sector partnership interaction. The role of the beneficiary, it seems depends on the class, that is, the stakeholder category, and the level of participation or level of involvement given by the partners in the partnership process. The participation ladder discussed in section 2.7 is important in determining the role of the beneficiary in the partnership process. Research studies have highlighted the active involvement of beneficiaries and the potential benefits to participating organisation members (Austin, 2000b, McAlister and Ferrell, 2002) and spill-over effects that may influence consumer responses (Kolk et al., 2010, Vock et al., 2014). These studies have focused on the potential benefits of beneficiary involvement; however, these studies focus on internal beneficiaries at the micro level (employees) and external beneficiaries at the micro level (customers). There is a gap in the literature on the potential benefits of involving individual beneficiaries of cross-sector partnerships to be actively involved in the partnership process. Cornelius and Wallace (2010) argue for beneficiaries to be actively involved as partners in cross-sector partnerships. The aim of this study is to fill this gap in the literature by highlighting the potential benefits of the active involvement of beneficiaries in cross-sector partnerships.

Although the conceptualisation of beneficiaries of cross-sector partnerships presented by Kolk et al., (2010) and Vock et al., (2014) include both internal and external micro level beneficiaries, employees and customers of partner organisations are incidental to the partnership. This study proposes a classification of beneficiaries of cross-sector partnerships based on the intention and purpose of the partnership. The classification as shown in Table 12 distinguishes between direct and indirect beneficiaries, where direct beneficiaries are the intended target group of the partnership or partnership projects and indirect beneficiaries are incidental beneficiaries such as employees, customers and other stakeholder groups.

Table 12: Classification of beneficiaries of cross-sector partnerships

Beneficiary classification	Examples
Direct beneficiary	Intended target group/segment of the partnership e.g. the poor, HIV/AIDs patients, women etc.
Indirect beneficiary	Incidental or secondary beneficiary e.g. employees, customers and other stakeholders of partner organisations

While Kolk et al. (2010) and Vock et al., (2014) focus on the potential benefits of indirect beneficiary involvement in the cross-sector partnership process, this study focuses on the potential benefit of direct beneficiary involvement in cross-sector partnerships at the micro level. It also empirically investigates the role of direct beneficiaries as partners in the co-creation of value in cross-sector partnerships. Except otherwise stated, the use of beneficiary throughout the study implies direct beneficiary of cross-sector partnerships.

Le Ber and Branzei (2010), in their study, highlight the role of the beneficiary in cross-sector partnerships and call for critical theory that repositions value creation from the perspective of the beneficiary. The beneficiary of a cross-sector partnership is conceptualised as; a stakeholder who gains a proportion of the value generated by organisations (Lepak et al., 2007), the deliberate object of value creation (Lepak et al, 2007), and are marginalised, deprived, at risk and defenceless sections of society

(Phills et al., 2008). Recipients of value creation and specifically value created through cross-sector partnerships can be individuals (Pearce and Doh, 2005) or collectives (Tracey et al., 2005). From a beneficiary perspective, Le Ber and Branzei (2010) develop an analytical theory that recovers the beneficiary as the misplaced link for which cross-sector partnership creates value. Freeman et al. (2007) says value creation is influenced by three main propositions, 'for whom', 'for what' and 'to what effect'. Value is created by organisations traditionally and specifically by cross-sector partnerships (Austin et al., 2006b).

MFIs as discussed in chapter two provide financial services to the poor, marginalised and vulnerable groups in society. MFI partnerships have great potential to maximise financial services provision to these beneficiary groups. The next section discusses MFI partnerships.

3.10 Microfinance partnerships

The microfinance industry has come under scrutiny on its goals of financial sustainability and social impact (Morduch, 2000). Scholars have argued that there is a trade-off effect between these two goals, in which the outreach to the poor is negatively related to the efficiency of MFIs (Hermes et al., 2011). The question then is: how can these conflicts of interest (profitability and social impact) be managed to achieve maximum outcome/impact in society? This question has long been at the centre of debate within the microfinance sector. There have been calls for partnerships to address the challenges and shortcomings of individual organisations and organisational types by pulling together individual strengths to overcome weaknesses in the provision of financial services to the poor. Microfinance partnerships allow for promoting a common interest and filling in the gap in development arenas, allowing excluded societies to have a voice (Hermes and Lensink, 2011). NGOs have become an important actor in recent years, adapting to social change and open to partnerships with businesses aimed at achieving shared goals (Jamali and Keshishian, 2009).

MFIs work in collaboration with individuals, organisations and groups within communities. However, despite MFI engaging in collaborations, they have not been studied as a form of partnership. The interaction often involves partners with a non-

traditional background, which increases the complexity of collaboration in the field. However, the systematic studies of partnership in this sector are still limited, due to the complex variety of forms (Kolk et al., 2008). Examining MFIs as a form of cross-sector social interaction (Seitanidi and Ryan, 2007) gives the possibility to potentially study the process of implementation (Seitanidi and Crane, 2009), outcomes (Seitanidi et al., 2010) and potential impact (Austin and Seitanidi, 2012b) of MFIs at the micro (individual), meso (organisational), and macro (societal) levels of social reality (Seitanidi, 2008, Seitanidi and Lindgreen, 2010). Cross-sector social collaboration between business and non-profit organisations are extensive in the literature. This study borrows principles and theories from BUS-NPO partnerships to apply to the study of microfinance partnerships. Seitanidi and Ryan (2007) point out the importance of studying process-based interactions instead of just outcomes, and argue that organisational benefits stem not only from the outcomes of the interactions, but also from the process of interaction. Studying the process of MFI partnerships could highlight the potential for process value creation that is significant for the outcome of such partnerships as discussed in section 4.8.

Through their interactions with MFIs, poor women can join forces to pursue

‘societal betterment through the removal of barriers that hinder social inclusion, the assistance of those temporarily weakened or lacking a voice, and the mitigation of undesirable side effects of economic activity’ (Austin et al, 2006: 264).

As an outcome of their interaction, the generation and production of social value is considered the ultimate justification of cross-sector social partnerships (Alvord et al., 2004, Mair and Marti, 2006, Teegen et al., 2004).

MFI partnerships in Cameroon, like in any other developing country, operate in challenging institutional environments and environments where enforcing corporate regulations is weak. Academics and researchers have argued that in environments where enforcing corporate regulations may be weak, institutional theory may not be a strong driving force for cross-sector partnership formation (Campbell, 2007, Moon and Vogel, 2008, Jamali and Keshishian, 2009, Jamali, 2011a). Although, corporate regulation may be absent or weak in developing countries, it is important to understand the institutional environments and other factors that drive cross-sector partnerships in

these regions. Muthuri and Gilbert (2011) refer to this as an ‘Africanised CSR agenda’, and calls for an understanding of the institutional environment and determinants that drive CSR practices in various African countries.

In this thesis, the motives for partnership formation in the two MFI partnerships, case study one and case study two are different. The formation of the partnership in case study one is primarily to address poverty and its multi-dimensions within different communities in the North West region of Cameroon (extreme poverty region), otherwise referred to as the social issues platform, using Selsky and Parker’s (2005) second theoretical approach to the development of social partnerships. The motivation for partnership working in case study one can be viewed from different theoretical perspectives: resource-based view, social network and relations, and institutional theory perspective.

From an institutional perspective, the environment in which both partner organisations in case study one; Mutual Guarantee Finance Limited as microfinance institution A (MFI-A) and X-Pov (extreme poverty) represented by the Women’s Initiative for Health Education and Economic Development-Cameroon (WINHEEDCAM) and their social networks seem to be a driving force for partnership formation. Institutional theory provides a useful lens for understanding the effects of the institutional environment on why corporations act in socially responsible ways (Aguilera and Jackson, 2003, Campbell, 2006, Campbell, 2007). Institutional environments take into account the culture, regulations and social norms in which the institution operates. The culture of informal financial activities that proliferate in deep-poverty communities and the financial exclusion of poorest of the poor and vulnerable groups’ drives the partnership in case study one.

From a resource-based view, X-Pov needed financial resources and financial structure to continue providing services to the poor and vulnerable recognising its non-material resources such as community network, staff and personnel. On the other hand, MFI-A needed non-material resources such as visibility and status, community network and recognition of its financial resources and structures in place. The resource availability and resource needs of both organisations are seen as driving forces for the partnership. The resource-based perspective, firms are conceptualised as a reserve of resources (Prahalad and Hamel, 1990) where both material (finance) and non-material (status)

resources are essential and influences organisational competitive advantage (Barnett et al., 1994).

The resource endowment of MFI-A and X-Pov is not the only driving force for the partnership. The social network of both organisations, in particular that of X-Pov also served as the driving force for the partnership. X-Pov has network connections with local chefs, local women community groups, community hospitals and local church networks as organisational specific resources. Social network theory seeks to understand the specific effects of network structure on organisational performance (Arya and Lin, 2007). The movement of financial resources, capabilities and opportunities that become accessible to organisational actors is influenced by the network structure (Ahuja, 2000, Stuart, 1998). The social network of X-Pov complements the financial resources and financial structure of MFI-A for the financial inclusion of women, providing opportunities for women to be involved in community activities and opportunities for learning and innovation, and to develop different capabilities that enabled the women to achieve greater functionings and live a happy life. This finding supports Arya and Lin (2007), who argue that social network theory represents an additional perspective to consider along with the resource-based view in terms of organisational competitive advantage, and allows organisations to secure opportunities to external resources that enhance their capabilities and thus the value creation process. Superior network structure complements organisational specific resources to drive cross-sector partnerships.

The partnership in case study two is formed first to address the instrumental and strategic interests of partner organisations, and second to address poverty and its multi-dimensions in communities in the South West region of Cameroon (medium poverty region). The partnership formation is driven by the need to gain access to the organisation-specific resources, the financial structure of Nkong Credit for Development Savings and Credit Association (referred to here as microfinance institution B-MFI-B), the women's network and membership in M-Pov (intermediate poverty, represented by the Nkong Hill Top Association for Development), which would otherwise be difficult or possibly beyond the reach of the individual organisations. Women who become and are members of M-Pov and benefit from the partnership project become automatic members and shareholders of MFI-B. This case study exemplifies Selsky and Parker's first theoretical approach which perceives the

increasing number and development of social partnerships as instrumental, and maintains that organisations partner first for self-interest and secondly to address social concerns (Selsky and Parker, 2005). This also supports the argument by other academics who argue that social partnership formation and development is primarily to enable partner organisations to secure opportunities for extra resources that permit variability and allow them to tackle issues that would otherwise be beyond their reach (Sagawa and Segal, 2000, Jamali and Keshishian, 2009). The motivation and formation of partnership in both case studies as discussed above is facilitated by factors such as the partner awareness and understanding of the poverty from the perspective of the individual women and the extent of partner visibility. The formation and implementation of the two MFI partnerships are the focus of chapter five.

3.11 The analytical framework

Figure 6 presents the analytical framework that guides the analysis and discussions in chapter five and six. Although the partnership agreement is established between the microfinance institution and the civil society organisation, the analytical framework seeks to examine the role of the beneficiary the partnership processes. The development of the analytical framework is based on the assumption that the beneficiaries of the MFI-CSO (WEN) act as silent partners in the formation and implementation processes of the partnership. This assumption that WEN interact as partners explains why the starting point of the framework (the first box) is presented as MFI-WEN partnership. This is discussed in detail in section 7.5.

The framework looks at the role of WEN in the formation and implementation processes and how such involvement enables and enhances process and outcome value creation and consequently transformative social change.

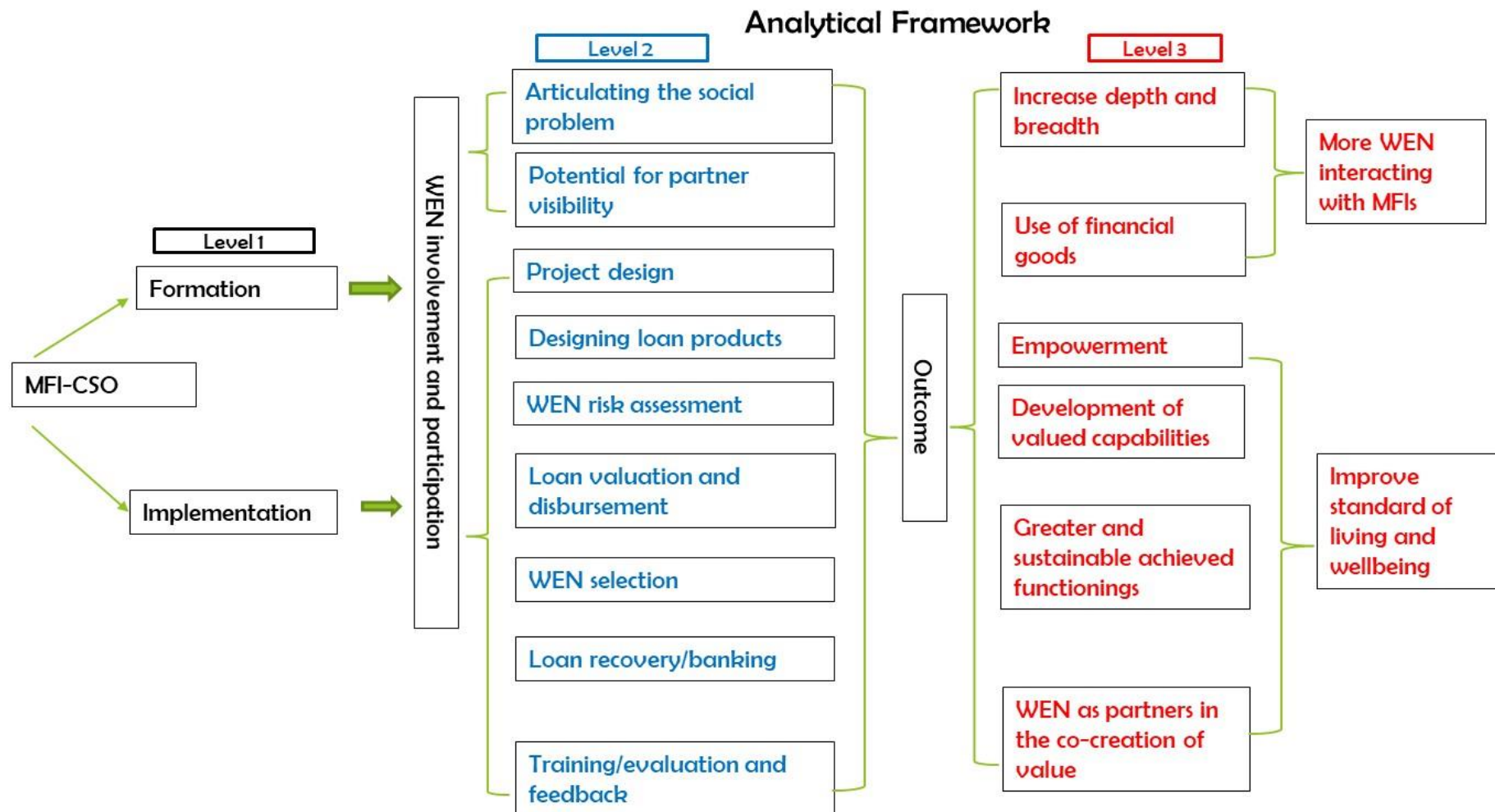


Figure 6: Analytical Framework

3.12 Summary

This chapter presented and discussed the literature on social partnerships, the different classifications as presented in the literature. It discussed the role of the beneficiary in cross-sector partnerships, presenting a classification for beneficiaries of cross-sector partnerships. It discussed the challenges in the formation and implementation of CSSP. Finally, the chapter presented and discussed MFI partnerships, discussing the motives for the partnership formation in the two case studies involved in the study and the analytical framework that guides the analysis and discussion in chapters five and six. The next chapter presents the research methods and methodology adopted for the study.

CHAPTER FOUR

4.0 Research methodology

4.1 Introduction

This chapter presents the research approach, research design and selected research method and explains how they were employed in collecting and analysing the data for this study. The first section describes the research philosophy, identifying the epistemological and theoretical perspective adopted for the study. The second section presents the research context and the environment surrounding the phenomenon under investigation. The research design is set out in the third section, identifying the case study method as a suitable approach to answer the research question and stating the criteria considered in selecting the specific case studies for the research. The fourth section presents the research methods and the data collection technique using semi-structured interviews, life history interviews, document analysis and archival records. The data collection process is discussed in section five, identifying the participating organisations, interviews and life story interviews conducted for the study. The chapter ends with a discussion of the issues related to the validity and reliability of the research.

4.2 Philosophical and epistemological considerations

Research philosophy relates to the development of knowledge and the nature of that knowledge. It underpins the research strategy and the methods chosen and influenced by practical consideration (Saunders et al., 2011). Johnson and Clark (2006) argue that the important issue is not so much whether research should be philosophically informed, but it is how well the researcher is able to reflect on their philosophical choices and defend them in relation to the alternatives that could have been adopted. The research philosophy therefore depends on the research question(s) that the researcher seek to answer (Johnson and Clark, 2006). However, Saunders et al. (2011) argue that the practical reality is that a particular research question rarely falls neatly into one philosophical domain. The main research question this research seeks to answer is: what is the role of cross-sector collaboration in improving how women in Cameroon experience entrepreneurship as a process of social change? To answer the

main research question, this research seeks to study a) the role of beneficiaries in poverty alleviation through entrepreneurial social change, which is addressed in chapter two and b) the role of beneficiaries in cross-sector partnerships for poverty alleviation, addressed in chapter three.

To answer the research question, this research follows an inductive approach that seeks to analyse data to examine the patterns that emerge. Those patterns suggests the involvement of the beneficiary (that is, the women entrepreneurs, or WEN) in poverty interventions through microfinance interactions with civil society organisations (CSOs) as well as outcome value created for the beneficiaries. The perceptions and findings may lead to the possible construction of generalisations and relationships and the possibility of beneficiaries actively participating in such interactions as partners. The inductive approach does not set out to corroborate or falsify a theory; instead, through a process of gathering data, it attempts to establish patterns, consistencies and meanings (Gray, 2013). A qualitative approach is employed to answer the main research question and the overall objective of the research. The qualitative approach is the most appropriate and suitable to answer the research question. The process of discovering how social meaning is constructed is the foundation of the qualitative approach and emphasises the connection between the investigator and the topic studied (Denzin and Lincoln, 1998). Its use of small-scale samples and interactive data collection methods provides an extensive understanding of the social world, allowing for new issues and concepts to be investigated (Snape and Spencer, 2003). Qualitative research offers the possibility to ‘explain why certain outcomes may happen – more than just find out what those outcomes are’ (Denscombe, 1998). The qualitative approach is particularly suitable in this research to understand the perceptions of women entrepreneurs from their experiences of poverty alleviation through their interactions between microfinance institutions (MFIs) and civil society organisations. A qualitative approach allows for multiple meanings of the individual experiences of women entrepreneurs with the intent of developing a theory, consistency or pattern.

There are two schools of thought on epistemology: positivism and interpretivism. Positivism is an epistemological position that advocates the application of the method of natural sciences to the study of social reality (Bryman and Bell, 2003). For advocates of positivism, the objective of theory is to create hypothesis that can be investigated and analysed, implying a deductive research approach using quantitative

research methods (Bryman and Bell, 2007). Bryman and Bell (2003) advocate that, in certain circumstances, it is possible for positivism to entail components of both a deductive and an inductive research approach. They argue that, in certain instances, knowledge is arrived at through gathering facts that provide the basis of laws (the principle of inductivism). The ontological position of positivism is based on the fact that 'social entities can and should be considered as objective entities that have a reality external to social actors' (Bryman and Bell 2003: 19).

In contrast to positivism, interpretivism is based on the view that

'a strategy is required that respects the differences between people and the objects of the natural sciences and therefore requires the social scientist to grasp the subjective meaning of social action' (Bryman and Bell, 2003 :16).

With interpretivism, the main position lies in the role of theory as a link to research that involves an inductive approach to theory generation using questions (Bryman and Bell, 2003). The construction of social meaning and the connection between the researcher and the topic is the underlining principle of qualitative research (Denzin and Lincoln, 1998). Qualitative techniques employ modest samples and interactive data collection techniques that enables emerging concepts and issues to be investigated. This approach is interpretative and allows the study and understanding of social phenomena (Snape and Spencer, 2003). Understanding the process of achieving outcomes rather than the outcomes themselves is the core value of qualitative research (Denscombe, 1998).

This research follows an interpretivist approach. The interpretivist approach looks for 'culturally derived and historically situated interpretations of social life-world' (Crotty, 1998: 67). Easterly-Smith et al., (2002) points out that having an epistemological perspective is important as it helps clarify issues of research design and the overarching structure of the research, including the kind of evidence that is being gathered. Gray (2013) argues that truth and meaning do not exist in some external world, but are created by the subjects' interactions with the world, that is, the meaning is constructed not discovered. Gray (2013) further explains that, subjects construct their own meaning in different ways, even in relation to the same phenomenon. The perceptions of the subjects, in this case the women entrepreneurs on

their experiences of poverty alleviation through the interactions between MFIs and civil society organisations, is vital in understanding the processes and outcomes of their interactions and how such processes can be further developed to ensure sustainable value creation for poverty alleviation. This study employs semi-structured interviews, in-depth interviews and life story interviews to identify patterns for inductive theory generation.

This thesis adopts a phenomenological perspective as an example of interpretivist approach. It uses a direct approach with WEN through semi-structured interviews and life story interviews to understand their experiences and perceptions of poverty alleviation. Titchen and Hobson (2005) define phenomenology in the context of everyday social environments and the perspective of human phenomena from the experiences of those living in such environments. Phenomenology involves the study of life world human experiences, exploring the personal construction of the individuals world (Gray, 2013). Adopting a phenomenological approach provides a contextual meaning to the perceptions and practices of women entrepreneurs of their experiences of poverty alleviation through the interaction between MFIs and civil society organisations. Phenomenology makes use almost exclusively of interviews as data collection tools (Gray, 2013). This study adopts a qualitative methodology, employing semi-structured in-depth interviews, and life story interviews to capture and document the experiences of women entrepreneurs of poverty alleviation.

This study follows the paradigm of ‘research from the inside’ (Evered and Louis, 1981) as it aims to understand the events, activities, and utterances in a specific situation, and requires a rich appreciation of the overall organisational context. Context refers to;

‘the complex fabric of local culture, people, resources, purposes, earlier events, and future expectations that constitute the time-and-space background of the immediate and particular situation’ (Evered and Louis, 1981: 390).

The organisational characteristics, motives, processes and local environment are considered to be parts of the complex fabric of the interaction between MFIs and civil society organisations that account for the perceptions and experiences of poverty alleviation by the women entrepreneurs.

4.3 Research context

Organisational behaviour researchers have argued that the context of research in organisational studies has not been sufficiently recognised or appreciated (Johns, 2006). Johns (2001) says that context is necessary to gain an understanding of interactions between people and conditions. Context has been defined from different perspectives by academics, such as Cappelli and Sherer (1991: 56) who say that

‘the surroundings associated with phenomena which help to illuminate that phenomena, typically factors associated with units of analysis above those expressly under investigation’.

Mowday and Sutton (1993), include an environmental aspect to their definition of context. More recent definitions look at the opportunities and constraints and the process of contextualisation. Johns (2006) defines context as

‘situational opportunities and constraints that affect the occurrence and meaning of organisational behaviour as well as functional relationships between variables’ (Johns, 2006: 386).

The research process of associating reflections to key facts, experiences, opinions and perspectives that shape components of a larger whole is referred to by Rousseau and Fried, (2001) as contextualisation. Contextualisation can take place at different stages of the research process (Rousseau and Fried, 2001). The context and contextualisation of the study are therefore vital to the understanding, analysing, interpretation and reporting of the outcome of the study.

In 2009 during a short visit to Cameroon, I noticed one of the high streets in Buea, the capital of the South West regional, a stretch of about five kilometres with about 30 different microfinance institutions. This was a significant change compared to 2003. During my four weeks stay, I noticed the standard of living of many in the communities had not significantly changed compared to 2003. As an accountant, I thought the increasing number of MFIs with no readily observable change in living standards was disturbing. This inspired and motivated my interest in financial services for the poor.

This study is carried out in Cameroon, a developing country in Sub-Saharan Africa. Cameroon, as a developing country, illuminates the phenomenon of poverty at different levels of society- the macro, meso and micro levels. The focus of this study

is at the micro level, poverty alleviation at the individual beneficiary level. There have been several studies on poverty in developing countries, where weaknesses in government structures, market failure, disasters and conflict have led to high human deprivation and consequently high levels of poverty. Human welfare dimensions generally vary and are assumed to be lower in developing countries compared to developed countries. These factors present opportunities and constraints external to the women entrepreneurs that affect and influence their interactions with MFIs and consequently their experiences and perception of poverty alleviation. However other women exclusive constraints also affect the opportunities and participation of women in entrepreneurial activities in developing countries as discussed in section 2.10.3. The next section presents the research design.

4.4 Research design

The research design is considered to be framework for building evidence that is appropriate and fits the set of criteria and research question for which the researcher is interested (Bryman and Bell, 2007, Bryman, 2012). The research design ensures that the evidence obtained enables the researcher to answer the initial question as unambiguously as possible (De Vaus, 2001). The research design addresses three main aspects: the researcher's knowledge claims, strategies of inquiry and data collection and analysis methods (Bryman, 2012). The first question, which addresses the knowledge claims being made by the research including the theoretical perspectives, has been addressed in section 4.2 above. The second and third research design questions are the subject of this section. De Vaus (2001) identifies four classifications of research design – experimental, longitudinal, cross-sectional and case study. This study adopts the case study design as its framework to generate evidence to a set of criteria to answer the main research question.

4.4.1 The case study approach

The case study approach is defined as,

‘a research strategy that focuses on understanding the dynamics present within single settings’ (Eisenhardt, 1989: 534).

An empirical investigation into a current phenomenon within its social environment where, the frontier between the phenomenon and the environment is blurred exemplifies a case study research (Yin, 1984, Cameron and Price, 2009). A case study investigation employs several sources of documentation (Yin, 2008). It could apply to more than one case at various levels of analysis (Yin, 1984; Cameron and Price, 2009).

Case studies are likely to generate novel insights, while these insights remain firmly grounded in empirical evidence, and are often the choice when researching a less well-known phenomenon (Eisenhardt, 1989). The main advantage of case studies compared to other approaches is that they permit the combination of different sources of evidence, and typically combine data collection methods such as archives, interviews, questionnaires, and observations, and the evidence may be qualitative (e.g. words), quantitative (e.g. numbers) or both (Eisenhardt, 1989). This research employs the case study approach, combining interviews, life history interviews, documents and archives as data collection tools to study and analyse the perceptions of women entrepreneurs of their experiences of poverty alleviation through the interaction with MFIs and civil society organisations.

According to Bryman and Bell (2003), a case can be: (a) a single organisation, (b) a single location, (c) a person – characterised as using the life history or biographical approach or (d) a single event. Yin distinguishes three types of case:

‘(1) the critical case: the researcher has a clearly specified hypothesis, and a case is chosen on the grounds that it will allow a better understanding of the circumstances in which the hypothesis will hold and will not hold; (2) the unique case: the unique or extreme case is a common focus in clinical studies; (3) the revelatory case: the basis for the revelatory case exist ‘when an investigator has the opportunity to observe and analyse a phenomenon previously inaccessible to scientific investigation’ (Yin 1984 : 44).

This study adopts the ‘revelatory case’ as a means of understanding and analysing the process of interaction between poor women entrepreneur’s, MFIs and civil society organisations as a sustainable value creation process for poverty alleviation. The aim is to identify different areas of process benefits that ensure sustainable outcome benefits for the beneficiaries.

The case study approach offers the opportunity for a holistic view of a process as opposed to a reductionist-fragmented view (Gummesson, 1999). Case study enables a research to retain the holistic and meaningful characteristics of real-life events (Yin, 1984). In their study on microfinance programs, clients and impact in the case of the Zambuko Trust, Barnes et al., (2001) found that, case studies permitted a better understanding of the web of events, circumstances and conditions internal and external to clients’ households that lead to changes among clients, their households and enterprise.

The study by Barnes et al., (2001) indicates that, at the individual beneficiary level, the analysis could focus on the beneficiary’s household, as well as the enterprise that the beneficiary owns and runs. This web of events and circumstances is what Yin refers to as an embedded case study. An embedded case study occurs when, within a single case, attention is also given to a subunit or subunits and can also occur when a single case study may involve units of analysis at more than one level (Yin, 2014). This study employs an embedded case study approach involving several units of analysis at the individual level – the beneficiary of the interaction between the MFI and the civil society organisation. The case study approach has been criticised for its generalisation, reliability and difficulty in analysing data from the field. Taking into consideration these criticisms, this study proposes a multiple case study approach to improve the reliability and robustness of the findings and results.

The two case studies selected for the study involve the partnership interaction between Mutual Guarantee Finance Limited (MUGFIC), an MFI, and the Women’s Initiative for Health Education and Economic Development –Cameroon (WINHEEDCAM), a civil society organisation. Case study two involves a partnership interaction between Nkong Credit for Development Savings and Credit Association (NC4D) and Nkong Hill Top Association for Development (NADEV). The partnership organisational characteristics are presented in section 4.4.5. The life stories of the individual WENs

in each case study are studied and analysed to understand poverty and the experience of poverty alleviation from their perspective. This examination exemplifies Yin's (2014) revelatory case in an embedded case study with multiple units of analysis.

4.4.2 The case study research design

Yin (2014) identifies five components of a case study research design: a case study's questions; its propositions, if any; its unit(s) of analysis; the logic linking the data to the propositions; and the criteria for interpreting the findings. The research question is: what is the role of cross-sector collaboration in improving how women in Cameroon experience entrepreneurship as a process of social change? The following proposition is used to guide the study from the data collection phase to the analysis and reporting of the case studies: cross-sector interactions between MFIs and civil society organisations enhance the potential for transformative social change through positive experiences of poverty alleviation by WEN. A case study for this research is a partnership interaction between an MFI and a civil society organisation. Civil society organisations may be formal, in which case they are non-profit organisation (NPO), or informal, such as a community group, an association, a cooperative or a common initiative group. The unit of analysis is the individual beneficiary (WEN) of the partnership – that is, micro level analysis. Cross-sector partnerships are voluntary interactions specifically set up to address social issues. In the case of this research the social issue is poverty. Partnerships have the potential for greater outcomes on poverty alleviation as the unique strengths of each organisation or sector overshadow and blends the weaknesses to ensure potential value creation.

Each case study is used to study the process of interaction leading to the partnership outcome at the individual beneficiary level. Microfinance institutions interact with civil society organisations to produce outcome benefits for intended beneficiaries – i.e., WEN. During the interaction and involvement of the beneficiaries, process benefits accrue to the beneficiaries. The aim is to study interactions in each case study to examine areas of potential process benefit development that leads to outcome benefits for individual beneficiaries in each case study. Exploratory interviews from other MFIs and civil society organisations are used to inform and identify challenges

in forming such partnerships and their interactions with WEN. Exploratory interviews with WEN are used to understand the challenges faced by WEN where there is no partnership interaction and the perception of their experience of poverty alleviation through their interaction with an MFI.

Yin (1984, 2012, Yin, 2014) stresses the importance of bounding the case, identifying the context for the case study. Case studies are selected from three of the 10 poverty regional classification of Cameroon (extreme, moderate and non-poor) in urban and rural settings. The WEN beneficiaries are selected from women who interact with the civil society organisations and MFIs in the case studies, who were available and willing to take part in the study.

Yin (2014) identifies four basic types of case study designs: holistic single case design, holistic multiple case design, embedded single case design, and embedded multiple case design. This study follows Yin's (2014) fourth case study design - the embedded multiple case design to study the process and partnership outcome to WEN through their interaction with MFIs and civil society organisations. The study comprises three case studies with multiple units of analysis embedded in each case.

4.4.5 The case study selection

This section discusses the case study selection process and the criteria used, providing a full list of participating organisations and interviews conducted. A revelatory case for the purpose of the study is an event involving a partnership interaction between an MFI and a civil society organisation. To select a revelatory case, the population from which to select the case has to be identified, as discussed in the population selection section. The next step in selecting the revelatory case involves identifying the organisations involved in the partnership interaction as discussed in the section on case study organisation selection. The last step in the revelatory case selection involves identifying the event, which is a partnership interaction as discussed in section 4.6.

The main selection criteria for the population of the case study are a) regional poverty setting and b) geographical setting of operations. Poverty is the social issue at the centre of this study, generally conceptualised as social, economic and other forms of deprivations that affect the wellbeing of individuals. It is therefore important to

identify the right and appropriate population, with characteristics of social, economic or other dimensions of deprivation in the context of Cameroon. This allows for patterns and consistencies of experiences of poverty alleviation by poor women entrepreneurs to be observed for different regions and comparisons for plausible interpretations. This thesis adopts four of the six case study selection criteria for partnerships between business (BUS) and NPOs proposed by Seitanidi (2006, 2010). The organisational reputation and style of activity are the two criteria from Seitanidi (2006; 2010) not used in this study. Seitanidi's (2006) study was carried out in the UK, a developed nation context where some of the criteria are not applicable to this study carried out in Cameroon, a developing country context. The organisations involved in Seitanidi's study were large multinational organisations operating across different continents with sophisticated style of activity. This is different from the small to medium-sized organisations involved in this study, which have little or no experience of international operations and little or no risk to organisational reputation. For these reasons, organisational reputation and style of activity are not considered as relevant selection criteria for this study. The four criteria applied in the context of microfinance partnerships are: 1) organisational form, 2) scope of operation, 3) partnership interaction and 4) resources exchanged.

Although this research follows from the traditional NPO-BUS partnership literature, the case studies for this research are different from the traditional NPO-BUS partnership case study. The business partner in this research is specifically for-profit microfinance institutions whereas in a traditional NPO-BUS partnership, the business partner is a company, corporation or institution within any sector of the market. For-profit microfinance institutions apply the principle of profitability and financial sustainability in the provision of financial services to the poor. Examples of for-profit microfinance institutions include non-bank microfinance institutions, formal commercial banks and other financial institutions. The NPO partners in the case of this research are civil society organisations, which could be formal, in which case have the status of an NPO, or informal, such as community groups, cooperatives or common initiative groups. However, the common ground in both case studies is that the BUS partner operates through market principles with profitability as a bottom line objective and the NPO partner is a not-for-profit entity with the aim of addressing the needs of its members or addressing a social issue.

The NPO-BUS partnership case study selection criteria proposed by Seitanidi (2006, 2010) were used to select cases when the level of analysis was the partnership level. Although the level of analysis in this research is the individual beneficiary level external to the partnership, the partnering process of the collaboration is fundamental in the creation of value for external beneficiaries. This explains why some of the case study selection criteria for NPO-BUS partnership proposed by Seitanidi (2006) are applied in the context of microfinance partnerships for this research. Beneficiaries of collaboration could be internal employees within and across the partnering organisations and external customers and the intended target of the partnership project. For the purpose of this study, the beneficiary is conceptualised as the intended target of the partnership, external to the partnering organisations. Thus, beneficiaries –WEN who are employees of the partner organisations are out of the scope of this study.

Case selection is an essential aspect of generating and building theory from case studies (Eisenhardt, 1989, Miles and Huberman, 1994). The selection of suitable population controls for external variations and essential in defining the boundaries for the generalisation of findings (Eisenhardt, 1989). Case selection often involves at least one of three methods: purposive, theoretical or random sampling. Purposive sampling operates on the principle that best information can be obtained by focusing on a relatively small number of instances, deliberately selected on the basis of their known attributes (Denscombe, 2010). Case study selection often involves theoretical sampling, where cases are chosen for theoretical, not statistical reasons (Glaser and Strauss, 1967, Eisenhardt, 1989, Yin, 1984). Cases are often selected to recreate previous cases or expand emergent theory or in some instances to fill theoretical categories (Eisenhardt, 1989).

Purposive sampling is used in the selection of the population from which the case studies are later selected. This is guided by the literature and previous studies on poverty distribution in Cameroon. Two main criteria adopted for population selection are: 1) regional poverty setting and 2) geographical setting of operations.

4.4.5.1 Case study context selection

1) Regional poverty setting

Poverty remains primarily a rural phenomenon, and disproportionately affects the Northern and Extreme North regions of Cameroon, with larger households experiencing chronic poverty (Paul Ningaye, 2011). Ningaye et al (2011) maps Cameroon into three sections based on the multidimensional levels of poverty ('multi-poverty') levels: extreme multi-poverty (Extreme North, North, Adamaoua, East , North West and Centre), intermediate poverty (South, South West, the Coast and the West regions) and non-poverty composed of the two biggest cities, the economic capital Douala and the capital Yaounde. Table 13 presents the poverty classification in Cameroon and the distribution by regional setting.

Table 13: Poverty classification and regions of Cameroon

Poverty classification	Regional setting
Extreme poverty	Extreme North (Far North), North, Adamaoua, East, North West, Centre
Intermediate poverty	South, South West, West and Coast regions (Littoral)
Non-poverty	Douala, Yaounde

Source: Ningaye et al. (2011)

Table 14: Cameroon poverty dynamics 2001-2007

Poverty dynamics 2001-2007 (Foster-Greer-Thorbecke Indices)						
	2001			2007		
	Headcount	Gap	Severity	Headcount	Gap	Severity
National	40.20	12.80	5.60	39.90	12.30	5.00
<u>Area of Residence</u>						
Urban	17.90	4.30	1.60	12.20	2.80	1.00
Rural	52.10	17.30	7.70	55.00	17.50	7.20
<u>Region</u>						
Douala	10.90	2.10	0.70	5.50	0.90	0.20
Yaounde	13.30	2.70	0.90	5.90	1.00	0.20
Adamaoua	48.40	15.40	6.40	53.00	14.50	5.40
Centre	48.20	15.00	6.60	41.20	9.50	3.10
East	44.00	15.40	6.70	50.40	15.70	6.20
Far North	56.30	18.80	8.20	65.90	24.60	11.20
Litoral	35.50	10.01	4.20	31.10	7.70	2.70
North	50.10	15.50	6.40	63.70	21.00	8.60
North West	52.50	20.90	10.70	51.00	16.60	6.80
West	40.30	11.10	4.20	28.90	6.60	2.30
South	31.50	7.40	2.40	29.30	7.40	2.70
South West	33.80	10.50	4.50	27.50	6.90	2.50
Sources: INS - ECAM2, ECAM3, INS						

Table 14 presents an extract from the Cameroon Household Survey Data (ECAM) 2 and 3 poverty dynamics.

ECAM 2 and ECAM 3 were conducted in 2001 and 2007 respectively. As illustrated in the table, the poverty disparity based on the poverty headcount between the North West region (extreme multi-poverty with the highest level of severity) and Douala (non-poverty) in 2001 is very high. However, in 2007 the severity of poverty in the North West region dropped significantly and the Far North region was observed to have the highest severity of poverty compared to Douala, a non-poverty region. This high severity of poverty is important as studies and analysis of cases studies in the North West region identifying potential value creation areas for poverty alleviation may be transferable to other regions. This table played a key role in the selection of

the population for the case studies in order to understand the perceptions of the beneficiaries and their experiences of poverty alleviation.

Cases were selected from each of the three categories of poverty levels in Cameroon (extreme multipoverty level, intermediate multipoverty level and non-poverty level) to allow findings within and across poverty levels. The three populations selected for the study are; the North West, South West and Douala regions (see Table 15)

Table 15: Case study selection- Population

Regional poverty classification	Province	Town /City
Extreme poverty	North West	Bamenda
Intermediate poverty	South West	Buea
Non-poverty	Littoral	Douala

2) *Geographical setting of operations*

The majority of microfinance institutions, especially for-profit organisations are located in major cities and towns (urban areas) of the country. Small and medium-sized enterprises, as well as a great majority of women entrepreneurs are located in major cities and urban towns rather than to rural villages. This is an important criterion, as the incidence and severity of poverty are higher among women in rural, rural-urban areas and city slums of the grass field and highland areas compared to major cities and urban towns of the coastal areas of Cameroon. For interventions aimed at alleviating poverty, it is important for the intervention to target the appropriate population. This criterion is important for the beneficiaries, in this case the women entrepreneurs. This research limits the population of women entrepreneurs to rural-urban, urban towns and city slums in the poverty regions selected. The assumption is that by targeting women entrepreneurs in rural-urban and urban towns, benefits will trickle down to the rural villages. The next section presents the second phase of the selection process – the case study selection.

4.4.5.2 Case study organisation selection.

This section presents the criteria used in selecting the organisational partners for each case study. This thesis adopts four of the six BUS-NPO partnership case study selection criteria proposed by Seitanidi (2006, 2010). The organisational form, scope of operation, partnership interaction and resources exchanged are applied in the context of the study as case selection criteria.

1.) Organisational form:

The organisational form refers to the legal form of microfinance institutions. Microfinance institutions are grouped into either formal or informal microfinance institutions. Informal microfinance institutions include rotating saving associations (ROSCA) or tontines, njangi, soso as they are known in the Sub-Saharan Africa region. Informal microfinance institutions are out of the scope of this research. Formal microfinance institutions are classified into four main categories, as identified in section 2.4.4. This thesis specifically focuses on for profit microfinance institutions: credit co-operatives, non-bank microfinance institutions, commercial banks and other financial institutions providing microfinance. The NPOs for this study include both formal and informal civil society organisations. In the selection of microfinance institutions, the level of community involvement in terms of scope of activity and intent of partnership is more important and is discussed below.

2.) Scope of operations

Unlike in the NPO-BUS case study selection criteria proposed by Seitanidi (2006) where scope of operation is used in terms of international as well as national/regional areas of operation of the partner organisation, scope of operation for the purpose of this research is used nationally in the context of Cameroon in terms of major city, urban town, rural-urban and rural areas. Scope refers to the area of operation or the breadth of activities of the organisations (microfinance institutions and civil society organisations). Case studies are selected from major city, urban town and rural-urban

areas to allow differences and similarities in the partnership process and the perceptions of women entrepreneurs from their interactions. Three case studies were identified and selected, although only two are fully analysed and compared. The first is MUGFIC, a licensed microfinance institution, with urban city operations and branches in towns and township suburbs. It has a partnership with WINHEEDCAM, an informal civil society organisation. WINHEEDCAM's main focus on social issues is poverty, particularly, it strives to include individuals with disabilities and HIV patients as its target population. The second is NC4D a transformed microfinance (often referred to as commercialised microfinance institutions) with urban city operations and branches in towns and township suburbs. It has a partnership with NADEV, a formal civil society organisation. The third is Citibank an international commercial bank that has a partnership with the Bernard Eding Fund, a formal civil society organisation. Citi bank operates mainly in Douala, which is a commercial centre of Cameroon, and the capital Yaounde. The Bernard Eding Fund, although based in the city, operates in urban towns and rural villages, with focus on agriculture and the environment. During my second field visit, the third partnership case study was identified in Douala, a non-poverty region. A series of interviews were conducted with relevant personnel at the financial institutions; however, I was informed by the lead contact (in charge of overseeing the partnership) at the financial institution of an ongoing government investigation with the civil society organisation and the director, and the intention to suspend future interactions with the civil society organisation. However, I was authorised to carry on with the study, schedule and conduct the necessary interviews. The first set of interviews with the director of the civil society organisation went well, but subsequent calls and emails to reschedule interviews were not successful. This meant I could not contact beneficiaries and other employees of the civil society organisation. The third case study was discontinued and is not included in the analysis and discussions in chapters five and six.

3.) Intent of partnership

The main and most important criterion for selecting the cases was the intent of partnership (Seitanidi, 2006). According to Waddock (1991), the main purpose of social partnerships is to cooperatively attempt to solve a problem or social issue by

actors from two or more sectors. Poverty intervention by MFIs has been criticised for not targeting the poorest of the poor in society due to challenges in understanding the needs of the poor within diverse communities. Civil society organisations and NPOs on the other hand, understand the needs and work with the poor, but they do not have the necessary resources to provide sustainable poverty alleviation for the poor. Most NPOs are donor funded, and with declining in donor funds, these organisations do not have the necessary financial resources to implement complex information-technology systems, and cash flow for loans and microcredit, and to cover the loss from delinquent loans. There have been calls for MFIs to work in collaboration with CSOs to combat the challenges they each face. Identifying MFIs with the intent of working together in partnership with civil society organisations to address these challenges and exploit the potentials of each partner organisation was a major criterion for selecting the case studies. This allowed for the process of collaboration to be studied and areas of potential value creation to be identified and enhanced to ensure sustainable value creation for poverty alleviation. The case studies clearly reflect intent of partnership formally, through partnership agreements, memoranda of understanding (MOUs), or informally through trust.

4.) Resources exchanged

The definition of social partnership by Waddock (1988) lay emphasis on an active rather than passive involvement of all partners involved in a social partnership. Active rather than passive involvement involves the commitment of resources by both actors- a commitment that Waddock (1988:18) argues should be more than 'merely monetary'. Other resources exchanged by partners include finance, time, human capital, organisational capital, social capital and reputational capital. Resource commitment and exchange is important to ensure the potential of each organisation is utilised to overcome the challenges of sustainable poverty alleviation for the poor through sustainable value creation and transformative social change. Some, if not all, of the above commitment of resources is demonstrated by the cases in the study.

Table 16: Criteria for selecting case study organisations

	Regional poverty	Geographical setting	Organisational form	Scope of operation	Form of activity	Resources
MUGFIC	Extreme poverty	North West	MFI	Urban Rural-urban	Partnership	All
WINHEEDCAM	Extreme poverty	North West	CSO - CIG	Urban Rural-urban	Partnership	All
NC4D Ltd	Intermediate poverty	South West	MFI	Urban Rural-urban	Partnership	All
NADEV	Intermediate poverty	South West	CSO - NPO	Urban Rural-urban	Partnership	All
Citi bank	Non-poverty	Douala	MFI – formal bank	City	Partnership	All
Bernard Eding Fund	Non-poverty	Douala	CSO - NPO	City Rural-urban	Partnership	All

Table 16 summarises the criteria employed in selecting the case studies for the study. The variations in organisational form, scope of operation and poverty setting were believed will provide sufficient differences and possible similarities in the partnership cases to identify potential areas of process value creation. It was believed that by understanding the process of such partnerships, areas of value creation could be identified and fostered through collaborative action of the partners to address the social issues they sought to address in the cases under investigation and other partnership cases to ensure sustainable value creation for poverty alleviation.

4.5 Research methods and data collection instruments

This section describes the methods and data collection instruments. A combination of interviews (semi-structured interviews and life story interviews), documents and archival records are used as instruments deployed to collect the data necessary to answer the research questions. The advantage of combining data collection instruments and sources of information is that data can be corroborated, and it is important to ensure the validity of the results and findings. The different data collection instruments are presented below.

4.5.1 Semi-structured interview:

The flexibility in the nature of the research questions and the option for the researcher to explore responses further with respondents is a feature of semi-structured interviews (Saunders et al., 2011). A protocol is a tool used in semi-structured interviews that sets the interviewing style and allows for consistency in the collection and production of rich context specific data (Arksey and Knight, 1999). The protocol for the semi-structured interviews includes questions relating to the motivation, interaction processes, level of services, resource commitment, challenges and constraints faced by the partner organisation in achieving the mission and objectives of the partnership (see Appendix 2).

Some of the case study interviews were prolonged by more than an hour over an extended period covering multiple sittings. A purposeful sample was used to determine the most appropriate and relevant organisational actor for each case.

The semi-structured interview is used to collect data from the partner organisations, the MFIs and the civil society organisations. The data from semi-structured interviews were used to understand the interaction process, other services provided with the loans and microcredit. It is essential and a means to understand the role of each partner organisation in the value creation process.

4.5.2 Life story interviews:

According to Atkinson (1998), a life story is the story a person wishes to disclose about the life they have lived, told entirely and sincerely as possible. Through a guided interview, the person discloses what they can remember and importantly what they wish others should know their story. Life story interviews can cover the time from birth to the present or before and beyond, and can include important events, experiences, and feelings of a lifetime (Atkinson, 1998). Life story interviews solicit reflections from the interviewee on their entire life journey. The method has been portrayed as reporting 'the inner experience of individuals, how they interpret, understand, and define life around them' (Faraday and Plummer, 1979). Life history methodology is suggested to be particularly useful in situations when the researcher is attempting to understand the complex processes whereby people make sense of their organisational reality (Bryman and Bell, 2003). In-depth interviewing captures change through retrospective interviews, as well as through repeated interviews across time, allowing the researcher to explore the complexity, contradictory or counter initiative matters by examining the complexity of the real world through multiple perspectives towards an issue (Rubin and Rubin, 2012). Life stories are often used interchangeably with life history. The difference between a life story and a life history is usually emphasis and scope, where an oral history most often focuses on a specific aspect of a person's life, such as work life or a special role in some part of the life of a community (Atkinson, 1998).

After the case study population, case study organisation and the two revelatory cases were identified, the next step was to identify and select women beneficiaries who had a voice and had the opportunity to participate in the partnership project. The main contact in case study one the field coordinator at the CSO (WINHEEDCAM) and in case study two was the branch major of the MFI (NC4D). They provided lists of women who had benefited from the partnership project. Most of the WEN were contacted via telephone. However, as most were poor some did not have mobile phones. This was a major drawback in reaching out to large numbers of WEN who had benefited from the partnership projects. Some of the WEN contacted via telephone agreed to take part in the research and a meeting was arranged for the life story interview. Other WEN were invited to take part in the research when they visited the MFI/CSO office during their everyday interactions with the MFIs. The snow-ball technique was used to select more women entrepreneurs, where those who had accepted to take part in the research were asked to recommend other WEN who had benefited from the partnership project. In one instance, in an urban-rural setting the help of the NPO-organisational actor was solicited to contact different women entrepreneur clients to meet together at the office or at a meeting point. Although they were briefed as a group, the life story interviews were conducted individually and privately with each entrepreneur. The interview accounts included real-time challenges, as well as retrospective accounts of WEN's experiences and perceptions of their interactions and involvement with microfinance institutions.

Life story interviews were used to understand and study the perceptions of the women entrepreneurs of their experiences of poverty alleviation through their interactions with the MFIs and civil society organisations. Life story interviews were used to understand and analyse the role played by the women entrepreneurs in the value creation process, and how such a role can be enhanced and fostered to ensure sustainable value creation for poverty alleviation and transformative social change.

Poverty alleviation is achieved through positive change in the social, economic and psychological circumstances of the poor as well as changes to their environment. Social change for the purpose of this study is conceptualised as the process of transformative and sustainable value creation for poverty alleviation. The life story interview is a tool used to study and analyse the process of transformative sustainable

value creation in the life of the women entrepreneurs through their perceptions and experiences of changes in the dimension of poverty.

WEN, for the purpose of this study, are poor women entrepreneurs who own and run micro businesses for daily subsistence and consumption. The main purpose of such businesses is to generate resources to meet the day-to-day needs of the family such as health and medical bills, consumption, education and emergencies such as death of family members. WEN are considered as individual social entrepreneurs at the micro level of society. Unlike 'heroic' individual social entrepreneurs with huge capital investment, organisation structures, employing a large number of employees and other resources, WEN rely on micro loans in order to run their microbusinesses. The businesses owned by WEN are often run and managed by WEN and other family members, and there is employment usually between one and five employees. WEN carry out micro businesses to help lift them out of poverty.

The life story interview was planned and structured with a set of questions to guide the interview process (see Appendix 3). However, during execution, the interviews were flexible to adapt to specific circumstances. There were cases where questions were asked that were not on the list but guided the WEN to best express their experiences. In some cases, the approach to the interview was revised with primary focus on the essence and highlights of the WEN's interaction with MFI. There are several challenges associated with life story interviews; two important conceptual issues include the voice of the story teller and the consistency and clarity of the story.

The conceptual issue with 'voice' in life story interviews lies around the interviewee's authentic voice and the voice that the interviewee thinks the interviewer might be looking for (Atkinson, 1998). My experience was that the WEN wanted to tell their story the way it happened. The WEN saw this as an opportunity to express their entrepreneurial success and empowerment through giving them voice to speak about themselves, their families and, above all, their achievements. In some instances, the stories were not coherent and clear, which posed other challenges with interpreting the events and processes. A complete verbatim transcript of the life story interviews was made. The transcripts were read while listening to the tapes to ensure closer understanding of the text and its meaning. From the life story interviews and

discussions, the aspirations of the WEN are identified as capabilities that they value and have reason to.

4.5.3 Document analysis:

Corbetta (2003) defines a document as

‘any material that provides information on a given social phenomenon and which exists independently of the researcher’s actions. It is produced by individuals or institutions for purposes other than social research, but can be utilised by the researcher for cognitive purposes. Examples include, letters, newspaper articles, diaries, autobiographies, organisational charts of companies, company balance-sheets, commercial regulations and contracts, and so on’ (Corbetta, 2003: 3).

Documents are used to corroborate and augment evidence from other sources and are helpful in verifying the correct spellings and titles or names of people and organisations that might have been mentioned in interviews, and to provide other specific details to corroborate information from other sources (Yin, 2014).

In this study, documents such as partnership agreements, memoranda of understanding, loan documents, lease agreements and other documents which facilitate the working relationship were examined from different angles to enrich the researcher’s knowledge on the processes and commitment of the partners.

4.5.4 Archival records:

Service records, such as those showing the number of MFI clients served over a given period of time, and charts of geographical poverty characteristics of regions were used as archival evidence for the study.

Archival records such as budgets and reports were used to analyse the growth of clients served over the given period and to corroborate information obtained from semi-structured interviews.

4.6 Data gathering process

This section presents the different stages of the data gathering process. It presents the participating organisations including the interviews conducted grouped by case study as well as comparative interviews.

I started contacting organisations and institutions in Cameroon in May 2012 by email to create contact with gatekeepers. Email communication was followed by telephone calls to strengthen the links and keep the communication, prior to the fieldwork visit in 2013-2014. The initial sample population for interviews was very loose. 25 MFIs were contacted via email and 10 by phone (no direct emails available) to participate in the research. Three simple criteria were used to sample interviewees for the study. After several MFIs who had accepted to take part in the study were identified, the primary focus was to interview top managers, directors and some female clients to understand and determine if there were any partnerships. Three partnership cases were identified each from the three poverty categories selected for the study. The second criteria was to interview top managers, project coordinators, credit officers and field workers directly involved in the partnership, particularly those involved in beneficiary selection, processing and disbursement of microfinance loans to women entrepreneurs. The third criterion was to identify women entrepreneurs who had benefited from microfinance loans as a result of the partnership and were available to be interviewed during the field visit. Multiple WEN from each case study were interviewed. The interviews were recorded and gave the opportunity to concentrate fully on asking questions and responding to the interviewee's answers.

The first phase of the field work data gathering was in October 2013 for three weeks. At this point of data gathering, not all MFIs contacted had indicated their willingness to participate in the research. During the first phase of the field visit and data gathering, senior managers and credit offices at participating MFIs were interviewed to identify the approach and process of financial services provided to clients, specifically to WEN. Transformed financial NGOs and some specially licensed MFIs recommended WEN clients to be interviewed during the second phase of the data gathering. Traditional commercial banks did not recommend clients. A snow-ball technique was used by asking interviewees about other potential interviewees.

The interviews with the MFIs were semi-structured. The interview protocol was sent to the interviewees in advance and appointments were scheduled for the interview well in advance. The interviews were flexible and allowed for changes to the flow of questions; in some instances questions were changed or added as deemed necessary and appropriate during the conversation. After the first phase of data gathering, the interview protocol was reviewed to enhance the richness of the data gathered. During the second phase of data gathering, the protocol questions were slightly adjusted to encourage depth and to clarify misunderstandings.

It is worth noting that after the first field visit and several interviews, no partnership case was identified. The nature of the relationships identified was either philanthropic or mainly transactional. The first few interviews with microfinance institutions during the first phase of data gathering also served as a pilot with the aim of testing the understanding of the wording of the questions from the interviewee's point of view in order to make necessary adjustments and also to test the theoretical and empirical level of understanding of the phenomenon and issues being examined. The interviews allowed for flexibility so that the questions could be changed, dropped, or added as appropriate during data gathering.

The second phase of the data gathering was a five-week period in December 2013 through to January 2014. During this period, women entrepreneurs recommended for the study by their respective microfinance institutions and civil society organisations were interviewed. A snow-ball technique was used to interview many other women entrepreneurs for the study. During the second phase of data gathering, appropriate actors within microfinance institutions and also from the civil society organisations were interviewed to clarify issues and fill gaps from interviews conducted during the first phase. This phase also served as an opportunity to contact and interview other microfinance institutions that had responded to the call to participate in the study. Exploratory interviews were also conducted both as a guide to the study and for the purpose of the research.

The data gathering phase continued after the second field visit. Organisational actors were contacted through telephone interviews to strengthen and clarify gaps in previous interviews conducted during the field visits. The next section presents the participating

organisations involved during the two phases of data gathering and the number of interviews conducted, grouped by case study.

4.6.1 Participating organisations in the research

A total of 74 interviews were conducted, comprising of 29 MFI interviews, 14 NPO interviews and 31 WEN. However, three interviews (one MFI and two NPO interviews conducted during data gathering for case study three) have not been included in the analysis and tables below. A total of 15 MFIs responded to the call to take part in the research, with 23 individual respondents and a total of 28 interviews conducted. Four NPOs responded to the call to take part in the research, nine individual respondents and 12 interviews were conducted.

The third case study was dropped after conducting three interviews with organisational partners, one with the MFI and two with the NPO. The MFI partner scheduled an emergency meeting and I was informed the partnership project had been suspended. I was instructed by the MFI to discontinue the research.

Table 17 presents a breakdown of the interviews conducted: number of organisations that took part, the number of individual respondents and total number of interviews conducted. Some individual respondents were interviewed more than once to corroborate data and clarify issues raised in previous interviews.

Table 17 : Breakdown of interviews conducted

Organisation	Organisation type	No. of respondent	No. of interviews conducted
MUGFIC	MFI	2	3
NC4D	MFI	2	4
EcoBank -Douala	MFI	2	2
Union Bank – Douala	MFI	1	1
Union Bank– Bamenda	MFI	1	1
Zenithe – Douala	MFI	4	4
Zenithe – Bamenda	MFI	1	1

Zenithe – Buea	MFI	1	1
Confidence Finance	MFI	1	2
Community Credit Company - Douala	MFI	1	1
Community Credit Company – Buea	MFI	1	1
FODEC	MFI	1	1
Rural Investment Credit (RIC) – Bamenda	MFI	3	4
RIC – Buea	MFI	1	1
Afriland Bank	MFI	1	1
WINHEEDCAM	NPO	4	6
NADEV	NPO	3	4
FAHP	NPO	1	1
EUCOMAS	NPO	1	1

Informal interviews were conducted to guide the understanding of the study and the data collection process. These informal interviews were not recorded, and as such have not been included in the tables presented below. The interviews conducted by case study are presented below. Table 18 below presents: a) the organisational actor code, based on the type of organisation and the main city where interview was conducted, b) the organisation name, c) the job title of interviewee where applicable d) the poverty classification and e) the purpose of organisation.

Table 18: Interviews conducted case study one

	Organisational actor's code	Organisation's name	Job title	Poverty classification	Purpose
1	MFI-BA 1A	MUGFIC	General manager	Extreme	Financial services
2	MFI-BA 1B	MUGFIC	General manager	Extreme	Financial services

3	MFI-BA 2	MUGFIC	Credit controller	Extreme	Financial services
4	NPO-BA 1A	WINHEEDCAM	Project coordinator	Extreme	Social issues and disability
5	NPO-BA 1B	WINHEEDCAM	Project coordinator	Extreme	Social issues and disability
6	NPO-BA 2	WINHEEDCAM	Finance controller	Extreme	Social issues and disability
7	NPO-BA 3A	WINHEEDCAM	Field coordinator	Extreme	Social issues and disability
8	NPO-BA 3B	WINHEEDCAM	Field coordinator	Extreme	Social issues and disability
9	NPO-BA 3C	WINHEEDCAM	Field coordinator	Extreme	Social issues and disability
10	WEN-BA 1		Entrepreneur	Extreme	
11	WEN-BA 2		Entrepreneur	Extreme	
12	WEN-BA 3		Entrepreneur	Extreme	
13	WEN-BA 4		Entrepreneur	Extreme	
14	WEN-BA 5		Entrepreneur	Extreme	
15	WEN-BA 6		Entrepreneur	Extreme	
16	WEN-BA 7		Entrepreneur	Extreme	
17	WEN-BA 8		Entrepreneur	Extreme	
18	WEN-BA 9		Entrepreneur	Extreme	

Table 18 above summarises the interviews conducted for the MUGFIC-WINHEEDCAM case study, including the life story interviews conducted with women entrepreneurs who had benefited from the partnership. In general, briefing meetings were held with the organisational actors, as well as the women entrepreneurs prior to conducting the interviews. These briefings have not been included in the tables.

Table 19: Interviews conducted case study two

	Organisational actor's Code	Organisation's name	Job title	Poverty classification	Purpose
1	MFI-BU 1	NC4D	General manager	Intermediate	Financial services
2	MFI-BU 2A	NC4D	Branch manager	Intermediate	Financial services
3	MFI-BU 2B	NC4D	Branch manager	Intermediate	Financial services
4	MFI-BU 2C	NC4D	Branch manager	Intermediate	Financial services
5	NPO-BU 1A	NADEV	General manager	Intermediate	Social issues
6	NPO-BU 1B	NADEV	General manager	Intermediate	Social issues
7	NPO-BU 2A	NADEV	Field worker	Intermediate	Social issues
8	NPO-BU 2B	NADEV	Field worker	Intermediate	Social issues
9	WEN-BU 1		Entrepreneur	Intermediate	
10	WEN-BU 2		Entrepreneur	Intermediate	
11	WEN-BU 3		Entrepreneur	Intermediate	
12	WEN-BU 4		Entrepreneur	Intermediate	
13	WEN-BU 5		Entrepreneur	Intermediate	
14	WEN-BU 6		Entrepreneur	Intermediate	
15	WEN-BU 7		Entrepreneur	Intermediate	
16	WEN-BU 8		Entrepreneur	Intermediate	

Table 19 summarises the interviews conducted for the second case study: the NC4D-NADEV partnership including the life story interviews conducted with women entrepreneurs who have benefited from the partnership.

Table 20: Interviews conducted: Exploratory interviews

	Organisational actor's code	Organisation's name	Job title	Poverty classification	Purpose
1	MFI-DA 2	EcoBank	Head of accounting	Non-poverty	Financial services
2	MFI-DA 3	EcoBank	Head of transaction service group – CEMAC	Non-poverty	Financial services
3	MFI-DA 4	Union Bank	Acting head of credit	Non-poverty	Financial services
4	MFI-DA 5A	Zenithe	Director of accounting & audit	Non-poverty	Insurance
5	MFI-DA 5B	Zenithe	Technical director	Non-poverty	Insurance
6	MFI-DA 5C	Zenithe	Branch director	Non-poverty	Insurance
7	MFI-DA 5D	Zenithe	Technical assistant	Non-poverty	Insurance
8	MFI-DA 6A	Confidence Finance	Credit officer	Non-poverty	Financial services
9	MFI-DA 6B	Confidence Finance	Credit officer	Non-poverty	Financial services
10	MFI-DA 7	Community Credit Company PLC	Assistant general manager	Non-poverty	Financial services
11	MFI-BA 2	Community Credit Company PLC	Branch manager	Extreme	Financial services
12	MFI- BA 3	FODEC	Credit controller	Extreme	Financial services

13	MFI –BA 4A	Rural Investment Credit	Branch manager	Extreme	Financial services
14	MFI-BA 4B	Rural Investment Credit	Branch manager	Extreme	Financial services
15	MFI-BA 4C	Rural Investment Credit	Marketing manager	Extreme	Financial services
16	MFI-BA 4D	Rural Investment Credit	Loan officer	Extreme	Financial services
17	MFI- BA 5	Union Bank	Branch manager	Extreme	Financial services
18	MFI-BA 6	Zenithe	Branch manager	Extreme	Insurance
19	MFI-BU 2	Rural Investment Credit	Branch manager	Intermediate	Financial services
20	MFI-BU 3	Zenithe	Branch manager	Intermediate	Insurance
21	MFI-BU 4	Afriland Bank	Credit and marketing director	Intermediate	Financial services
22	NPO –BU 2	FAHP	Consultant	Intermediate	Social issues
23	NPO – DA 2	EUCOMAS	President	Non-poverty	Social issues
24	WEN - DA 3		Entrepreneur	Non-poverty	
25	WEN - DA 4		Entrepreneur	Non-poverty	
26	WEN – DA5		Entrepreneur	Non-poverty	
27	WEN – DA 6		Entrepreneur	Non-poverty	
28	WEN – DA 2		Entrepreneur	Non-poverty	
29	WEN – BA 9		Entrepreneur	Extreme	
30	WEN – BA 10		Entrepreneur	Extreme	

31	WEN – BA 11		Entrepreneur	Extreme	
32	WEN – BU 10		Entrepreneur	Intermediate	
33	WEN – BU 11		Entrepreneur	Intermediate	
34	WEN – BU 12		Entrepreneur	Intermediate	
35	WEN – BU 13		Entrepreneur	Intermediate	
36	WEN – BU 14		Entrepreneur	Intermediate	
37	WEN – BU 15		Entrepreneur	Intermediate	

From the interviews conducted as presented by the tables above, the statistical representations are presented by the Figures 7.

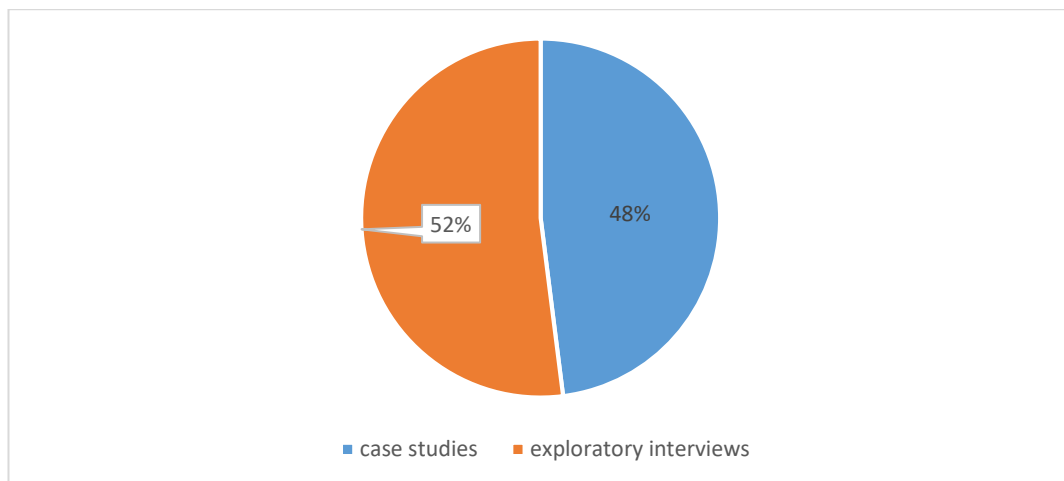


Figure 7: Interviews by category of analysis

A total of 74 interviews were conducted, 48 per cent of which were case study interviews and 52 per cent background exploratory interviews. The exploratory interviews refer to all the non-case study interviews conducted to determine the intent of partnership and the process of WEN interaction with microfinance institutions for the purpose of this study.

From the entire interviews conducted, the organisational representation is shown in Figure 8.

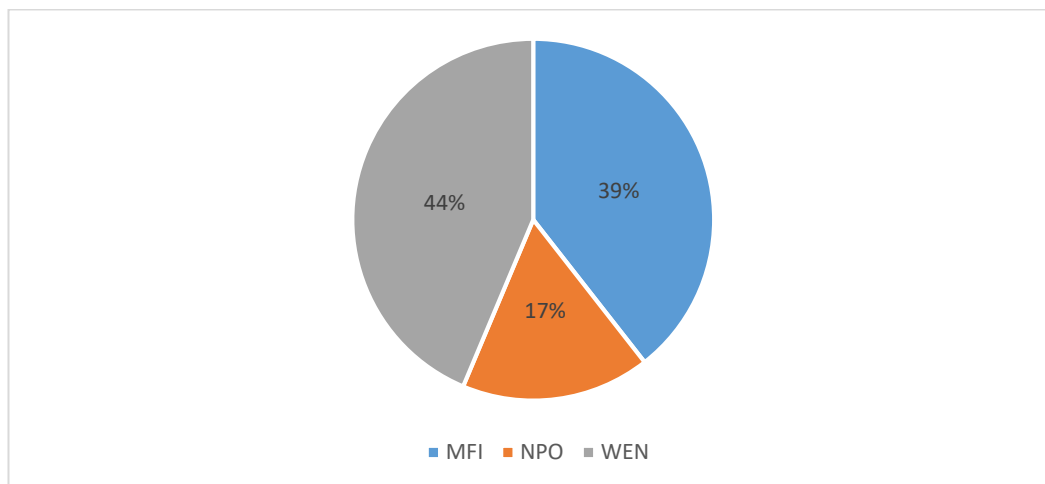


Figure 8: Interviews conducted by category of analysis

Figure 8 presents the interviews conducted by category of analysis. It shows great disparity percentage wise between the different categories. Many life story interviews were conducted with WEN and were analysed as comparative interviews. Figure 9 presents the case study interviews as a percentage of the interviews conducted.

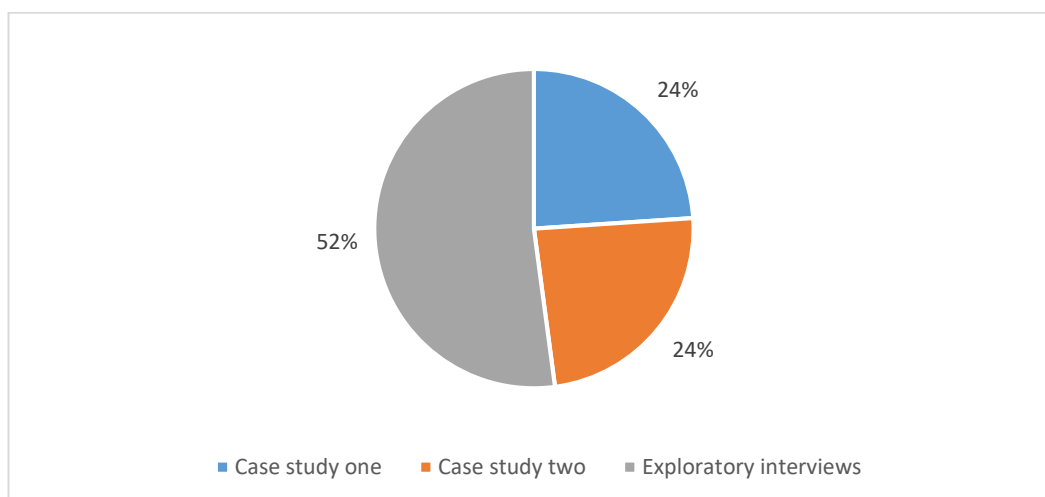


Figure 9: Case study interviews as a percentage of interviews conducted

It can be observed from Figure 9 that, the two main case studies that are the focus of this study were similar in statistical size in relation to the number of interviews

conducted for the study. This is a significant aspect when comparing the patterns that develop from the partnership process in later chapters of this study.

4.7 Partnership overview and organisational characteristics

The formation of cross-sector partnerships is often studied from the resource base view perspective, often driven by the resource complementarity of partner organisations. MFI-WEN partnerships may be viewed from a multi-theoretical perspective and driven by factors other than the resource complementarity of partner organisations. The formation of MFI-WEN partnership is influenced by the distinct characteristics of the microfinance institution and its strategic business objectives. Social need is an expressed partnership motive; however, other implicit partner motives drive the formation of such partnerships. The implementation of MFI partnerships is usually project based and often involves repeated cycles of financial service transactions and financial goods and is supplemented by other non-financial services. This section presents the background of each case study partnership and the individual partner organisational characteristics, with the aim of identifying the types of resources deployed in the partnership process, and who provides the resources and how. This section presents the partnership motives of the partner organisations to determine the shared and linked interest as a source of value to the partnership. The first part presents case study one, the second part presents case study two.

4.7.1 Case study one partnership overview and organisational characteristics

4.7.1.1 Partnership overview

WINHEEDCAM was founded in 1997. However, it was only registered as a common initiative group on 4th May 1998 by the Ministry of Women's Affairs decree no 98/068. WINHEEDCAM focuses on alleviating poverty among rural women in Cameroon through socio-economic empowerment. WINHEEDCAM provides loans, together with health, spiritual and general business education among rural the poor and disadvantaged in the North West region of Cameroon (WINHEEDCAM, 2013).

WINHEEDCAM's operations started in 1997 as a common initiative group to support and enable effective participation of women in development. It is not explicitly clear when the relationship between MUGFIC and WINHEEDCAM started. However, it is assumed the relationship started in 1999 through their mutual affiliation with the Cameroon Baptist Convention (CBC), Cameroon, and influenced by the need for financial resources and to meet other legal and regulatory requirements by WINHEEDCAM.

4.7.1.2 Organisational characteristics

Two medical doctors founded WINHEEDCAM in July 1997, as a non-profit group, with the aim of raising the income levels and social wellbeing of women and other vulnerable people in Cameroon. WINHEEDCAM is registered as a CIG, classified as a non-profit organisation with 16 branches operating in divisions across the North West province of Cameroon (WINHEEDCAM, 2013).

WINHEEDCAM provides loans, savings schemes and education (health, spiritual and business) services through its projects to poor women, vulnerable children and people with disabilities. The organisation's mission is 'improving the living conditions of the poor and disadvantaged women and other vulnerable persons through health education and economic development to contribute in the fight against poverty' (WINHEEDCAM, 2013). WINHEEDCAM is funded from fee income (registration fees, loan processing fees) and from donor funds. The organisation's main donors are: End-Poverty, a non-profit organisation based in the United States and Kongadzem Women's Initiatives for Health Education and Economic Development, a charitable organisation registered and based in the United States. WINHEEDCAM's initial loan portfolio in 1997 was 1,500,000CFA (approximately £1,792 at October 2014 rates). As at January 2014, the loan portfolio was 76,778,090 CFA (£917,349) (WINHEEDCAM accounts 30th November 2013). This growth in the loan portfolio indicates the organisation's depth of outreach to women groups in communities where WINHEEDCAM operates. The NPO-BA1A project coordinator estimated that the project has supported more than 7,000 women in 400 groups.

Table 21: Organisational characteristics - WINHEEDCAM

Attributes	Values
Founding year	1997
Organisation type	Common initiative group
Main activities /services	Micro credit scheme, savings schemes health, business and spiritual education
Mode of service provision	Group lending and group activities
Program/project loan portfolio (2013)	76,778,090 CFA (£95,972)
Provincial coverage	One province in high poverty with 16 branches
Geographical coverage	Urban city, rural
Mode of approach towards the business sector	Collaborative

WINHEEDCAM works closely with other non-profit organisations and works in partnership with MUGFIC, a for-profit microfinance institution.

The Christians of the Cameroon Baptist Convention established MUGFIC in 1999. MUGFIC is registered by the Cameroon Court of first instance decision CFIBA/139/0304 on 28th September 2004, in accordance with regulations for commercial companies set out by the Organisation for the Harmonization of Corporate Law in Africa. MUGFIC is a registered category two microfinance institution authorised by the Banking Commission for Central African States (COBAC) under decision no: COBACD-2006/8 of May 2006 (MUGFIC, 2013). The head office is in Bamenda, North West province, with seven other branches in four provinces: South West province and Western province, both at the intermediate poverty level, and Littoral and Central provinces in the non- poverty level classification.

Category two microfinance institutions under COBAC article 7 are required to hold a minimum capital of 50 million CFA and under COBAC article 9 are authorised to carry out financial investments with other commercial banks and the Bank of Central African States. (General secretariat of the Banking Commission of Central African States. Appendix 4).

Table 22: Organisational characteristics - MUGFIC

Attributes	Values
Founding year	2006
Organisation type	Microfinance institution: category 2
Main activities /services	Money transfer, current accounts, savings accounts, salary accounts, overdrafts and loans.
Mode of service provision	Individual and personal loans
Program/project loan portfolio (2013)	N/A
Provincial coverage	Five provinces Non-poverty – two branches Intermediate poverty - two branches Extreme poverty – four branches
Geographical coverage	Urban city and urban towns
Mode of approach towards the non-profit sector	Collaborative

4.7.1.3 Partnership motives

WINHEEDCAM seeks to assist in improving the living conditions of the poor and disadvantaged women and their families through health education and economic development, as its contribution in the fight against poverty. WINHEDCAM's mission is to encourage women's empowerment through cooperative efforts, to foster dynamic development initiatives, especially in rural areas, and to educate, train and assist communities and people in their socio-economic capacity for autonomy and economic development through partnerships and networking of development activities with persons or organisations interested in the activities or having objectives similar to those of the association. The intention to work in partnership with other organisations and individuals who share similar objects is explicitly stated in WINHEEDCAM's mission statement and objectives.

Apart from the social issues motive, WINHEEDCAM had strategic motives for going into partnership with MUGFIC. However, the strategic motives are not explicitly stated. According to the financial controller of WINHEEDCAM, there had been a decline in donor and grant funding, and to continue providing services to the poor was becoming challenging.

The need for financial resources, and risk sharing in order to continue providing services to poor women and persons with disabilities was an implicit motive for WINHEEDCAM going into partnership with MUGFIC, a financial institution. This is evident from the financial reports of WINHEEDCAM, which show a steep decline in donor funding and an increasing loan portfolio with financing and overdraft facilities provided by the MFI-A.

MUGFIC as a microfinance institution has both a financial and social mission. Its financial mission involves the provision of financial services, MUGFIC's social mission and its affiliation with the CBC involves the provision of education, training and other services to church groups, other groups of vulnerable individuals, individuals with disabilities as well as individuals stigmatised in communities (especially those with leprosy and HIV).

Although MUGFIC's motives of going into partnership with WINHEEDCAM are driven by the mission to address social issues relating to poverty, it also has strategic motives driven by growth and profitability. Members who graduate from group lending become registered members of MUGFIC for individual loans and continue to benefit from the training and education provided by WINHEEDCAM.

In order to save as a recommendation and, in some cases, a requirement of their membership with WINHEEDCAM, beneficiaries have to register and open an account with MUGFIC. Savings mobilisation through MUGFIC is a boost to cash flow and liquidity. Non-profit organisations classified as common initiative groups are not authorised under COBAC regulations to collect savings. The director of MFI-A explained that this was one of the motives of going into partnership, for X-Pov to mobilise savings and MFI-A to collect or serve as a bank for the savings mobilised.

'And in partnership with WINHEEDCAM, there are times we have gone out with them to see how they do their collections. To see... because we have also encouraged them even though their work is not to mobilise... they are not licensed to mobilise savings,

but through us, we encourage them to mobilise savings, in which case they are working through using our own licences to mobilise services, I mean savings from the women. So that is the type of collaboration we have', (MFI-BA 1A).

There is compatibility between WINHEEDCAM and MUGFIC in terms of their intentions, mission and indication of mission fit, with a strong indication of the mission to provide financial services to the poor and vulnerable to enable beneficiaries to establish and expand microbusinesses for poverty alleviation. There is thus a great potential for the relationship to be important to both organisations and to succeed.

4.7.2 Case study two partnership overview and organisational characteristics

4.7.2.1 Partnership overview

The relationship between NADEV and NC4D started in 2009. Discussions and negotiations to establish a partnership started in 2006. However, the partnership was established between NADEV and NC4D in 2009, with the first MOU between the two organisations signed on 31st March 2010. Although discussions and negotiations to establish a partnership relationship started in 2006, it took about two years for the microfinance institution NC4D to obtain the appropriate legal status and documentation to formalise the partnership agreement. The director of Nkong Hill Top Association for Development, who championed the partnership, highlighted some of the challenges during the initial stages of the partnership.

'It took us two years or more before our papers could be accepted – the first application we sent in was turned down – we recompiled the file and eventually in 2009 we got the accreditation' (NPO-BU 1A).

The partnership between NADEV and NC4D involves the implementation of the Nkong Women Cash Project (NWOCA). This project involves providing credit and other services to women entrepreneurs to establish and expand microenterprise projects in their local communities to help bring them out of poverty. The responsibilities of each partner are clearly stated in the MOU.

4.7.2.2 Organisational characteristics

NADEV is a non-profit organisation set up and registered in 1996 in Buea, South West province of Cameroon, as a common initiative group with registration number SW/GP/01/96/20, with the aim of improving the socio-economic status of members and the rural/urban poor in that province. As a common initiative group, NADEV's (2013) main objectives, among others, include:

- 1) Promoting gender equality in all programs and activities
- 2) Increasing access to business capital for women and youths and improving their business management skills
- 3) Educating and empowering civil society organisations, NGOs, associations, groups etc. to defend and advocate for their economic rights
- 4) Increasing access to modern farming techniques and appropriate farm equipment for farmers in the South West region of Cameroon to improve farm inputs and resources
- 5) Promoting community use of renewable energy and participation in environmental protection.

NADEV is a medium non-profit organisation involved in poverty intervention project /program execution within its local community and other towns and rural areas in the country. Over the years NADEV has developed various working relationships with other organisations, particularly non-profit organisations both nationally and internationally to promote and foster its mission. The activities and interactions of NADEV range from philanthropy to partnership, as clearly distinguished in Austin's (2000a) collaboration continuum. Although most of NADEV's activities may be classified as transactional, as distinguished by Bowen et al. (2010), the goal is to achieve a community participatory approach in the implementation of its projects. NADEV'S activities involve capacity-building activities, service provision and consultancy, as well as project implementation through donor funding and collaboration with other organisations both within the sector and across sectors.

Table 23: Organisational characteristics - NADEV

Attributes	Values
Founding year	1996
Organisation type	Civil society organisation -
Main activities /services	Capacity building activities, microcredit schemes and the provision of other services as a philanthropic intermediary.
Mode of service provision	Group lending and group activities
Program/project loan portfolio (2013)	NA
Provincial coverage	Two provinces– intermediate poverty (2) and non-poverty (1)
Geographical coverage	Urban city, rural
Mode of approach towards the business sector	Collaborative

NC4D was created and set up on 14th October 2006, under the rules and regulations governing cooperative societies in Cameroon. It was created to fill the gap for the need of financial inclusion of the poor who would otherwise be excluded by formal financial institutions. Its main objective as a microfinance institution is to provide financial services to its members, especially the poor and unbanked. NC4D was approved and registered as a category one microfinance institution, registration no: SW/CO/28/06/5603 approved by COBAC decision no: D-2008/184 on 26th November 2008 and Cameroon Ministry of Finance order no: 00000204 on 9th July 2009.

NC4D has six branches, with head office in Buea, South West province. Three branches, as well as the head office, are located in different towns within the intermediate poverty region and one branch in Douala- a non-poverty region. The institutions annual loan portfolio as of December 2013 was £160 million CFA, compared to 20 million CFA in 2009. The membership of the institution grew rapidly between 2011 and 2013, with 400 new members in 2012 and 786 new members by December 2013. This marked increase in membership numbers and loan portfolio is explained by the strategy implemented following the partnership agreement with

NADEV, where the recruitment of new beneficiaries to the NWOCA partnership project automatically became members of NC4D (NC4D, 2013: 7).

Shares in the institutions are open to all members, as well as to the general public. The shares and solidarity value in 2013 increased by 13.9 million CFA, representing 1,902 shares compared to 901 shares issued in 2012, representing more than 100% increase from 2012 figures. The increase in shares is ‘greatly explained by the new NWOCA (Nkong Women Cash-Up) strategy in Buea’ (NC4D, 2013: 9).

Table 24: Organisational characteristics - NC4D

Attributes	Values
Founding year	2006
Organisation type	Microfinance institution - category 1
Main activities /services	Money transfer, savings, loans and credit
Mode of service provision	Individual and personal loans with collateral
Program/project loan portfolio (2013)	160 million FCFA
Provincial coverage	Two provinces. Non-poverty – one branch Intermediate poverty – five branches
Geographical coverage	Urban city, urban town and rural
Mode of approach towards the non-profit sector	Collaborative

4.7.2.3 Partnership motives

Non-profit organisations and other organisations and institutions articulate poverty differently, focusing on different dimensions of poverty. NADEV’s main focus is on the socio-economic dimensions of poverty. This is articulated through its main goal to improve the social and economic status of the rural and urban underprivileged and marginalised population, especially women and youths (NADEV, 2013). This goal is achieved through microfinance schemes, training programs to empower women in

social development, business management and development of skills through projects such as the NWOCA partnership project with NC4D and other partnership projects with local, national and international NGOs.

NC4D is a for-profit microfinance institution that provides small loans to the poor and vulnerable, who would not otherwise have access to financial services from formal financial institutions. Both organisations strive to achieve financial inclusion of the poor, especially women in rural and urban communities, to enable them to establish and expand on existing small businesses as a means to get themselves out of poverty. The partnership projects only include WEN with existing businesses, as evident from the interviews with the WEN, and various actors from both organisations.

‘When we are giving the money for the first time, we give each woman 50,000 CFA because it is strictly for women who are doing small business....’ (MFI-BU 2A).

‘When we do the sensitisation then we go for selection... we select those to attend the training. The training is about how to manage a small business – so we mostly work with people doing business – if you are not doing any business, you are not selected to attend our training’ (NPO-BU 2A).

This shows a linked interest of both NC4D and NADEV, and indicates the intentions and expected benefits of the partnership.

NADEV’s mission statement is ‘Improving the livelihood of the rural and urban underprivileged and marginalised, especially women and youths, by providing access to microfinance, capacity building, and agricultural resources through a participatory and partnership approach with local, national and international organisations’ (NADEV, 2013). Thus, the intention of the partnership working with other organisations to achieve its mission is explicit in NADEV’s mission statement.

In addition to its mission-led motives, NADEV had other strategic motives of going into partnership with NC4D. Strategic intentions are guided by the need of sharing risk, expenses, innovation and increasing access to resources.

‘By 2006 there-about we decided to, because we saw the portfolio was increasing and the challenges were increasing to run something that was really financially – needing financial attention and having also to comply with different kind of legislation’ (NPO-BU 1A)

The need for financial resources and to comply with legislation was the motivating factor for NADEV to go into partnership with NC4D. NC4D, apart from the need to provide financial services to those excluded from formal financial institutions, had other strategic motives.

‘...NADEV also sources funds and support NC4D in its operations. NC4D earns a percentage of the revenue generated from the NWOCA scheme’ (MFI-BU 1).

‘Almost every member of NADEV is also a subscribed member of NC4D, but as individuals. NADEV as an institution is a promoter of NC4D’ (NPO-BU 1A).

There is compatibility between NADEV and NC4D in terms of their intentions and missions, and an indication of mission fit and strong alignment of their missions towards financial inclusion and poverty alleviation. There is great potential for the partnership to be important to both organisations.

4.7.3 Characteristics of WEN businesses

The WEN in the study were involved in various different entrepreneurial activities. Table 25 below presents some of the WEN businesses and a brief description of each business.

Table 25: Characteristics of WEN businesses

	WEN businesses	Brief description
1	Cash crop farming	Growing crops such as maize, beans. Cultivating potatoes, yams (different varieties) and cassava.
		Growing seasonal vegetables
2	Pastoral farming	Raising goats and sheep
3	Poultry farming	Raising chicken Preparing and selling poultry feed
4	Meat farming	Raising pigs Preparing and selling pig feed

5	Grinding machine	Cassava grinder Maize grinder Spices/nuts grinder
6	Petty trader	Local convenience store Off-licence Local drug store Daily/weekly food market traders Local clothing store/stall
7	Restaurant	Running a small eating house Supply food/cooked meat and poultry at an off-licence. Supply snacks at a school, office or restaurant
8	Tailoring workshop	Seamstress

4.8 Data analysis

This section describes the stages and process of the data analysis. The data analysis process began during the first phase of the data gathering with early conceptualisations.

The first phase of data analysis began with reflections made after each interview. Data analysis continued with the interview transcription. A verbatim transcription was made of each interview to capture the voice, expressions and experiences of WEN in context. The next phase of data analysis started when all interviews were completed and transcribed. The interviews were grouped by case study for each poverty region, with exploratory interviews to guide the discussion. The data analysis progressed with the identification and formation of themes, highlighting sentences and quotes that were important to what was to be learned. The themes, and experiences through phrases and quotes were then used to write up the case studies and reports.

Yin (2014: 136-139) suggests four general strategies to case study data analysis: a) relying on theoretical propositions, b) working data from the ‘ground up’, c) developing a case description and d) examining plausible rival explanations. The main

research question and sub-research questions were used to develop and frame the interviews for the study. The strategy adopted for data analysis comprises a combination of two of Yin's (2014) general strategies for case study evidence. During the data analysis process, theoretical propositions were used to guide the description of the cases under investigation and, as such, were used to identify overall patterns used to explain the formation, implementation and outcome of the partnership cases being studied. Sub-questions adapted from Seitanidi (2010) to reflect the context of microfinance interactions with civil society organisations were used to guide the structure of the analysis and subsequently the discussion chapters. The sub questions were grouped into:

1) Formation and implementation

What are the types of MFIs and CSOs that decide to form a partnership and what are their organisational characteristics?

How does the relationship between an MFI and an CSO evolve into a partnership?

What are the motives of the MFI and CSO partners?

Are the motives between the partners shared?

What are the phases of the partnership process in the cases under examination?

How do the dynamics between the two partners evolve through their interactions?

What are the capabilities developed in the partnership process for the WEN?

What role does the beneficiary play in the formation and implementation of the partnership?

2) Outcome

What are the achieved functionings as outcome value for the WEN in the case studies?

How are the capabilities developed during the partnership process linked to the achieved functionings as outcome value to WEN?

After setting up an analytical strategy for the case study evidence, the next challenge was to develop and frame a technique for the case study evidence analysis. The study adopted two of Yin's (2014) five specific techniques, which can be used in any combination with a selected or proposed strategy: pattern matching, explanation

building, time-series analysis, logic models and cross-case analysis. A 'pattern matching technique' (Yin, 2014: 143) was used to frame the pattern for the cross-case synthesis by examining the results of each individual case and observing the pattern across the cases. Patterns used included characteristics of beneficiary groups, characteristics and classifications used in the prospection process.

The interviews were transcribed and coded with the aid of a software management tool NVivo, grouping quotes and observations into emerging themes. In the process of transcribing the life story interviews, repetitions were left as part of the story to emphasise the importance of the issues raised and experiences of the WEN. The use of NVivo software made the coding process easier. The first phase of the coding was open with the result that a large number of codes were developed for both case studies (as an example, 320 codes were developed for case study one and 115 codes for case study two).

At the beginning of the analysis, the codes were assigned freely and randomly since it was not very clear what the relations were between them. The coding process was repeated with the first order codes to develop higher themes and different dimensions regarding the key issues that addressed the main research question. During the coding process, phrases, sometimes all paragraphs and sometimes a single word were highlighted and then either a new node typed or an existing node selected. In the second phase of coding, the aim was to identify patterns or regularities within each code, phrases and keywords that describe concepts and particularly experiences of poverty and poverty alleviation. Some codes were merged together and coded with other categories. Direct quotes and observations were used when they described a phenomenon or issue and showed cases that were unusual and unexpected. The themes and categories were used to frame the case description patterns for each case study and subsequently in the cross-case synthesis. The patterns identified in each case study were compared to identify similarities and any differences, as proposed by Miles and Huberman (1994). Codes with low frequency were reviewed after coding to check for unusual or uncommon ideas and perceptions. Often these codes were expressing different dimensions of poverty experienced and were included in the hierarchical structure of tree nodes.

This thesis adopts a process-based view (Seitanidi and Crane, 2009) in the analysis of the partnership case studies. The study sets out to examine the interaction process in cross-sector partnership involving MFIs and NPOs to identify potential areas of value creation. Thus analysing the distinct phases of formation and implementation is important for outcome results of this study. The analysis section examines the formation, implementation and outcome and assumes social change as an outcome during the formation and implementation process of social partnerships as well as an end result. The analysis of the comparative interviews extends the scope of knowledge and understanding of the issues and phenomenon addressed in the study and guided the discussion of the results from the analysis of the case studies.

Powell and Smith-Doerr (1994) emphasise the fact that economic action –like any other form of social action does not take place in a barren social context, but rather is embedded in social networks of relationships. The case study analysis examines how social networks and relationships influence cross-sector partnership formation, implementation and consequently partnership outcomes. Network perspectives build on the general notion that economic actions are influenced by the social context in which they are embedded and that actions can be influenced by the position of the actors in social networks (Gulati, 1998).

This thesis operationalises Sen's five components of capability assessment by using the aspirations of the WEN as the most suitable means of identifying the capabilities that individuals value and have reason to in order to live a good and happy life. Capability researchers and scholars have argued that the challenges and difficulties of identifying capabilities makes it difficult to operationalise Sen's five assessment criteria (Appadurai, 2004, Conradie, 2013, Conradie and Robeyns, 2013, Robeyns, 2011, Robeyns, 2006). Aspirations expressed are used to identify the capabilities that the WEN value and have reason to value in order to live a good and happy life. The active involvement and participation of the WEN in the partnership processes was used to determine how and to what level capabilities were developed to ensure access to real freedoms, the ability to transform resources into valuable activities and how these capabilities influenced their overall standard of living, welfare and, importantly their happiness.

Table 26 below presents the organisation codes used in the analysis and discussion chapters.

Table 26: Organisation codes

Organisation	Code
WINHEEDCAM-MUGFIC partnership	Case study one
WINHEEDCAM	X-Pov (Extreme Poverty)
MUGFIC	MFI-A
NADEV-NC4D partnership	Case study two
NADEV	M-Pov (Intermediate Poverty)
NC4D	MFI-B

4.9 Confidentiality

The issue of confidentiality in research is very important. Punch (1994) points out that ‘most concern revolves around issues of harm, consent, deception, privacy, and confidentiality of data’. He further suggests that,

‘settings and respondents should not be identifiable in print and that they should not suffer any harm or embarrassment as a consequence of the research’ (Punch, 1994:149).

The Academy of Management Code of Ethical Conduct recommends that issues relating to confidentiality and anonymity should be negotiated and agreed with potential research participants, and ‘if confidentiality or anonymity is requested, this must be honoured’.

During the communication with the interviewees, I explicitly informed them their names were not going to be included in the final transcript. However, their positions and organisational names were important and were to be included in the final report. I realised that although the names of the institutional actors were not important, the responses of the informants could be identified from their positions and organisational names. Some institutional actors did not want their job titles to be used, and others did

not want their interviews to be recorded. However, such cases were few; there were three incidents of such. These actors and the organisations did not meet all the criteria (partnership relationship) to be considered an event for a revelatory case. As a consequence, the interviews were excluded from the analysis. To safeguard the consent of the actors the following strategies were deployed: a) after transcription and proof-reading, interviews were sent to all institutional actors for factual confirmation and to return their corrections by a deadline, and b) interviews where the organisational actors did not want to be recorded were not included in the study but served as a source of knowledge to guide and enrich the study. The actors were informed their interviews were not used as part of the data and evidence in the study. Confidentiality was thus safeguarded with the above strategy and without compromising the outcome of the study.

4.10 Validity and reliability

Construct validity is strengthened by the use of multiple sources of evidence to build construct measures, which define the construct and distinguish it from other constructs (Meyer, 2001). The use of multiple sources of evidence including semi-structured interviews, life story interviews, document and archival sources, were used to ensure validity of results. To further ensure construct validity is achieved, the key institutional informants were given the draft transcripts of their interviews for review and factual corrections.

The development of the conceptual framework to systematise the process of gathering and analysing data also serve to improve the validity of the study. However, the conceptual framework improves the degree of validity of a study, it has the disadvantage of being self-fulfilling in that, the data that fit within it will be recognised, and the data that does not will be excluded (Smyth, 2004).

To ensure reliability, a case study protocol was developed, as well as a case study database which included all records of contacts made, exchange via emails, documents, reports, interviews and transcripts of all organisations involved in the study as well as those contacted but who did not take part in the study. The transcripts and documents are further grouped by case study and regional poverty setting.

Life story interviews serve as an excellent means for understanding how people see their own experiences, and their interactions with others. This thus means life story interviews are highly subjective and face issues with reliability and validity. The fundamental assumption is that WEN are considered as experts with authority over their lives, and the belief is that the WEN will give a truthful and thorough representation of the life story events. The narrative approach to the study of WEN experiences of poverty and their interactions with MFIs placed emphasis on internal coherence as experienced by the WEN rather than the external criteria of truth and validity. External subjective corroboration was achieved via fieldworkers and field coordinators who work closely with the individual WEN and had built strong relational bonds and ties.

Internal validity was achieved by building an explanation of the partnership processes to identify patterns and to match patterns across the different case studies.

4.11 Ethical considerations

Ethical clearance approval was applied for and obtained from the University of Kent Ethics Committee as a requirement for research involving objects of natural sciences as per the University's research guidelines. This research followed strictly the ethical procedures, including voluntary participation of actors in the interviews during the data collection and confidentiality during the analysis and reporting stages of this study.

A consent form was used to gain informed consent from all persons who were interviewed as part of the study, discussing with them the nature of the study (see appendix 5), and formally soliciting their volunteerism in participating in the study (see appendix 6).

During the data collection phase, some institutional actors requested their identities to be kept confidential. The identities of such actor were coded and quotes from their interviews kept short to ensure confidentiality of their identities. During the data collection phase three institutional actors did not want their interviews recorded. These interviews were not included in the data collected and analysed.

Conducting life story interviews of this nature where the women were asked questions and to open up about their life experiences at times can be very personal and can be seen as intrusive. During the data collection process, the goal at all time was to be a neutral researcher. However, there were instances where the interview was suspended to give the WEN personal space especially when the conversation became very personal and emotional.

Interviewing women about their experiences of poverty alleviation can be very sad and frustrating especially when the researcher cannot do anything to help the women. The tendency is to get close to the women and by so doing create an environment where the women think they are friends with the researcher. To provide a trust worthy environment for the women to disclose information, I had to develop a rapport with the women while putting myself in a position of being a friend. Duncombe and Jessop (2012) refer to this as faking friendship.

The data have been analysed with caution to avoid misstatements, misinterpretations, or fraudulent analysis and to fairly represent what I saw and heard from the interviews and life stories of the women.

4.12 Limitations of the Research

This section briefly reviews some of the methodological challenges of this study. This study provides insight into the process of microfinance interventions to address poverty and hence bring about transformative social change. Most studies on poverty and microfinance interventions are based on randomised controlled trials based on baseline assessments of clients at the start of the intervention. Randomised evaluations are based on predetermined criteria measured against baseline assessments. Such methodology measures result after two years or less and by implication consider social change an end result. Randomised controlled trials have the ability to make high causal inferences and provide strong empirical evidence. This study does not employ randomised controlled trials but focus on beneficiary experience through life stories to provide empirical evidence for causal inference.

The disproportionate distribution of poverty in Cameroon means the Northern and Extreme (Far) North regions experience most extreme poverty levels in the country.

These regions are predominantly French speaking. Due to language barriers and resource constraints the research focused on the southern regions of the country.

The key methodological challenge in this study is the subjective nature of the data collected from the actors, particularly the women entrepreneurs. The data collected were based on personal views and experiences in their interaction with microfinance institutions and their perception of social progress and social change in the form of poverty alleviation.

4.13 Summary

This chapter presented the research method and methodology employed to study the partnership working between microfinance institutions and women entrepreneurs in Cameroon. It discussed and presented the research philosophy and the epistemological position. The chapter presented the research approach, design and process of selecting the case studies, describing the criteria used for such selection. The process of data collection was presented, describing the different instruments used during the data collection process and also the data analysis process. The final part of the chapter looked at the reliability and validity of the study and how this was addressed in the study.

The subsequent chapters present the empirical analysis and discusses the findings within the context of each case study, applying the methodological principles and methods presented above and informed by the background of the study and the literature review chapters.

CHAPTER FIVE

5.0 MFI partnership formation and implementation: Analysis and discussion

5.1 Introduction

This chapter presents the analysis, findings and discussions of the two case studies of partnerships between microfinance institutions (MFIs) and women entrepreneurs (WEN), focusing on the formation and implementation phases of the partnerships. The aim of the chapter is to demonstrate how the partnership structure through organisational interactions with women, presents potential opportunities for alternative combinations of functionings for the women and facilitate the achievement of individually valued functionings. It also demonstrates how the partnership structure presents potential opportunities for the women that facilitate and impact on organisational partners.

The partnership structure as used in the thesis refers to the rules, principles and resources that govern the practice and implementation of the partnership project and hence its processes. Where the partnership is governed by a memorandum of understanding (MOU) or partnership agreement, the partnership is said to have a formal structure otherwise it exhibits an informal structure. The partnership structure can thus be understood as enabling as well as constraining the ‘becoming’ of women entrepreneurs and consequently affecting the individually achieved outcomes.

This chapter of the thesis uses different elements of previous partnership models to present evidence from the study. This study particularly focuses on the first two of the three partnership stages in the Collaborative Value Creation (CVC) framework set out by Seitanidi (2010), and Austin and Seitanidi (2014), specifically the value creation process pathway in the formation phase. The chapter focuses on elements of the two partnership framework models that present potential opportunities for alternative combinations of functionings and allow for the role of the beneficiary to be observed.

Partnership formation and implementation can be looked at from the perspective of process and output, as well as outcome (Seitanidi, 2010). This broader perspective allows for a more holistic understanding of the functionings of partnerships and allows for the role of the beneficiary to be observed. The partnership functionings refer to the

beneficiaries' effective opportunities to undertake the actions and activities that they want to engage in that enable them to live happy and healthy lives, including being active as community members, and being literate, and that constitute a valuable life. In the chapter, elements of each of the frameworks is used to refine focus and present the role of the beneficiary in the formation and implementation stages, highlighting areas with potential for capability development to enhance greater wellbeing and freedom of choice for the beneficiary.

The chapter over all presents how partnership processes facilitate the potentiality that is the women's effective opportunities to undertake the actions and activities through their interaction with MFIs (i.e., capabilities). It also presents how the partnership process facilitates the outcome achievements in terms of functionings.

The rest of the chapter is structured as follows. Section two presents the formation phase of the two case study partnerships and identifies the role of the women in the formation phase. Section three presents the implementation phase of the partnership case studies. Section four presents a comparative analysis of the two case studies focusing on the differential in terms of capability development, and sustainable functionings achieved as a result of beneficiary involvement in the formation and implementation phases. Section five presents the MFI-WEN partnership governance. Section six presents the potential alternative combinations of functionings at the formation and implementation phases that impact on organisational partners. Section seven summaries the findings and implications from a theoretical perspective, and section eight presents a summary of the chapter.

5.2 MFI-WEN partnership formation

5.2.1 Introduction

This section presents the analysis, findings and discussion on the formation stage of the case study one and case study two partnerships. It focuses on the MFI-WEN partnership formation from the individual beneficiary perspective (the micro level of analysis). The aim is to identify the role of the women in the partnership formation process and how it enables the women to achieve higher levels of wellbeing, freedom of choice and consequently transformative social change that ensures poverty

alleviation. The partnership formation stage is nested in the organisational level of analysis. However, this section presents the potentiality of the partnership structure and the role of the women in facilitating the formation of the partnerships. The section is about how the organisational interactions at the formation stage of each partnership enables the release of resources that enable the women's agency and consequently the development of capabilities that enhances their freedom of choice in achieving greater functionings in the personal, social, economic and political spheres.

This section does not aim to engage in the structure-agency debate but to draw on fundamental issues from it in order to understand the mechanisms that allow for freedom of choice in the personal, the social, the economic and the political spheres for the women involved in the study. Poverty intervention programs often involve one of two approaches; agency-centred or structure-centred. Where the intervention is agency centred, the focus is on the individuals benefiting from the program as is the case with non-profit organisations (NPOs). However, where the intervention is structure centred the focus is on institutional values, norms and rules that determine the nature and form of practice. Social scientist have long argued for research that seeks to dissolve the separation of agency and structure (Giddens, 1976, Giddens, 1984, Sewell Jr, 1992). Such an approach provides an understanding of how agents may come to reflect on and change social structure and practices and possible mechanisms that enhance embedded agency (Kilfoyle and Richardson, 2011, Englund and Gerdin, 2011).

The core characteristic of the capability approach is its focus on what people are effectively able to do and be- that is, on their capabilities (Robeyns, 2005). The capability approach put emphasis on the empowerment of individuals to be active agents of change on their own terms – both at the individual and the collective levels (Ruger, 2004), and on, individuals' effective opportunities to undertake the actions and activities, or that they want to engage in (Abel and Frohlich, 2012). These actions and activities 'doings' together with 'being', are what Sen refers to as functionings constitute a valuable life. The capability approach as applied in the study of cross sector partnerships allows an understanding of the opportunities and potential for beneficiaries at the individual and collective levels to take action and be involved in the partnership activities that drive transformative change. This section discusses the partnership structures, values, norms and practices at the formation stage of the two

case studies that provide opportunities for individual action and activities for the women in the partnership processes.

Elements of the CVC framework, specifically the value creation process pathway in the formation phase, are used to present the findings in the formation phase of the partnerships. The value creation pathway in the formation phase includes six sub-processes that have different value-adding effects (Austin and Seitanidi, 2014). Two of the six sub-processes-articulating the social problem and assessing compatibility on the question of visibility provide opportunities for the women involved in the study to take action and be involved in the activities within the sub-processes to enable transformative value-adding effects. Sections 5.2.2 and 5.2.3 discuss the role of the women in articulating poverty for partner awareness and understanding as well as their role in facilitating partner visibility.

5.2.2 Articulating the social problem

The main objective of cross-sector social partnerships is to address a social problem; in the case of the partnerships in this study, the social problem is poverty. Articulating the social problem to be addressed is a vital sub process in the formation phase of the partnership as it allows the partner organisations to set out the problem and their perceived dimensions and outcomes expected to address the identified problem. Poverty as discussed in the literature is a dynamic condition and very personal to those experiencing it. Providing opportunities for and including women in the formation phase in articulating their experiences of poverty is important as it gives the partner organisations a better understanding of the dimensions and different perspectives of poverty as experienced by the women. It also allows the partner organisation through the partnership processes to tailor interventions to meet the needs and expectations of the women. The conceptualization and articulation of poverty as experienced by the women involved in the study are presented below.

In section 2.5 of the thesis, a social constructivist perspective and conceptualisation of poverty was adopted, with poverty and experiences of poverty alleviation articulated from the perspective of the beneficiary. This section of the chapter presents the articulation of poverty from the perspective of the women. Life story interviews are

analysed using NVivo software and expressions of poverty and experiences of poverty alleviation presented. Figure 10 presents a snap shot of the NVivo analysis of how the women interviewed in the study articulate poverty. The nodes represent the indicators of poverty from the perspective of the women and the source the women interviewed in both case studies.

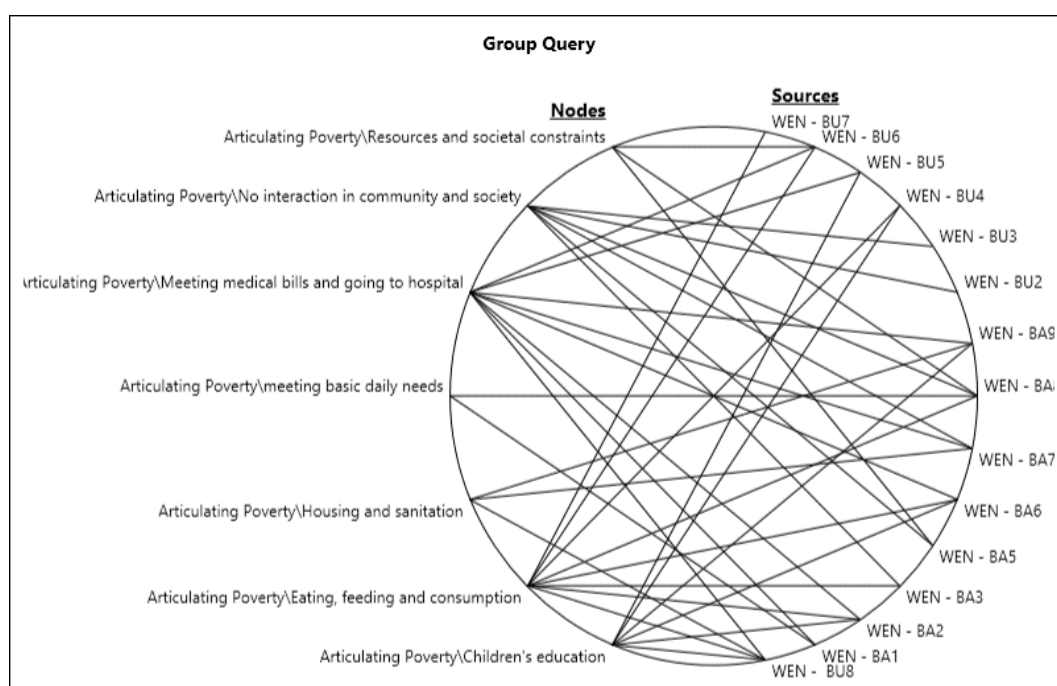


Figure 10: Articulation of poverty from the WEN perspective

The seven indicators of poverty articulated by the women interviewed are similar to the ten indicators of poverty defined by the Oxford Poverty and Human Development Initiative (OPHI), with some of the indicators combined together in one indicator. However, the significant difference in the indicators is the lack of interaction in community and society expressed by the women as an indication of poverty. This indicator is absent in the OPHI poverty indicators.

Table 27: Indicators of poverty as articulated by WEN

	Indicators of poverty	Sen's spheres of freedom
1	Not being able to meet medical and hospital bills	Personal
2	Not being able to feed a family	Personal

3	Not able to participate in community activities and social network	Political Social
4	Not able to meet children's education needs	Personal
5	Lack of proper housing and sanitation	Personal
6	Lack of resources and other societal constraints	Economic Social
7	Lack of basic daily needs	Personal

Table 27 presents the indicators of poverty as articulated by the women involved in the study. The indicators as are ranked based on the number of responses from the analysis of the life stories. The top and most important dimension from the women's perspective is health with experiences of poverty described as not being able to meet and afford medical and hospital bills. Participation in community activities and social network were important dimensions for the women.

'I have no problem with hospital bills any longer. We are no longer afraid of illness or hospital bills ... even with the little resources – if a child was ill we were looking for herbs - now it is easy to consult in the hospital and know if the child has fever or what he is sick of. I think that WINHEEDCAM has affected all aspects of my life and we are healthier and happier than before' (WEN-BA8).

'Before now, it was difficult to speak in public or in the quarter you could not speak freely – how can we contribute to the quarter - how can we change? I am the heroine in my quarter – now we can speak with confidence – quarter meetings and in school meetings' (WEN BA 8).

'And also, they know us very well in this quarter. We are supposed to attend a meeting, not just our group but the whole quarter. There is a farmers' meeting in the Fon's palace... Councillors will be elected at that meeting. I have informed all members of this group to attend that meeting tomorrow at the Fon's palace' (WEN BA5)

In section 2.6 of chapter two, the dimensions of poverty as adopted by the United Nations were similar to the dimensions of poverty articulated by the women in the

study. However, the women saw the lack of means to meet medical bills and unaffordable healthcare as a major dimension of poverty. The women in the study did not articulate their lack of education as a dimension of poverty but rather their inability to meet the educational needs of their children. This indicates the level of responsibility is higher for the children than for themselves. Despite the silence on the women's educational needs, the women were fully aware of the educational needs of their children to ensure continuity of functionings and the level of poverty.

In case study one, the women were involved in articulating poverty, the social problem that the partnership sets out to address, and were given the opportunity to express the different dimensions and experiences of poverty they encountered. The experiences of the women gave the partner organisations a deeper understanding of poverty from the perspective of the beneficiary and most importantly an understanding of what the women needed and expected from the partnership to enable greater freedom of choice to achieve the functionings they valued and had reason to. This finding supports previous studies on the challenges and obstacles in the formation of cross-sector partnerships. Academics have argued that the lack of partner awareness of the social issue creates institutional distance between the partners and the value systems, which may constrain their ability to recognise collaborative opportunities (Van Huijstee et al., 2007, Rufin and Rivera-Santos, 2012, Bitzer and Glasbergen, 2010, Le Ber and Branzei, 2010a, Le Ber and Branzei, 2010c, Manning and Roessler, 2014).

Articulating poverty as a social issue from the perspective of the women is essential as it allowed the MFI in case study one (MFI-A) and the partner representing extreme poverty (X-Pov) to identify commonalities and differences on how they perceived the social issue that drove the partnership. To ensure maximum potential for greater freedom of choice and the development of capabilities, the articulation of poverty from the perspective of the women continued through the partnership implementation process as discussed in section 5.3.

In case study two the conceptualization of poverty by the women was similar to case study one. However, the women were not involved in articulating poverty for the purpose of the partnership. The articulation of poverty from the perspective of the partners was different from the experiences and dimensions of poverty as expressed by the women. As the women were not involved in the process, the articulation of

poverty from the perspective of the partners took precedent, with poverty articulated as a lack of financial resources. It was assumed that by providing loans to women with existing microbusinesses, these women would lift themselves out of poverty. The ignorance of the partners –the MFI in case study two (MFI-B) and the partner representing intermediate poverty (M-Pov) or their lack of awareness of the issues and experiences of poverty from the perspective of the women were significant limitations in the implementation of the partnership processes as discussed in section 5.4 and outcome benefits as discussed in chapter 6.

As was evident from this research and findings from previous studies (Silver and Miller, 2003, Adato et al., 2006, Stewart et al., 2009) , social exclusion and social isolation are two characteristics and indicators of those experiencing poverty. The women in this study articulated their experiences of poverty and poverty alleviation through their inability to participate in community activities and social networking. This study extends the OPHI dimensions of poverty by adding a fourth-dimension social network with indicators including participation and community involvement as presented in the Table 28 and Figure 11. The social network dimension falls under Amartya Sen's freedom of choice in social and political spheres.

Table 28: Poverty dimensions and indicators

Poverty dimensions	Poverty indicators	Deprived if:
Education	Years of schooling	No household member has completed five years of schooling.
	Child school attendance	No child is attending school up to the age at which they should finish class 6.
Health	Child mortality	Any child has died in the family.
	Nutrition	Any adult or child for whom there is nutritional information is malnourished.
Living Standards	Electricity	The household has no electricity
	Sanitation	The household's sanitation facility is not improved (according to MDG guidelines), or it is improved but shared with other households
	Drinking water	The household does not have access to safe drinking water (according to MDG guidelines) or safe drinking water is more than a 30-minute walk from home, roundtrip
	Floor	The household has a dirt, sand or dung floor
	Cooking fuel	The household cooks with dung, wood or charcoal
	Assets	The household does not own more than one radio, TV, telephone, bike, motorbike or refrigerator and does not own a car or truck.
Social network	Participation/community involvement	Adult cannot take part in community activities. Does not have a political voice and cannot be part of a community association.

Source: Adapted from Oxford Poverty and Human Development Initiative Country Briefing December 2015

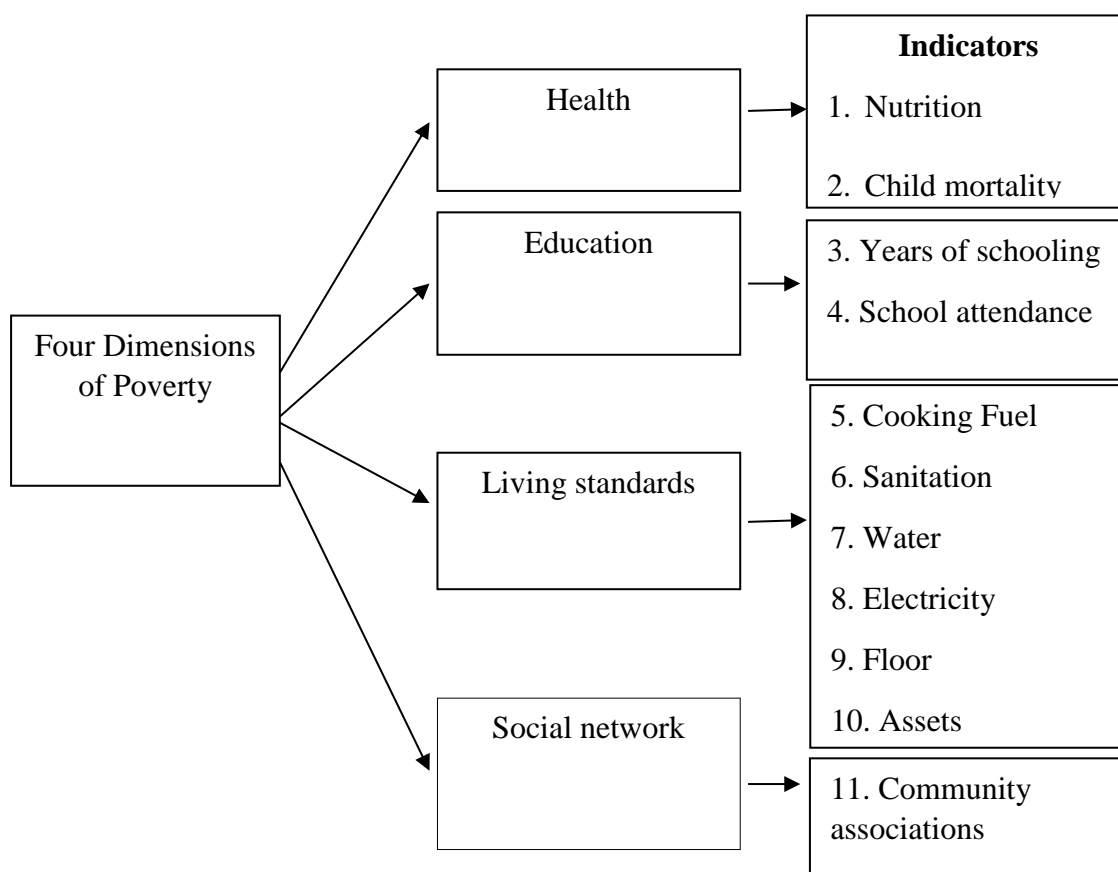


Figure 11: Four Dimensions of Poverty and Indicators

Source: Adapted from Oxford Poverty and Human Development Initiative, MPI poverty dimensions and indicators

5.2.3 Extent of partner's visibility

Partner visibility, the fourth sub-process in CVC framework in the formation phase is used as a risk and alignment indicator by each partner to determine its comfort level with the potential quality and type of the potential partner's visibility (Austin and

Seitanidi, 2014). Partner visibility as a risk and alignment indicator is applied in the study from the beneficiary standpoint to determine the perception of the beneficiary of partner organisations operating within their local community and their motivation to interact with partner organisations.

Partner visibility is an important sub-process in the formation stage that contributes to the social licence of partner organisations to operate and access to local communities (Heap, 1998). Positive visibility of partner organisations indicates credibility (Gourville and Rangan, 2004) and presents an increased potential for prospective beneficiaries to participate in the partnership project and achieve potential benefits of increased functionings and transformative change. Involving women in the sub process is important as other women groups within the local community can easily trust and believe women who are involved in the project, especially in an industry with a negative reputation.

Microfinance institutions in Cameroon have come under scrutiny from the general public and regulatory authorities in the past ten years. The launch of the sector reform framework in early 2000's by the Banking Commission for Central African States saw many microfinance institutions closed for non-compliance with the regulatory framework. By 2006, the number of MFI's legally allowed to operate was halved from 656 to 314 (Mustapha, 2006). Although, there are no recent official figures of MFI's that have been closed down due to non-compliance or bankruptcy, there is a general lack of trust in the general public in the performance and operations of microfinance institutions. The manager of an MFI explains how potential beneficiaries have lost trust in MFI's and they need to gain public trust and positive visibility:

... the difficulties that we are facing is that so many of these microfinance institutions came into business and went away with people's money so...Some of the prospective clients will tell you they know that the credit union does not close, because in our history, I have not seen any credit union that's closed. So, they say it's either the credit union or they dig the ground and put their money inside. When you go to some they will tell that no and tell you this person has gone; FIFFA (First Investment for Financial Assistance) has gone; CAMCCUL (Cameroon Cooperative Credit Union League) has gone; COFINES (Compagnie Financiere de l'Estuaire), they will name all the microfinance institutions that have closed down around them. (MFI – 7A)

This lack of trust in microfinance institutions and the negative publicity supports the importance and drive for partnership with NPO's by both MFI-A and MFI-B to gain visibility and trust from the public.

In case study one, the women were given the opportunity and are actively involved in the publicity of the partnership project and activities. The women who had benefited or interacted with the partner organisations visited their local community groups, cultural events, church groups and other community action groups to sensitise other groups of the potential benefits. The women with support from the partner organisations also visited potential women groups in other regions to promote the activities and projects of the partnership. This was evident in the number of beneficiaries and access to local communities by partners in case study one.

X-Pov operated in six of the seven divisions of the North West Province (extreme poverty region) of Cameroon. There was high visibility of X-Pov and its activities in the province, and positive visibility in other provinces and regions of Cameroon might seem an implicit motive. The general coordinator of X-Pov expressed the desire for the organisation to be established in other regions of the country. However, due to restricted funding, the organisation has not been able to achieve this.

'We have spread over the North West region. We are in all seven divisions of the North West region. Our future plan is that if we are able to have funding, we can be able to spread to other regions, because as of now we are only limited to the North West region'. (X-Pov 1B).

MFI-A has seven branches in four different provinces of Cameroon, its main area of focus is the North West Province with four branches, one each in three other provinces. Partnering with X-Pov does not pose a negative visibility. On the contrary, partnering with X-Pov and involving the women in the process should bring positive visibility and trust from the public through the interaction with the women and ensure more women participate and benefit from the opportunities for transformative change presented by the partnership.

Although the women in case study two were involved in publicising the activities of the partnership project, their involvement and activities were limited compared to that of the women in case study one. Publicity was a formal responsibility of M-Pov as part of the partnership formation process. Women in case study two similarly shared their

experiences and promoted the activities of M-Pov in their local community groups and activities. However, the level of access to local communities by M-Pov was limited compared to X-Pov in case study one.

Articulating poverty and promoting positive partner visibility from the stand point of the women is an important aspect of beneficiary involvement and embeddedness in the partnership formation processes that is vital for transformative social change. The opportunity for interactive process between potential structural opportunities and individual agency thus leads to an increased positive visibility and partner awareness of the social issue. Empowering beneficiaries through participation, enables active engagements and beneficiaries becoming agents of transformative change in their own terms.

5.3 MFI-WEN partnership implementation

5.3.1 Introduction

This section presents how the partnership structure offers actual opportunities for the women to take action and be involved in the implementation of the partnership project, highlighting the role of the women in the implementation stage. Partnership implementation presents the interaction of the partners within the partnership relationship (Seitanidi, 2010). The partnership structure and operationalisation presents actual opportunities for the women to take action and be involved in activities. However, in this study the partnership selection was solely the responsibility of the partner organisations with no opportunities for the women to be involved. Each partner organisation determined who they wanted to partner with and thus the partnership selection is not relevant here as it is situated in the meso level of analysis that is the organisational level.

The concept of structure has been at the centre of discussion among sociologists and anthropologists for decades. The use of the term varies widely. Gusfield (1984), for instance, refers to social structure as ‘institutions’; Geertz equates it with ‘political instruments’, ‘institutions’, and the ‘power element’ (1973: 331, 337). Giddens (1984), refers to structure as rules and resources in society that give rise to people’s social

practices. This thesis adopts and applies Giddens conceptualisation of structure. Partnership structure as used in the thesis refers to the rules, principles and resources that guide and govern the activities and implementation of the partnership project and hence its processes within the context of the study.

This section analyses the case study implementation process and the structure and operationalisation of the partnership project focusing on the role of the women. The structure and operationalisation of partnerships can be very formal and explicit through formal agreements (Austin, 2000b), but can also be informal (Berger et al., 2004b). Sections 5.3.2 and 5.3.3 present the case study one partnership structure and operationalization, and sections 5.3.4 and 5.3.5 present the case study two partnership design and operationalization.

5.3.2 Case study one - partnership structure

In case study one, the partnership was informal. There was no MOU or contract signed between the two organisations, and thus no formal partnership structure. The general coordinator of X-Pov, working closely with the general manager of MFI-A, motivated and developed the shared vision among staff of both organisations on the potential benefits of the partnership to the beneficiaries and both organisations. However, a team of five staff, two from MFI-A (the finance manager and an accountant in charge of X-Pov accounts and transactions) and three from X-Pov (the field coordinator, field worker and the accountant) worked closely on the project and reported the performance to the boards of both organisations.

The activities of case study one partnership involve the implementation of a loan scheme comprising three categories of beneficiaries based on their location: rural (category 1), semi-urban (category 2) and urban (category 3) (see Table 29). The rural loan scheme had two categories, distinguished by the presence or absence of a disability (otherwise referred to as mainstream). The interest rate and term of loans varied based on the category of beneficiary group with rural beneficiaries having longer loan terms and repayment period, and rural beneficiaries with disabilities having a lower interest rate compared to those in the urban areas with no disability - mainstream.

Table 29: Summary of loan products provided by X-Pov in case study one partnership

Loan classification	Loan repayment period	Loan interest per month	Locality of beneficiary	Beneficiary group
Category 1	10	1%	Rural	Persons with disability
Category 2	10	2%	Semi-Urban/Rural	Mainstream
Category 3	5	2%	Urban	Mainstream

The objectives of case study one partnership project include:

- To encourage women's empowerment through cooperative efforts and educative programs;
- Grant productive loans to finance farming, small crafts, small-scale trading, and other economic activities;
- Encourage women and their families to take care of their health;
- Improve the participation of women through training and education in development issues;
- Encourage development initiatives in rural and poor semi-urban areas;
- Encourage savings for future investments.

5.3.3 Case study one - partnership operationalization

This section presents the different sub-processes of the MFI-WEN partnership loan cycle in case study one. It presents the opportunities within the partnership structure for the women to take part in the activities and partnership implementation sub processes that enable them to achieve greater functionings and transformative change. The activities of the partnership loan cycle involve six sub-processes: client prospection, client selection, loan disbursement, monitoring /training, loan repayment, monitoring and evaluation. Each of the sub-processes presents potential opportunities

for the women to take part and exercise their transformative powers and creativity to ensure they achieve higher functionings.

5.3.3.1 Client prospection

Case study one partnership implementation involved a cycle of events, from prospection of potential beneficiaries, beneficiary selection and loan/microcredit disbursement, to loan repayment and the cycle started all over. In practice, after the first two cycles in some cases after the first cycle, the first two stages may be overlooked based on the credibility of the women or the group to which the women belonged, as well as trust. The full cycle may be repeated if the women need to move from one product group to another, as is the case with X-Pov. Prospection is an evaluation method to reduce risk and uncertainty. In the financial service industry, and particularly in the banking industry, there are two approaches to risk evaluation: the instrumental approach and the social evaluation approach (Ferrary, 2003). The social evaluation approach is a subjective perception of the borrower by the financial analyst and the holding of specific information gathered through social networks that are the deciding factors in the decision of loan attribution (Ferrary, 2003). Microfinance institutions often apply the social evaluation approach in prospecting potential beneficiaries. Sociological concepts such as social capital (Adler and Kwon, 2002, Coleman, 1988b), social networks (Granovetter, 1973, Granovetter, 1983, Granovetter, 1985), and trust (Mayer et al., 1995, Morgan and Hunt, 1994) have been applied in social evaluations for analysing lending activities (Ferrary, 2003)

Through its field coordinator and field staff, X-Pov was responsible for identifying prospective beneficiaries. The field coordinator of X-Pov described the process of sensitisation, prospection and selection of beneficiaries for the partnership project. The excerpt below describes those involved, and the process from prospection, sensitisation and selection.

‘Actually, in each of the areas we have based field agents...when they identify the women - if they are not in groups - they try to form the groups, and when they form the groups they sell the idea of WINHEEDCAM (Women’s Initiative for Health Education and Economic Development-Cameroon)– what WINHEEDCAM does to the group.

And they keep on monitoring. At that monitoring period - it's for about three months. That is, meeting them, seeing what they are doing, encouraging them - educating them. And then within that period I come in now to actually see whether what they are doing is in line with WINHEEDCAM. And my role is to intensify the education package - because under education we have the group formation - the group management, and group dynamics'. (X-Pov 3C)

By putting the women into groups during the prospection stage, the field agent of X-Pov gave the women the opportunity to interact with other women in the community and develop social ties. These social ties created through local community network became important for social evaluations when the women became actively involved in the partnership process. The benefits experienced by the women in case study one began before they actively become members and involved in the partnership as beneficiaries. The education and learning during prospection facilitated both the individual and group journey towards transformative change and poverty alleviation.

5.3.3.2 Client selection

A group was limited to 15 members with the maximum amount per loan cycle to a group being three million CFA, an equivalent of £3,529 (October 2014 rates). The maximum amount an individual in a group could have was 200,000 CFA (£235). However, the longevity and credibility of a group could be considered, and there were instances where an individual beneficiary within a group may be given 500,000 CFA (£588).

The prospection process was the responsibility of X-Pov. However, the women were involved in the selection of potential beneficiaries. Although the loan application was made as a group, the group members and in some cases the leader of the group determined who benefits and how much. This was very important, as through their local knowledge and social capital from the group the women knew who could be trusted and who was credible to benefit from the loan, as well as the level of trust and credibility. The level of credibility assigned to each individual by the group determined the loan value and frequency. It was the responsibility of the president and the group members to determine the credibility of a member and the amount to be given to that

individual. This came with a lot of challenges, WEN-BA5 described some of the risk assessments carried out within the group to ensure loans disbursed did not become delinquent and negatively affect the credibility of the group as a whole.

‘We are a transparent group - any amount that you can control is given to you - I can only reduce the loan depending on your ability maybe from past experience. If you reduce and it’s ok – you will have it. The paper goes around and each person writes the amount required alongside her name. If we feel that a member cannot handle what she has written down, from past experience, we can reduce it, just so that member does not struggle. We know the abilities of our members. When I collect the WINHEEDCAM loan form – I now write the names and total amount for the whole group’. (WEN-BA 5).

5.3.3.3 Loan disbursement

The field coordinator who had to travel to meet the women in rural communities was responsible for loan disbursement. Women in semi-urban and urban areas went to their X-Pov office to collect their loans. In some instances, the loan was collected by women from the MFI-A head office or one of its branches. The president or leader of each group collects loans for onward distribution to the group members. The president of a group together with other group members, could be flexible with loan decisions and reschedule member loans or in some cases make repayments for women without necessarily informing the partnership project coordinators. This, however, depended on the level of trust and understanding among the WEN in the group.

From this group I have learnt from new members who join the group – one can take a loan and at the time for repayment she tells us that the business is not moving well – we are worried - we can assist the person with money from the house to repay the loan and then collect it from her gradually. (WEN- BA 2).

Despite the loan classification, there was flexibility between category 2 and category 3 loans. As the field coordinator explained, there were individuals in urban areas whose start-up and business turnover was slow and could not meet up with the category 3 loan repayment. In such instances, such loan applications were reclassified to a category 2 loan.

'We monitor category 3 loans to ensure loan delinquency rate is low. Once the application is handled, you dialogue with the group executive members and once you see that the repayment will not flow, you can shift this to a category 2 loan to give them more time rather than allow them to become delinquent. So, at times the policies are a bit flexible depending on the situation at hand. It's not that because this is this you have to stick to that. No! There are times when you look at some conditions and you try to be flexible with the policies'. (X-Pov 3C)

This flexibility in loan category and loan amount gave the women the freedom of choice as a result of the informal structure of the partnership supported through their social network and social ties within their respective groups and community. Sen's (1999) capability approach stresses the importance of freedom of choice in the social, the economic and the political. The scenario above presents the freedom the women had to choose the group they wanted to belong to and nurture the group to ensure strong social capital, the freedom of choice on the amount and frequency of loan. These processes brought about transformation in the lives of the women and enabled the women to learn from their experiences through repetitive loan cycles.

5.3.3.4 Monitoring and training

X-Pov also supported women to start-up businesses. Given that there was no business history or entrepreneurial experience with such women groups, X-Pov worked closely to monitor the progress and growth of such businesses. A loan in such instances was restricted to smaller amounts to reduce the risk of it becoming delinquent. This highlighted the opportunities the women had through their interaction in the partnership process to transform their lives. It provided freedom of choice in the economic sphere, to choose a business venture and be supported through finance in form of loan, training, education and learning to manage and grow the business.

'With start-up businesses... there is a risk. We work with them but what they have asked we try to reduce the amount, so that the risk should not really be high. Or we advise them to start up with a small business that we can see the growth if the member can grow in that small business, then we go along now to give a higher amount to the woman'. (X-Pov 3C)

The implementation processes facilitate the journey from prospection to becoming an entrepreneur (WEN) as a means of achieving poverty alleviation.

5.3.3.5 Loan repayment

It was the responsibility of the field coordinator, the women as a group and the ultimate responsibility of the group president, to recover loans and interest. Women in rural communities recovered loans for collection through their group president when the field coordinator or fieldworkers visited such communities. The monthly loan recovery, and any costs involved, was the responsibility of the women. The president of the group had the responsibility of collecting loan repayments on a monthly basis from the members and paying it into the office, or directly into the group account at MFI-A. This could be very challenging and in instances when members could not make their monthly repayments, such cases were passed onto the management team at X-Pov. Group presidents did all they could to avoid bringing up such instances to the management team as it had a negative effect on the credibility of the group and future loan applications. Two women who were presidents of their groups described their approach to credit control and how they chased monthly loan repayments from group members.

Sometimes the members are not able to pay back the loan on time. I will go to their houses and stay there until they pay the money. If they cannot afford the money they may have a farm as collateral which I need to see and ensure that if the money is not paid, I will collect the farm. You need to reinforce this and the person must work to pay back the loan – before the loan is given there must be a collateral, or either your child will be held responsible to pay the loan. It will become my problem as their leader. I will come back and if I am so tired following up – I return. She will pay the interest – she will pay double interest and if she fails by next month she will pay a double interest. (WEN-BA 1).

‘They know that once they pick their calls and see Ma V. - they know that there is trouble. It is not because I hate anyone – pay X-Pov’s money and our friendship will continue ... At times I move from door to door to collect the money. At times I call and beg them to pay back. It was difficult, at some point we used the silencer –I compile

the list and send to the executive members for signature and drop their names - you can wait and you will not have it –Those who are delinquent we drop their names from the next list so that they should not have a loan since they were delinquent in the previous’ (WEN-BA 5).

5.3.3.6 Monitoring and evaluation

Monitoring and evaluation of the partnership project was the responsibility of both partner organisations, although X-Pov carried out most of the field visits.

‘Once you identify the need of the capital and you give the capital, you monitor whether the education that was given - is it flowing? If it’s not flowing you have to come back again. If you spot areas that are not ok – you go back with the education. Our education is on-going. Because we meet with them monthly and as we meet with them monthly in the course of your discussion you identify areas of need and you come back to strengthen those areas’. (X-Pov 3B)

‘Working in partnership with WINHEEDCAM, there are times we have gone out with them to see how the women projects are doing and monitor how they do their collections’ (MFI-A 1B).

Case study one implementation involved three loan scheme projects where women were actively involved and had the opportunity to choose the loan scheme, amount and frequency they wanted to benefit from the partnership project. The women were involved in the beneficiary selection for loan disbursement, the loan amount, loan disbursement and loan repayment processes. The active involvement of women in the implementation process presented partner organisations the opportunity to learn and understand the challenges of the women and their needs, and to develop flexible products and services to meet these needs through continuous project and process innovation. This finding supports the position of other academics who argue that innovation does not necessarily have to be associated with technological innovations but can also be associated with efficient and sustainable solutions (Phills et al., 2008) process innovation, and service and management innovation (Dees, 2001, Jamali et al., 2011, Van de Ven, 1986) for greater value creation for the beneficiary and society in general.

The involvement of the women in the implementation of the partnership project in case study one strengthened bonds and relationship with field workers and field coordinators. This allowed for communication and feedback to flow from the women to the partnership management team and back to the women. This flow of information allowed the partnership management team to understand the environmental conditions and circumstances, challenges and experiences of poverty alleviation by the women, and the opportunity to provide innovative solutions. Academics have viewed communication in corporate social responsibility as instrumental (Schultz et al., 2013), and an on-going process of making sense of circumstances (Taylor and Van Every, 1999, Koschmann et al., 2012) to generate capacity for action and enable substantial impact within the problem domains (Arvidsson, 2010, Koschmann et al., 2012, Le Ber and Branzei, 2010b) of cross-sector partnerships. However, for communication in cross-sector partnerships to achieve substantial impact, it has to be effective and flow in both directions, from beneficiary to partner organisations, and vice versa.

The effective communication among the women, X-Pov and MFI-A as a result of their involvement in the partnership processes allowed for the identification of aspirations and the goal to achieve them through their interactions.

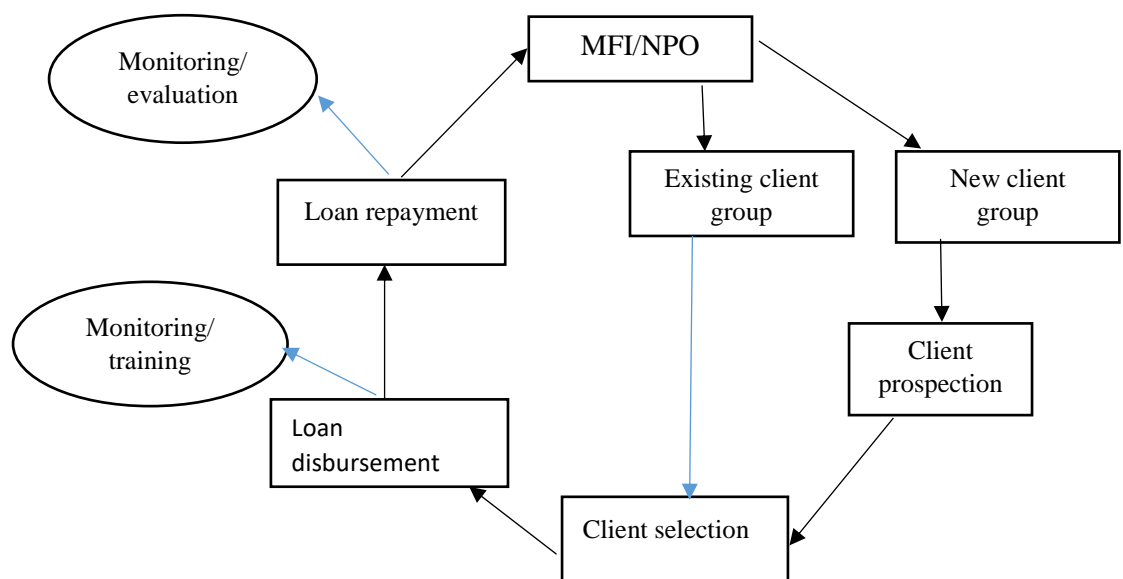


Figure 12: MFI-WEN partnership loan cycle

Figure 12 presents graphically the partnership loan implementation cycle. Where there is a new client group, the cycle goes from prospection, client selection, loan disbursement to loan repayment. However, for an existing client group requesting subsequent loan cycles, the prospection process may be skipped depending on the credibility of the group. Monitoring, training and evaluation ideally take place after the loan is disbursed, but for new clients with new start-up businesses training starts as early as during prospection stage.

The active involvement of the women in the implementation process highlights the benefits of the individual's effective opportunities to undertake action and activities they want to engage in to enable transformative social change. By providing opportunities through the partnership structure for the women to participate in the partnership processes, the women are given the opportunity to exercise their transformative power, and creativity to become agents of change in their terms. The agency of the women is made possible by the enabling features of the partnership structure that allows for creation, recreation and transformation through innovation in processes to ensure the achievement of greater and sustainable functionings for the women.

5.3.4 Case study two - partnership structure

Case study two exhibit a formal partnership structure. The director of M-Pov, the partnership champion developed the relationship with staff and employees of Nkong Credit for Development Savings and Credit Association and coordinated the partnership management prior to the first MOU.

The MOU signed in 2010 by the board chairs of both organisations sets out the objectives of the partnership, the roles and responsibilities of each partner organisation and the resource input. The main objective of the partnership was to implement the Nkong Women Cash-Up (NWOCA) microcredit project. Although the MOU stated the level of resource commitment by each partner organisation, there appeared to be a bigger resource commitment from M-Pov, the non-profit partner, to ensure the smooth implementation and operationalization of the partnership project, especially in the first years of the partnership.

'We are currently trying to see if we can raise more funds to support the project as it expands and also because the demand for second, third or fourth cycle loans from the scheme is increasing as the outreach is increasing from the seven branches where the scheme is run... we support them, for instance, we have two pick-ups, one is almost permanently available to MFI-B for its field work' (NPO-BA 1A).

At the start of the partnership project, there were two field workers from M-Pov assigned to the project, who were two employees from MFI-B of which the Buea local branch manager was one of them. It was the responsibility of the MFI-B Buea branch manager to prepare regular reports on the performance of the NWOCA project and report to the M-Pov director, who reported to the boards of both partner organisations on the performance of the partnership project.

5.3.4 Case study two - partnership operationalization

5.3.4.1 Client prospection and selection

The partnership project involved three main stages: identifying prospective beneficiaries, training and development, and disbursing and recovering microcredit/loans. M-Pov, with its experience, local community knowledge, and expertise, was responsible for identifying prospective beneficiaries through its field workers. Both M-Pov and MFI-B participated in the selection of beneficiaries. The prospection of potential beneficiaries in case study two was the responsibility of the fieldworkers of MFI-1 and M-Pov. The beneficiaries were not involved in the selection process. An instrumental risk evaluation method was used that relied on women having an existing microbusiness with growth potential. The prospection process overlapped with the selection process. The prospection process was done for the first loan cycle; for subsequent loan cycles the prospection process may not be necessary. However, where there was a time gap between loan cycles the prospection process was carried out to re-assess the credibility of the beneficiary.

'We identify communities where there are women who have small businesses. First of all they must have a small business, stable businesses. And then we go to them and tell them about our service, the service for women. We tell them about the service and

then we induct them and we agree on a date for training. They form groups, groups of between five and ten women. They form groups among themselves because they know each other and because this service in particular has no collateral, we are giving them a loan. We give them loans, there is no collateral, what we do is mutual solidarity, they surety each other's loan'. (MFI-BU 2A)

Unlike in case study one where training was provided to every potential beneficiary and the beneficiary was given the freedom of choice to apply and request for loan, in case study two training and skill development were only provided to women with existing microbusiness with a 100 percent chance of benefiting from the partnership project.

'Before starting with the training, we have sensitisation of beneficiaries – we sensitise them - tell them the importance of the training. When we do the sensitisation then we go for selection – select those who attend the training – because this training is all about how to manage your small business - so we mostly work with people doing businesses – so if you are not doing any business you are not qualified to attend our training'. (M-Pov 2A).

'What we do is - we don't just give them money, we don't just give them a loan. We train them on how to manage small businesses. We organise two days training with them on how to organise, on how to manage their businesses. Then we give them money' (MFI-B 2B).

5.3.4.2 Loan disbursement and repayment

The loan amount was set by the project with a restricted number of loan cycles per beneficiary. The initial loan amount was limited to 50,000 CFA, with a subsequent increase to a maximum of 250,000 CFA. There was a limit of three cycles of loan disbursement for each woman, after which it was expected that these women would have grown their businesses and raised enough capital to graduate to become full members of MFI-B, where they could apply for individual loans. The loan size had a maximum limit of 50,000 FCFA per individual in a group. Both MFI-B and M-Pov did monthly visits to monitor and evaluate the micro businesses. However MFI-B had the responsibility of loan recovery.

The loan disbursement and recovery were the responsibility of the staff at MFI-B who visit the women groups every month to disburse and also to recover loans.

'We visit them constantly to monitor their business because we give the money strictly for business, yes, so we go there constantly to monitor and see how their businesses are doing, share their problems with them, and give them suggestions on how to overcome them. We do recovery every month and then we try to sustain it in that unlike normal loans in the institution that are 2 per cent, the interest rate for the women is 1.5 per cent so it is cheaper, it is affordable. And then you go to meet them to reduce the cost of travel. Most of them are not in Buea, so we go to the field to meet them when we are doing recovery and evaluation to reduce cost on their part' (MFI-B 2B).

Case study two illustrates an inactive and lack of beneficiary involvement in the formation and implementation of the partnership project. Although there were several opportunities for the women to be involved in the partnership project, these opportunities were not taken up by the women. The women were consulted during meetings and field visits by field workers and other partnership team members. However, the meetings and visits were very formal, with a one directional flow of communication from the partnership team members to the women groups. The lack of involvement of the women in the implementation process, the formal nature of meetings and field visits implied loose ties and bonds between the women and partner organisations, and a lack of trust, and as a consequence, the women found it difficult to discuss the challenges and difficulties they faced, and possible solutions. This lack of trust affected the partnership relationship and communication flow, negatively affecting the understanding of poverty as experienced by the women who benefited from the project. The effect was that, the women had limited alternative combination of capabilities, limited freedom of choice and consequently the achievement of lower levels of functionings. This finding is substantiated by Jamali et al. (2011), who argue that the relational aspects of trust, communication and coordination help to enhance the quality of the relationship and facilitate collaborative behaviour in cross-sector partnerships.

Although there were possible opportunities for the women to take action and be involved in the formation and implementation processes, these opportunities were not realised with the potential 'capability sets' of the women not taken into account or

ignored. The capability approach highlights that, it is not only the quality and quantity of available resources or the realised doings and beings of the agency that matter, but also the range of capabilities available to people. In other words the 'capability set' from which individuals can draw must be taken into account (Sen, 1993).

5.4 Case study comparative analysis

This section of the chapter presents a comparative analysis of the two case studies. It examines the differences, similarities and trends in activities from the formation to the implementation phase, and how these trends, similarities and differences are informed by the literature. It discusses the possible implications of such differences on the development of capabilities, freedom of choice and the wellbeing of the women. It also discusses possible implications for theory and practice of microfinance projects for poverty alleviation.

5.4.1 Partnership formation.

In case study one the women were involved in the articulation of poverty for the purpose of the partnership. Poverty was articulated by the women based on their experiences of poverty and poverty alleviation. This opportunity to involve the women in defining what poverty meant for them was the critical point in understanding the expected outcomes and benefits in terms of functionings that the women may value doing or being. It also highlighted the alternative combinations of functionings that were feasible and achievable through the partnership project. Involving the women in articulating poverty indicated that the women from the onset of the partnership were given a voice, and the freedom to express their experiences that became a driving force for the partnership processes and implementation. This feeling of being heard and involved in a project that will lead to the achievement of greater functionings is in itself a functioning and a capability. That is, the women became change agents in their own terms.

In case study two, the women were not involved in the articulation of poverty for the purpose of the partnership. The women were not given the opportunity to express the

experiences of poverty and poverty alleviation. Consequently, poverty was articulated from the perspective of the partner organisations purely as a lack of financial resources.

In both case studies, the women were involved in the publicity of the partnership activities in their local community groups. However, the extent of publicity and visibility was greater in case study one as a result of the women being given the opportunity to take part and be actively involved in the partnership activities and processes.

5.4.2 Partnership implementation

Case study one exhibits an informal structure. There was no formal MOU between the partner organisations that set out the specific roles and responsibilities of partner organisations or the guidelines and structure of the partnership project. The informal structure of the partnership in case study one may be attributed to the informal nature of X-Pov. Informal institutions refer to norms that have no legal validity (although they may have customary validity), or to activities that do not comply with formal rules (e.g. tax evasion), (London and Hart, 2004, Portes, 1994). Although X-Pov had both legal and customary validity, its activities were somewhat carried out in an informal nature with great flexibility to meet local needs and changing circumstances of its clients, and the nature of the social problems. Informal institutions usually have strong traditional ties within communities (such as kinship, religion or race) (Arnould and Mohr, 2005, Johnson, 2007). As a result, transactions are governed by relationships and networks, rather than by contracts (Rivera-Santos and Rufin, 2010a). Formal institutions refer to the existence of legally valid and enforceable norms, statutes, or regulations, including legally enforceable private agreements (contracts), or to the compliance with such norms and agreements (De Soto, 2000, London and Hart, 2004).

The informal nature of case study one allowed for flexibility and choice. This is the core of the capability approach; freedom of choice. The women had the opportunity to choose a scheme that was suitable for their needs and circumstances to enable them to achieve the functionings that were feasible for them to achieve. The formal nature of the partnership in case study two did not allow for such flexibility and choice.

In case study one, the partnership did not set out to implement a specific project as in case study two. However, it ran three categories of loan schemes. In case study two, the partnership sets out to implement specifically the NWOCA project, with different partner roles and responsibilities made explicit in the MOU.

In case study one, the women were actively involved in the implementation of the different loan schemes. The women were involved with the risk assessment process for loan attribution, in the valuation of loans for beneficiaries, beneficiary selection and loan recovery and banking. In case study one, there was shared learning with the women involved in the training of group members, as well as members of other groups who had benefited from the partnership. The involvement of the women in the partnership implementation process can be explained by the relationship, and the network developed by X-Pov with the women and thus strong ties and social capital created as a consequence. The women in case study one can be considered active partners in the formation and implementation of the partnership processes. Beneficiaries as partners in the co-creation of value in cross-sector partnerships is discussed in greater detail in chapter seven.

The involvement and participation in the partnership formation and implementation processes enabled the women in case study one to choose and developed capabilities that were most appropriate for their needs, and were presented with alternative combinations of functionings that can be achieved. Although not every woman who interacted in the partnership project could be the group president, involve in the selection, training and education, loan collection and payment. The voices of the silent group members could be heard through their group representatives. These women choose the capabilities from the alternatives that allowed them to achieve the functionings they aspired and that made them happy. The women had the freedom to choose the group they wanted to join, when they wanted to join (freedom of choice in the personal), when they wanted a loan and how much, what they wanted to do with the loan (freedom in the economic) and if they want to be part of the governance structure. This process of choosing capabilities represents the freedom presented by the involvement of the women in the partnership formation and implementation processes. This freedom of choice in the different spheres is fundamental to the capability approach and its application in poverty alleviation.

The non-involvement of the women in the partnership implementation process in case study two implies the freedom to choose from alternative combinations of functionings and valuable capabilities is limited. The women had no flexibility and had to accept the group they were assigned to, the loan value they were given and the limit on the number of loan cycles they could have. There were few or no opportunities for capability development through the partnership processes. The women might have developed other capabilities external to their interaction with the partnership that enabled the achievement of greater functionings.

In case study one, a social approach to risk assessment was applied to determine the credit worthiness of potential beneficiaries. This approach involved building social capital through relationships with the beneficiaries to develop trust and gather information through their social networks. In case study two, the approach was different: the partnership adopted an instrumental approach that relied on pre-determined criteria to evaluate the risk of loan delinquency and default by potential beneficiaries. Predetermined criteria such as existing businesses or microenterprises owned by women as used in the risk evaluation process in case study two implies many potential beneficiaries were excluded from benefiting and remain poor.

Financial institutions reduce financial risk by reducing the information asymmetry between the institution and the borrowers through integrated social networks to establish bonds of trust and to accumulate social capital (Ferrary, 2003). Financial institutions usually implement two approaches in the evaluation of risk: the instrumental approach that seeks to define an objective method of risk evaluation, and a social approach, where the subjective perception of the borrower and specific information gathered through social networks are the deciding factors in the loan attribution decision (Ferrary, 2003). Different sociological concepts have been used to describe and analyse the social approach to risk evaluation for lending activities, such as social capital (Bourdieu, 1980), social networks (Granovetter, 1973, Granovetter, 1985, Granovetter, 2005) and trust (Arrow, 1974). Studies have shown that the quality of the economic agents social bond with members of the socio-economic environment determines the quality of the gathered information and therefore the quality of the risk evaluation (Ferrary, 2003), which consequently has an impact on the success of activities and projects (Coleman, 1988, Nahapiet and Ghoshal, 1998, Baker, 1990).

This study highlights the importance of beneficiary involvement in the formation and implementation processes in creating social ties and bonds that are the back bone of trust and effective communication. Strong social bonds were created in case study one through the involvement of the women in the partnership processes to encourage and ensure close proximity with partner organisations. Ferrary (2013) argues that through social and emotional proximity between the financial counsellor and the borrower, the banker gains a better understanding of the specific needs of the client's business, and in the process gathers more information from the client than the banker would obtain in a purely professional relationship which tallies with the accumulation of social capital and a determining factor in the risk evaluation (Ferrary, 2003). In case study one, the field workers and field coordinators developed long-term social and emotional proximity with the women through frequent visits, group meetings with the women and, in most cases informal meetings. This was different in case study two, where field visits by field workers were very formal and for business assessments, loan disbursements and loan recovery. The field visits in case study two were professional with the result that the women did not feel emotionally connected and felt more distant from the project and partner organisations. The loose proximity with the women in case study two negatively affected the trust between the partner organisations and the women, and consequently restricted the flow of information.

The flow of information among the borrower, the borrower's social network and the loan-granting organisation is thus vital in social risk evaluation. According to Ferrary (2003), social networks and social capital can be linked to the concept of trust in the understanding of economic activities, and argues that social capital that suggests an individual's social relationships constitutes an advantage in their economic activity, as information held about the members of the individual's social capital reduces the moral hazard in trades made with them. Adler and Kwon (2002) look at information flow from the perspective of the goodwill individuals have towards each other. According to Adler and Kwon (2002), the goodwill that individuals have towards each other is the substance of social capital and its effects flow from the information, influence and solidarity such goodwill makes available. Goodwill refers to 'the sympathy, trust and forgiveness offered to us by friends and acquaintances' (Adler and Kwon, 2002: 18). Trust is thus a valuable resource in economic activities and a key motivational source of social capital (Adler and Kwon, 2002). In case study two, the opportunity for the

partner organisations to gather information on the goodwill of the women was less compared to those available to the partner organisations in case study one. The formal and professional approach to meetings with women and their networks negatively affected the information flow and goodwill in the form of trust, and consequently lowered the level of social capital required for credibility assessment and loan approval for women in case study two. This limitation had significant effects on the outcome benefits of the partnership project for the women as seen in chapter six.

In case study two, the loan criteria were very specific with no flexibility: women had to have an existing business or microenterprise to be eligible to benefit from the partnership project. After three cycles the women could not benefit from the partnership project, and move to individual loan schemes with MFI-B. The women in case study two stressed the need for flexibility and understanding by the partner organisations. In case study one the loan procedures and criteria were more flexible, beneficiaries could be women or other vulnerable groups and having an existing business or microenterprise was not a necessary criterion. However, a beneficiary must be a member of a group registered with X-Pov. Alternatively, a group of beneficiaries could come together to form a group and register the group with X-Pov. In case study one, there was great flexibility on the loan amount granted to the women per loan cycle, depending on the needs and requirements of the women, as well as the ability to meet the monthly loan repayments. In case study two, the women did not have flexibility on the loan amount, and there was a fixed amount per loan cycle with a maximum of three loan cycles, after which the woman was expected to graduate to individual loans from MFI-B.

The differences in the partnership implementation phase identified and discussed above stem mainly from the lack of involvement of the women and the formal nature and structure of the partnership in case study two. The strategic and instrumental motives of the partner organisations drove the implementation of the partnership project with less attention on the beneficiary's needs and an understanding of the social issue that the partnership aims to address. The formal structure and nature of case study two partnership imply the policies, procedures and specifications stated in the MOU were followed to the letter, with no room for flexibility and feedback from project reviews and evaluations. Table 30 presents a summary of the case study comparative analysis based on the formation and implementation of the two case studies examined.

Table 30: Case study comparative analysis: Formation and Implementation phases

Partnership phase	Case study one	Case study two
A) Formation		
Partnership structure	Informal structure	Formal structure
Articulation of poverty	Beneficiary perspective	Organisational perspective
Partnership publicity and visibility	Active involvement of beneficiaries	Passive beneficiary involvement
Partnership project	Three loan scheme projects	NWOCA project
B) Implementation		
Partnership design	Implementation of three categories of loan schemes: a/ Category 1 –rural b/ Category 2 –semi-urban c/ Category 3 - urban	Implementation of the NWOCA partnership project in both rural and urban areas.
Partner involvement	Both NPO and BUS involved in the formation and implementation process	Both NPO and BUS involved in the formation and implementation process
Beneficiary involvement	Implementation phase: Beneficiary risk assessment Loan valuation/disbursement Beneficiary selection Loan recovery and banking Training	None
Risk assessment	Social approach involving: Social capital Social networks and trust	Systematic approach
Loan criteria	Woman or another vulnerable group. Member of a group registered with NPO partner	Woman with an existing enterprise and registered with NPO partner
Loan amount	No minimum, maximum amount per group of 15 women	Maximum of 50,000CFA per loan cycle
Loan cycles	Unlimited	Maximum of three loan cycles

5.5 MFI-WEN partnership governance

This section presents the role the women play in the governance of the partnership in each case study. Governance in cross-sector partnerships generally encompasses the extent to which the partnership is formalised with written rules, policies and procedures and degree to which roles in the relationship are defined (Cornelius and Wallace, 2010). The MOU of a partnership often outlines a governance structure as well as the responsibilities of each partner in the implementation of the partnership project. However, there have been calls for shared decision making (Austin, 2000a), consensus decision making (Elbers, 2004) and co-regulation (Utting, 2005) in order to balance the power dynamics across partners (Seitanidi and Ryan, 2007). This section presents the role the women as beneficiaries play in ensuring collaborative governance of the MFI-WEN partnerships analysed.

In case study one, the women were given the opportunity to voice concerns, incorporating suggestions on product design and active involvement in social risk assessment. Such engagements allowed the organisational partners to achieve creative innovation of products and services in collaboration with the women. Incorporating the voices of the women and their participation in governance issues increased the collaborative opportunities to deliver greater benefits for the women. Table 31 below presents the governance structure in case study one.

Table 31: Case study one governance structure

Type of responsibility	Responsibility
Beneficiary identification	Beneficiary, X-Pov
Beneficiary selection	Beneficiary, X-Pov
Risk assessment	Beneficiary, X-Pov
Loan disbursement	Beneficiary, X-Pov
Education, training and development	Beneficiary, X-Pov, MFI-A
Loan recovery	Beneficiary, X-Pov
Banking	Beneficiary, X-Pov
Finance provision	MFI-A

In case study two, the partnership structure and governance is defined by the MOU. Although the MOU did not specifically identify any role played by the women in the implementation of the partnership, one would expect some minimal involvement in the day-to-day implementation process of the partnership project. Women in case study two were active beneficiaries with no involvement in the governance of the partnership. Table 32 presents the governance structure in case study two.

Table 32: Case study two governance structure

Type of responsibility	Responsibility
Beneficiary identification	M-Pov
Beneficiary selection	M-Pov
Risk assessment	M-Pov, MFI-B
Loan disbursement	MFI-B
Education, training and development	M-Pov, MFI-B
Loan recovery	MFI-B
Banking	MFI-B
Finance provision	MFI-B

Table 31 indicates the women are involved in every sub-process of the partnership formation and implementation. Table 32 indicates the opposite with no beneficiary involvement in any of the sub-processes of the partnership formation and implementation. In case study one, the findings indicate a shared decision making, co-regulation and importantly a power dynamic balanced between the women, X-Pov and MFI-A. This is significant as it expresses the level of freedom the women had in the partnership project. The capability approach advocates for greater freedom of choice in different spheres of the social, economic and political, and the opportunity for beneficiaries to choose capabilities and have alternative combinations of functionings that are feasible to achieve.

Table 33: Comparative analysis of governance structure in case study one and two

	Case study one			Case study two		
Type of responsibility	BUS	NPO	IND.	BUS	NPO	IND.
Beneficiary identification/prospection		X	X		X	
Beneficiary selection		X	X		X	
Risk assessment		X	X	X	X	
Loan disbursement		X	X	X		
Education, training and development	X	X	X	X	X	
Loan recovery		X	X	X		
Banking		X	X	X		
Finance provision	X			X		

Table 33 presents a clear picture of the lack of involvement of the women in the governance of the partnership in case study two, whereas in case study one the women were involved in every aspect except the provision of finance. The women in case study one were actively involved in activities to ensure realizable functionings (capabilities) were developed to enable the achievement of greater and sustainable functionings. This study contributes to the wider literature on cross-sector partnership that aim at addressing social issues by highlighting the potential benefits of involving beneficiaries as active partners rather than as passive or docile recipients of cross-sector social partnerships. This empirical evidence supports the assertion in the introduction that the study extends the role of the beneficiary in cross-sector social partnerships as active beneficiaries to active partners in the value creation process.

5.6 MFI-WEN partnership opportunities that facilitate organisational motives

This section presents the role of the women in the visibility of partner organisations as a motive for partnership formation and the potential benefits that accrue with such partnerships. The partnership opportunities that present alternative combinations of functionings to women are not only important in ensuring transformative change for

the women but also facilitate the motives of partner organisation. This section highlights the importance of the partnership processes and activities at the micro/individual level that interface the organisational level to ensure the achievement of partnership outcomes at both the individual and organisational levels.

A central motive of forming partnerships is to gain visibility (Sakarya et al., 2012), public image (Heap, 1998), and public reputation (Tully, 2004). Positive visibility for both the MFIs and NPOs is a highly desired partnership motive for the partners in both case studies.

The formation of the partnership in case study one was primarily to address poverty and its multi-dimensions within different communities in the North West region of Cameroon (extreme poverty region). However, positive visibility, status and community network were highly desired motives for both partner organisations. The opportunities provided to the women in case study one to be involved in the articulation of poverty and publicity enabled the partner organisations to gain recognition and trust from the local community and hence positive visibility in a time when the local community had lost confidence and trust in MFIs. The role of the women in enabling the positive visibility and community network was evident in the extent of coverage and partnership activities in the North West region and other regions of the Cameroon.

In case study two, the partnership motive from the mission statement indicated serving and improving the livelihood of rural and urban underprivileged and marginalised people. However, strategic motives seemed to be the driving force for the partnership. M-Pov needed to adhere to legislative requirements of collecting savings, and needed to be sustainable.

By 2006 there-about we decided to – because we saw the portfolio was increasing and the challenges were increasing to run something that was really financial - needing financial attention – and having also to comply with different kind of legislation (M-Pov - 1A).

MFI-B by 2006 had just started business as an MFI, and needed to build its clients base. The involvement of women in the partnership project as beneficiaries ensured the licence to operate for M-Pov and a client base for MFI-B. The women in case study

two also publicised the activities of the partnership in their local community groups which resulted in positive visibility for the partner organisations.

The partnership opportunities that presented alternative combinations of functionings for the women were not only important and vital to ensure valued capabilities were developed and the women achieve transformative change but were also important in enabling the achievement of partner motives that drove the partnership formation and implementation.

5.7 Discussion

The findings from the analysis of the formation and implementation of the two partnership case studies indicates the importance of close relationships between the partners and the beneficiaries as well as the active involvement of the beneficiaries in the partnership processes. Relationships are particularly important when organisations seek to transform current means into co-created goals with others who commit to building a possible future (Dew et al., 2009). The close relationship between the women and partner organisations in case study one enabled a dynamic and interactive process of understanding the social issue, and consequently social value from the perspective of women through transformative processes.

The relationship and opportunities created through the partnership process enabled the women to develop capability sets, and achieve functionings, and the capacity to generate and convert social and economic goods into sustainable value that enabled them to live good and happy lives. The NPO possessed the relevant expertise to understand individual and community needs, improve civic activities and develop social capital (Lewis et al., 2007) with economic goods provided by MFIs in form of financial services to women.

The analysis of the formation and implementation processes as discussed in sections 5.2 and 5.3 above highlights the importance and need to involve beneficiaries in the governance structure of such partnerships. Women were socially and economically empowered as seen in case study one, through their capacity to exploit opportunities that enabled them to co-create value and sustainable improvements in their quality of life. Previous studies have highlighted the need for partnership mechanisms that are

dynamic and systematically empower individuals and communities socially, politically, economically and culturally for outcomes to become a sustainable reality (Hart, 2003, Sandoval, 2010).

Central to the capability approach as applied in the study is the importance of ensuring that there is a clear understanding of the specific character of the inequality being addressed, namely the 'inequality space' (Sen, 1992, Sen, 1999). This is achieved through a clear articulation of the social issue addressed by the partnership. The relationship between the women and the partner organisations, and the active involvement of the women in the partnership processes facilitated a clear understanding and articulation of poverty the social issue addressed by the partnership. The articulation of poverty by the women placed importance in the voice of the women in the partnership processes in communicating their social needs, the nature of their social problems and consequently the aspirations, capabilities and functionings that they valued and had reason to in order to live good and happy lives.

The active involvement of the women in the partnership formation and implementation processes in case study one highlights that poor women are knowledgeable and capable of putting their innate and developed capabilities to work in creative and innovative ways to ensure transformative social change. The involvement of the women range from 'inclusive'; that is, the knowledge the agent brings to the collaboration to 'collective responsibility' - that is the innate and enabled capabilities of the agent. The partnership structure in case study one enabled the women to be creative and innovative in achieving transformative change. Giddens (1976) argues that structures must not be conceptualized as simply placing constraints on human agency but as enabling. To ensure greater transformative social change through cross-sector social partnerships, beneficiaries should not only be included in the partnership processes but also should actively take part in activities with responsibility to ensure agency is enabled to facilitate the potential for greater creativity and innovation.

Table 34 summarises the dimensions of transformative social change from the formation and implementation phases of the partnership. It identifies the role of the women in the governance structure, the form of participation and the mechanism for greater process value generation. In case study one, the women were included in the formation phase whereas the implementation of the partnership was a collective

responsibility of the MFI-A, X-Pov and the women. In case study one, the results indicate greater and sustainable transformative change as a result of the relationship and involvement of the WEN in the formation and implementation processes. However, this was not the case in case study two where results indicate the women were active beneficiaries.

Table 34: MFI-WEN partnership and the dimensions of transformative social change.

Partnership phase	Types of participation	Participatory principle	Mechanism for greater/sustainable transformative change
Formation	Articulating poverty Visibility of partners	Inclusive	a/Opportunities as capabilities b/Collective learning and developing c/Collective understanding of social problem d/Continuity of partner licence to operate through increased visibility
Implementation	Beneficiary selection Risk assessment Loan disbursement Training/development Loan recovery Banking	Collective responsibility	a/Cultural adaptation and understanding of society b/Joint learning, product and process innovation c/Trust and communication d/Resource management

It was not the role neither was it the responsibility of the women to articulate poverty, but rather it was their role to share their own experiences in order to assist the partner organisations in the articulation of poverty. Where women were included in the formation of MFI-WEN partnerships and participated in articulating poverty and the visibility of partner organisations, their experiences of poverty ensure poverty were understood and articulated appropriately to ensure the right population was targeted and benefited from the intervention.

Where the women participate through collective responsibility, the partnership task and responsibilities were shared between beneficiary and partner organisations. The opportunity to participate in the partnership process and the ability of the women to take on tasks and responsibilities facilitated outcomes for the organisational partners. Common knowledge, experience and shared problem solving facilitate the implementation of the project. This ensured an increase in breadth and depth of the partnership project and importantly sustainable outcomes for poverty alleviation.

5.8 Summary

The chapter presented the formation and implementation phases of the two case study partnerships focusing on the role of the women in the partnership processes and the actual opportunities for alternative combinations of functionings presented by the partnership structure. It highlights the need and significance of dynamic partnership processes that present opportunities for women to become agents of transformative social change in their own terms that also enables the achievement of organisational motives. In summary, the chapter presented the increase in financial inclusion of the poor specifically women through MFI partnerships, the benefits and opportunities of participation by women in such partnership processes. It highlighted the importance of beneficiary embeddedness and effective communication in allowing the voice of the beneficiary in the partnership process and the voice of the beneficiary in enabling effective and sustainable partnership outcomes. The next chapter presents the analysis and discussions of the case study partnership outcomes.

CHAPTER SIX

6.0 MFI partnership outcomes: Analysis and discussion

6.1 Introduction

Access to financial services is essential and necessary to provide the basic needs, smooth consumption, education, housing and freedom of choice that affect the wellbeing of individuals. Through partnership processes involving microfinance (MFIs) institutions and non-profit organisations (NPOs), it is hoped that the poor and vulnerable in society through access to financial services and potential opportunities will enable them to develop and enhance innate capabilities to achieve functionings that are feasible to live happy lives. This chapter focuses on the partnership outcomes from the beneficiary standpoint.

The chapter is about energising women's agency to enable realisable and realised functionings. It presents the aspirations of the women, expressed as valued capabilities. The capabilities and functionings as partnership outcomes are determined by the transformative social change achieved from the perspective and experiences of the women. Amartya Sen's (1999) capability approach is applied in the two partnership case studies to analyse the outcome of the partnership, focusing on the benefits to the women and the role the women play in the partnership to facilitate the outcome benefits for the partner organisations.

The second section discusses the valued capabilities of the women. The third and fourth sections present the achieved functionings of the women as partnership outcomes using the dimensions and indicators of poverty presented in section 5.2 as reference for discussion for each case study. Participation in partnership processes is a valued capability for the women however, it is also a vehicle to enhance valued and higher functionings. This is discussed in section five. Section six presents the case study comparative analysis of the partnership outcome, and the final section discusses the findings from the outcomes of the partnership between the MFIS and the women entrepreneurs (WEN) informed by previous research, aligning with theory and presenting the practical implications of the findings.

6.2 Valued capabilities of WEN

6.2.1 Case study one - valued capabilities

Case study one is situated in the extreme poverty region in the context of the study. The women involved in the study were drawn from urban towns and rural-urban areas of the North West province. The poverty region and area from where the women were drawn had a bearing on their aspirations in life and what they valued from their interactions with MFIs.

From the life story interviews of the women in case study one, aspirations voiced individually or in their respective women groups, were identified and presented on a pyramid based on the priority. The highly aspired placed at the bottom of the pyramid (see Figure 13).

- a) Providing healthy and good food for the family every day without worry and stress – daily food consumption
- b) Sending children to school – children's education
- c) Being able to take care of medical bills without stress – health and sanitation
- d) Being happy and able to interact in the neighbourhood and community – social network and empowerment
- e) Living in a comfortable house – housing
- f) Other – owning and driving a car

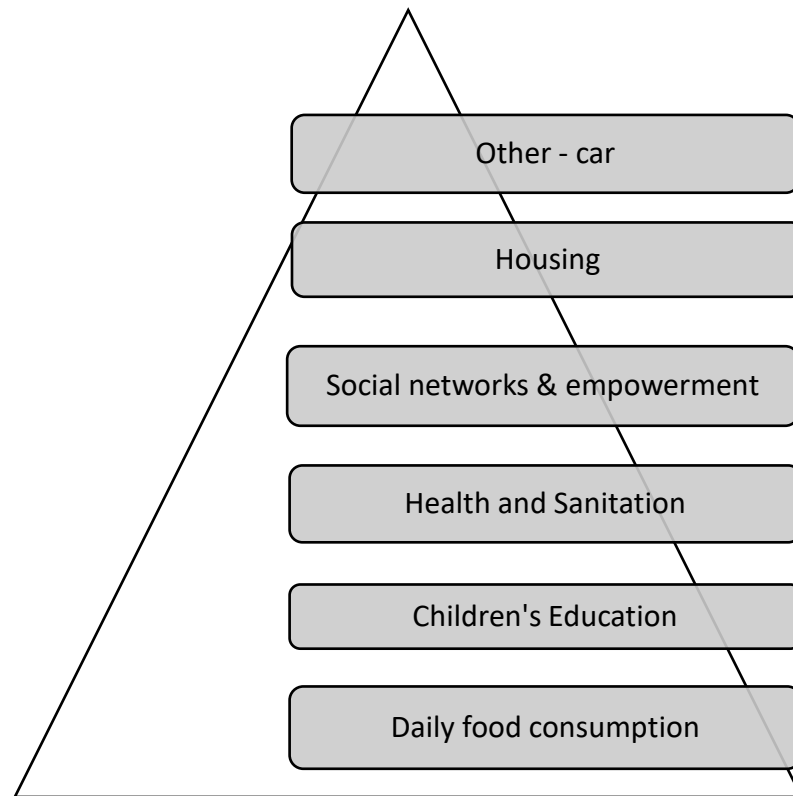


Figure 13: Pyramid of aspirations as valued capabilities of women entrepreneurs in the North West province.

Daily food consumption, children's education, and health and sanitation were the top aspirations of women in case study one. Although social network and housing were important, they were not the priority for women in this region. What the women aspired most was to be able to provide food for their family daily and take care of their children's fees and the health of their family members. Although they aspired to become more involved more in community activities, and build a family house, most would be happy if they could achieve the first three at the bottom of the pyramid.

The aspirations identified above played a key role in the selection of capabilities that were valuable to the women in the intervention projects, products and services, as well as in their implementation. Conradie and Robeyns (2013) argue that aspirations do not only play a vital role in identifying and selecting aspirations which are valuable in development interventions, but also play a key role in unlocking the agency for those involved to make changes in their lives. To understand the nature and choice of capabilities of the women in the partnership process, it was important to identify who the women were in relation to their inner self, from the voice and conviction, as

portrayed in their life story interviews. Babcock (2014) argues that for individuals to routinely and powerfully reflect upon and decide what they want to do, they must first develop a sense of agency, an understanding of themselves as individual actors capable of making their own judgments and decisions, and of successfully acting upon and shaping their environment. Alternatively referred to as 'sense of self,' 'voice,' 'locus of control,' or 'personal power', it is the necessary precursor of self-determination that spurs individuals to decide to take action (Babcock, 2014:6).

Although the majority of women involved in the study had little or no formal education, they understood they were the voice of their families and needed to take control and shape the future of their children and family. However, they were also aware of the barriers to developing their capabilities to achieve such aspirations. Active participation in intervention projects like Women's Initiative for Health Education and Economic Development-Cameroon (WINHEEDCAM), referred to here as X-Pov, seem the right way to unlock such agency and develop the capabilities which they value.

X-Pov through its intensive health education program, stressed the importance of health in running and managing a business as well as the effects of poor health on the repayment of loan. X-Pov through its interaction with the women encouraged the retention of a portion of the loan for other emergencies such as health and hospital bills. In a culture where using traditional doctors, herbs and roadside medication is common practice, it takes time and effort for the women to understand the need for preventative health care and the benefits of health insurance. However, this capability was developed among some of the women.

'Yes! I go to hospital for check-ups from time to time and I am able to buy my medications. If all the money was used by the store, you would have nothing to cater for your health.' (WEN-BA1)

'I have no problem with hospital bills any longer. The profit from the poultry helps us to register in BEPHA (Bamenda Ecclesiastical Province Health Assistance) and we are no longer afraid of illness or hospital bills since it covers part of the bills. Even with the little resources – if a child was ill we were looking for herbs - now it is easy to consult in the hospital and know if child has a fever or what he is sick from.' (WEN-BA 8).

The main purpose of women operating microbusinesses was to ensure daily subsistence and consumption. It is interesting to note that business growth was only mentioned by a few passing as something they hoped to achieve. To ensure that women could provide daily and healthy food for their family, the capabilities necessary to ensure business continuity were vital. X-Pov took its training programs very seriously. Training commences during prospection, continued during the selection and all through the loan process. There was thus evidence of capability development as an outcome in various areas to ensure business sustainability and profitability.

The X-Pov field coordinator described the different stages of training and education for those involved and what they aim to achieve at each stage of the training.

'...During the monitoring period - it's for about three months. That is, meeting them, seeing what they are doing, encouraging them - educating them. And then within that period I come in now to actually see whether what they are doing is in line with WINHEEDCAM. And my role is to intensify the education package - because under education we have the group formation - the group management, and group dynamics. And on the microcredit side - business management, they can have the finances but they are unable to manage their businesses and what they do – they can have the finances but they cannot really start up a good business. So we try now to educate them on starting up a business.' (NPO-BA 3A).

Women were taught different market skills and techniques to develop capabilities in understanding the dynamics of the market and importantly to unlock the agency in women to carry on and affect the changes they need and have power to. Women were encouraged to visit other groups in other areas and local communities to create social networks and to learn from their challenges and experiences. Seminars were organised for training and experience sharing where different women groups are invited. These sessions led to networking that resulted in the social capital development and empowerment of the women. Through training and development such as business diversification, X-Pov encouraged some of the women who had taken up other business ventures during periods when markets were slow, and also encouraged them to get in the housing market for rental income. However, loans were also provided to women to build houses for family use.

By encouraging group presidents to take the lead with beneficiary selection for loan disbursement, repayment and coordinating their groups, X-Pov also served to develop skills and capabilities of the president and other group members, and unlock the agency in them to act and bring changes to the group members and to themselves. Babcock (2014) argues that creating opportunities for clients to develop group agendas, lead projects or meetings, teach something they know, advocate for something they care about, or provide systematic and meaningful feedback on programs and policies in which they are involved, is a particularly muscular way of creating and reinforcing agency, engagement, and self-esteem. This was evident from the leadership and management skills developed by the presidents and group leaders of the different beneficiary groups. The leadership and management capabilities developed by the women were important and implied the women became responsible for the management and governance of partnership project activities, consequently reducing the governance cost from the partner organisation perspective.

The selecting of capabilities was primarily the responsibility of the women. The flexibility and informal nature of the partnership allowed the women to identify the capabilities that were important to them in their given environment in order to achieve the functionings they valued and had reason to. The partnership processes provided such opportunities and supported the women to develop the capabilities.

6.2.2 Case study two – valued capabilities

Case study two is situated in the intermediate poverty region in the context of the study. The women involved in the study were drawn from urban towns and rural-urban areas of the South West province.

The aspirations of the women in case study two varied depending on where the woman is located and carry out her microbusiness. The aspirations of the women involved in the partnership project and based in the rural-urban areas were different in nature and priority compared to the women in urban towns and cities (see Figure 14). In the rural-urban areas the aspirations of the women can be summarised as:

- a) Being able to take care of medical bills – health and sanitation
- b) Build a house and move out of rented property - housing

- c) Move from a 'plank' to cement built house – housing
- d) Able to for children's education – education
- e) Support husband in children's education – empowerment

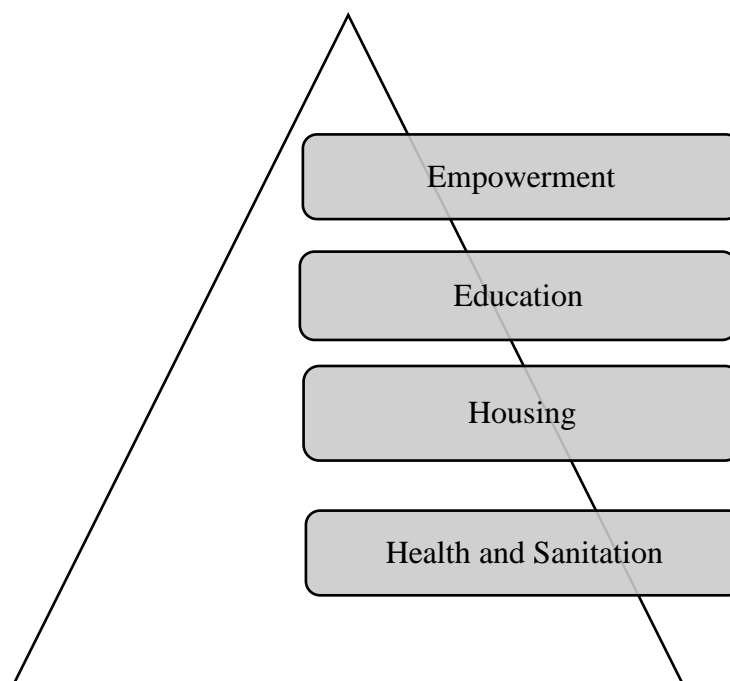


Figure 14: Pyramid of aspirations as valued capabilities of WEN- rural-urban areas in case study two.

In the urban areas of the intermediate poverty region, the women involved in the partnership project have other aspirations:

- a) To have a huge capital – business growth
- b) To have and run a large business – business growth
- c) Be involved more in activities in the society and community – social networks
- d) To own and live in a good house – housing and sanitation
- e) Other – own and drive a car

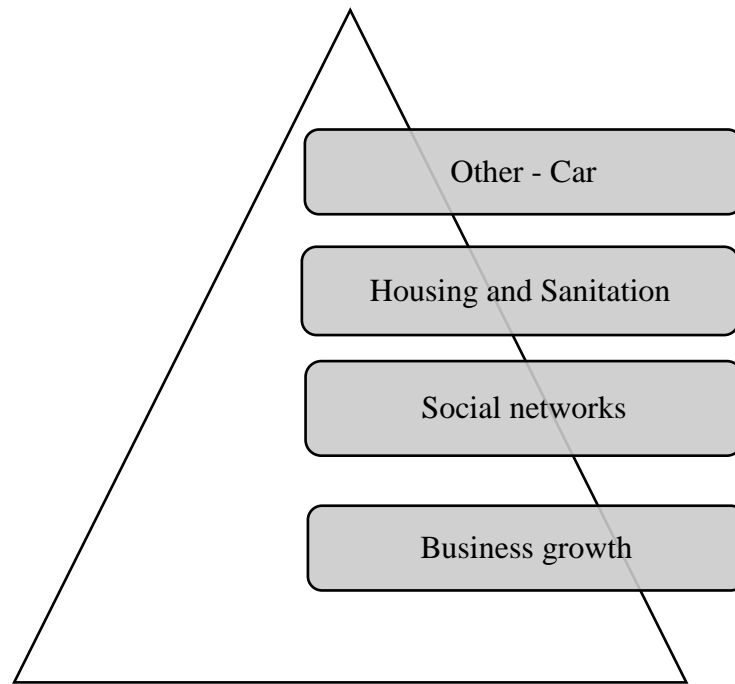


Figure 15: Pyramid of aspirations as valued capabilities of WEN in urban areas in case study two.

The level and intensity of training provided to the women in case study two was limited compared to the women in case study one. Business training was provided to the women in case study two, only if they were selected to benefit from the partnership project.

‘...When we do the sensitization then we go for selection – select those who attend the training – because this training is all about how to manage your small business - so we mostly work with people doing businesses – so if you are not doing any business you are not qualified to attend out training.’ (M-Pov 2A).

‘So, we don’t give money for people to go and start businesses – we give to those who already have businesses - maybe they don’t have enough capital to expand their business.’ (M-Pov 2A)

Staff working on the partnership project did monthly follow up calls and visits to monitor and evaluate the performance of businesses run by the women.

‘We have monthly follow-up of our beneficiaries – which does M and E – monitoring and evaluation – so we go there to find out how the business is moving – if there is any problem - difficulties faced during implementation.’ (M-Pov 2B).

Monitoring and evaluation of women businesses was important as it identified challenges and difficulties and ensured that the right and valued capabilities were developed, facilitating sustainability and continuity of the business. Monthly follow-up and evaluations were also important as problems were identified very early and solutions could be identified to resolve them sooner rather than later when problems would become complex, difficult and more expensive to remedy, and in the worst-case scenario could not be fixed so the business would go bust, with the loan becoming delinquent.

Nkong Hill Top Association for Development (NADEV), referred to as M-Pov, organised workshops for beneficiaries and women to share their experiences, challenges and solutions to poverty alleviation within their communities. During such workshops, beneficiaries were sensitised to health issues including HIV/AIDS. Workshops also served as an opportunity to intensify training on areas such as grassroots business management, good customer services, risk management, monitoring and evaluation, and record-keeping (NADEV, 2013).

The capabilities identified in section 6.2 above are possible opportunities available to the women that could become actual capabilities and actual achieved functionings. Actual capabilities are more valuable than latent ones where actual valuable capabilities refer forward to achieved functionings. This explains the importance of identifying the possible alternative combinations of functionings available to the women prior to assessing the achieved functionings. Section 6.3 below presents the achieved functionings of the women presented per case study.

6.3 Case study one partnership outcomes: Achieved functionings

6.3.1 Case study one partnership - health outcomes

Access to health care is a major tool in the fight against poverty. In many developing countries, Cameroon included, the poor lack the means to access healthcare services, and cannot afford to take up health insurance. Enabling access to health care is a great benefit to the poor. A healthy woman can carry out other activities to improve living standards and take care of the entire family. Health education is equally an important

source of value, although cultural beliefs and myths hinder positive transformation even when individuals can afford health services and medication. Women entrepreneurs in the study were open in their conversations and discussed the transformation in their understanding of health issues and the demystification around certain illnesses. Importantly, the women were able to save for and afford medical treatment and healthcare bills.

'My life has changed so much since I started with X-Pov, if I am ill I can go to the hospital and I won't stress myself too much with work. Yes! I go to hospital for check-up from time to time and I am able to buy my medications. If all the money was used by the store, you would have nothing to cater for your health.' (WEN BA 1)

'Yes, through X-Pov I go to the hospital most of the time when I am ill, without even informing my husband – and I can buy my medications because I am viable enough.' (WEN BA 2)

'As I am a patient I use one tenth of my income for health. Then the rest for my children. Then building – now I have constructed a small house from the small loan I took from X-Pov.' (WEN BA 6).

'X-Pov has helped me greatly. Recently I had to clear off all my bank accounts and the money, though it was drained through hospital expenses in vain – since the child ended up dying according to God's will – at least I feel happy that I was able to assist my child in the hospital. I withdrew all the money and even the child died, people knew that I tried before he died because – if I just sat in the house the accusation would be that the child died due to poverty.' (WEN BA 7)

Health insurance is an area very much underused in Cameroon. The poor see it as a waste of valuable resources that they don't have. X-Pov provided health education and encouraged its members to take up health insurance and save, specifically for medical appointments and hospital treatments. Although many WEN found health insurance important, it is not a priority. However there was evidence that health education through X-Pov and the call to take up health insurance added value and transformed the life of some of its members.

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I think that X-Pov has affected all aspects of my life and we are healthier and happier than before. Health wise – I am fresh – my feeding has improved – my life has changed – a lot has changed as I mentioned about BEPHA – when I was ill I had no fear – since I had confidence that BEPHA had to cover some part of the bills. I feel better now – my children’s standard of education has improved and I think I feel very different compared to five years ago. Life has become less stressful for me.’ (WEN BA 8)

The quote above is from a woman who took up health insurance, and she explains the benefits of the health insurance. Her personal journey through the partnership enabled other women within the group to take up health insurance and experience the benefit as a group. Allowing women, the freedom of choice and encouraging them to allocate a proportion of their loan from each loan cycle for health emergencies indicates the goal of the partnership of transforming the lives of women who benefit from the partnership.

As a result of their involvement and interaction in the partnership, the women could use a proportion of their loan for health and medical bills, save up for medical emergencies as well as take up health insurance to ensure a high quality of life. Achieving health outcomes transformed the lives of the women and enabled them to achieve other valuable functionings.

6.3.2 Case study one - educational outcomes

Education through learning and innovation is a great way of bringing positive transformation to the lives of the poor. To successfully start up, manage and run the microbusinesses from the loans provided through the partnership, women needed to be trained and educated on business skills and knowledge. Education was a vital complementary tool to the microloans provided to the women, and was a great resource and source of value. The women could also educate their peers and group members. Although providing formal education to children by the women was not a direct benefit to them from the partnership, it was very important for their wellbeing and happiness. The ambition of most of the women was to be able to send their children to school to have a formal education, which they may not have had the opportunity to do so themselves. Access to financial services enabled the women to achieve this.

Although the ambitions and aspirations of most of the women were to provide their children with formal education, the women were quick to express what they had learned through the education/learning schemes provided by X-Pov, and MFI-A (Mutual Guarantee Finance Limited, or MUGFIG), and from other members within their respective groups.

'...they give us lectures – the education that enables us to secure the money - to use it for business alone.' (WEN-BA 2)

'...they give education on how to use it since you need to pay back since it also benefits others – if we are faithful, they too will be faithful. They encourage us to do njangis [small savings groups] to help us – to do savings that can help us when things are difficult – and the advantage of saving with the group and with them.' (WEN- BA 4).

'During planting, WINHEEDCAM has helped us how we can diversify our activities that can help us –My children have completed school thanks to these loans from WINHEEDCAM. I retail food stuff, and whatever interest I get, I pay the children's fees with it.' (WEN-BA 1)

'I have learnt a lot of business skills and the loan has helped my children go to school... I have benefitted a great deal.' (WEN-BA 6)

The women also benefited from training on different farming techniques and skills. From such trainings, they were able to train other group members so as to increase their yield and profitability. From the training and experiences, some were able to adapt to the changing market conditions to ensure the long-term sustainability of the business.

Women through their personal journey of transformation also supported and ensured community journeys towards transformation, especially the women in their network and community groups. Women provided lectures and training and shared new skills and experiences with peers to ensure they benefited from their personal transformation. This was what one woman did when she gained new skills in farming that transformed her farming experience, she was quick to lecture and teach her group members the new skills and approach to maize farming and producing homemade feed for poultry farming.

'One of our group members Madam M..., she talked about weak seeds – she lectured us here – all those who had ideas – now I also brought the idea of improved maize – hybrid – it was MIDENO[North West Development Authority] that used to give us corn to plant during this off-season period – but now the seeds are old and don't perform well. We have hybrid seeds – we depend on Farmers' House – South African corn – that performs better than what MIDENO used to give us. We also exchange those skills through learning. We interact with each other – we keep chickens as a group – they keep day-old chicks in my home and after three weeks they collect them. We have taught them how to produce the feed and give the chickens so that they can grow faster unlike what they get from SPC. Then the SPC feed is not rich and they use bad corn that cannot make the fowls grow well and have weight – some fowls eat and have diarrhoea, and when this happens they are not healthy. Those are the things that I share with the group.' (WEN BA 5)

The interaction of the women with MFIs and the involvement in the partnership process enabled the women to gain training and education with the result that they developed vital skills and experiences that resulted in transformative change through innovation in their day-to-day entrepreneurial activities. It is important to note that, the women, through their involvement in the partnership were able to promote and develop the educational outcomes of their children. The women valued the opportunity to do so. This is what they considered a good life, and the cycle of poverty would be broken for the next generation. Crocker (2008) argues that people individually and collectively conduct their lives, sometimes realising their own self-image goals, sometimes realising (or helping realise) other's goals. For the women, an achieved functioning was to provide for their children's education, helping their children achieve their educational outcomes.

It is important for practitioners and poverty intervention projects to focus intervention on what intended beneficiaries value and that makes them happy rather than simply on what they need. In the case above, the women valued the education and training of their children rather than the need for them to be educated.

6.3.3 Case study one partnership - Living standards

The standard of living is sometimes measured by the consumption level and in most cases the monomeric value of caloric food intake and basic amenities. From the life stories, excerpts indicating transformation in the standard of living and experiences of poverty alleviation are presented as outcomes achieved. Most of the WEN in case study one focused on consumption levels and being able to provide daily meals for their families as a result of their interaction in the partnership project.

'If I need to eat magi or rice, I don't need to bother myself any longer. I will collect from my store. If there is electricity shortage, I can collect kerosene from the store and can cater for the school needs (pens) of my children with relative ease.' (WEN- BA 1)

'As we do farming we eat well – when you farm you plant all types of crops – you can eat the best from the farms – my standard of living has improved greatly. As we collect after five months – I know that there is profit because my things go on smoothly, after that I take another loan – that shows that there is growth in my life through WINHEEDCAM because the difficulties I used to face are no longer there. I feel better than before. They have encouraged us to do savings in the office. When I see how much I have saved in the WINHEEDCAM office I feel that I am succeeding. I am determined that at some level I will have about 200,000 or 300,000 in the office, by that time I will be happy and my life will be better.' (WEN- BA 6).

'From the chickens, we can eat one of the chickens anytime we feel like when things are hard. The manure from the fowl droppings I sell and put some in the farm. Not just that I look fresh due to good food that I eat with all my children – they go to good schools.' (WEN-BA 8)

WEN in urban areas had the opportunity to repair, maintain and put up apartments for rent to subsidise their incomes for consumption and other basic needs to improve living standards.

'Also, my house has been repaired and I collect rents from the house. At the end of the month I have no worries since I can depend on farm, house rents and business for survival and for repayment of my loans.' (WEN-BA 9)

The standard of living is generally measured by an individual's command of goods and services within the community in which they live, that is, in terms of commodities and assets. The standard of living can thus be viewed from an individual valued capability and achieved functionings. This is evident from the data presented above where the women talked about their living standards in relation to the level of achieved functionings, the high and valued quality of life as a result of their interaction with and involvement in the partnership project.

6.3.4 Case study one partnership – social network and community integration

Through social networks created in their interaction with partner organisations and their networks, women became empowered. This is evident from their stories of building self-confidence and self-esteem, and consequently from their interaction and involvement in other community activities.

'In my quarter, I think I am the only member present here. I am like a heroine in my quarter because I have hope – even if at times I lose some of the money, I have hope that when the money will be there, I will do many things and my life will be better.' (WEN-BA 6).

'For myself – I have a deep feeling of satisfaction – even now my voice is clear amongst people – before now I could not speak with confidence. I used to be worried among people, and I did not have any self-esteem – now I am not worried and I can only plan for the future.' (WEN- BA 7)

'Before now, it was difficult to speak in public or in the quarter you could not speak freely – how can we contribute to the quarter - how can we change? I am the heroine in my quarter – now we can speak with confidence – quarter meetings and in school meetings.' (WEN- BA 8).

'I am free to talk anywhere with a straight face thanks to WINHEEDCAM. Ma V. is recognised everywhere even when I get to the office, they know that Ma V. has arrived.' (WEN- BA 5).

'And also, they know us very well in this quarter. We are supposed to attend a meeting, not just our group, but the whole quarter. There is a farmers' meeting in the Fon's

palace. Councillor George told me that all women should attend that meeting tomorrow in the Fon's palace.' (WEN- BA 5)

As a result of the women interacting with the MFI and their involvement in the partnership, the women were empowered. This gave them the opportunity to take part in public and community activities. The women were able to interact with the partner network, and other community groups benefiting from the partnership project. This was a valuable functioning for the women in case study one, and was a significant and valuable transformation in the quality of life and lifestyle within their community. This finding supports previous studies that suggest that an individual's capability in terms of freedom should be considered in relation to others in society (Deneulin and McGregor, 2010)

6.4 Case study two partnership outcomes: Achieved functionings

6.4.1 Case study two partnership - health outcomes

In case study two, not many of the women interviewed talked about health transformation from their interaction with the partnership project. Most of the women talked about the benefits from the health education provided during workshops organised by partner organisations.

'From the workshops that we attend at NADEV, we also learnt that our health is important for us to continue to do business and to take care of our family. I can even afford to go to big hospitals when I am sick or my children are sick, and can afford all the medicines prescribed. At times part of the loan I take will go towards hospital bills and some will go into the business. At times hospital money will come from the business, just like that. I would not have been able to take care of my sick husband, buy his drugs and care for him, unfortunately he died. I am happy I could take him to good hospitals and buy all the drugs for him.' (WEN BU 8)

Health outcome was not an achievement that was highlighted by most of the women interviewed in case study two. Although the women involved in the partnership project were borderline poor with existing businesses and could afford medical and hospital bills, health outcomes may not have been as valuable to this group of women as to

those in case study one. It could simply be that case study two was situated in the intermediate poverty region with basic health not a major deprivation.

6.4.2 Case study two partnership - educational outcome

A great number of women who interact with microfinance institutions did not have the opportunity to have formal education, and even those who had the opportunity may have stopped at the primary level. Providing basic educational skills and learning was of great benefit to the women. This was evident from the interviews, many valued the education and training experience gained through their involvement in the partnership project and the benefits that came with such training.

'They have taught us many things. They have taught me how to do business - I used to do business without taking stocks – I did not check if there was profit or not in my business. Now I know how to do business, balance my stocks from both sides and know what profits I have made from my business and how to cover up for the deficits. Now I can easily detect my deficits – before now I never knew how to determine that – at times I used to sell and become bankrupt and I would not know where the deficits were coming from. Now I can detect my credits from my deficits thanks to the training received from NC4D [Nkong Credit for Development Savings and Credit Association].' (WEN-BU 3)

'I like the scheme because they gave us loans and organised workshops for us – so they trained us how to do management of business. I can now manage my own business thanks to the training that we received from microfinance institutions.' (WEN- BU 4)

The training programs and workshops organised by M-Pov and MFI-B (NCSD) were aimed at enhancing basic skills in grassroots business management, marketing, good customer services, monitoring and evaluation and bookkeeping. As beneficiaries of the partnership, these women entrepreneurs were able to afford and provide education to their children either through the loans from the project or from the proceeds of their business.

'...From the training they have given me through the years I have been able to manage my business - from the business I have built my house, sponsored my children in schools and this would not have been possible if not because of the loans and the help

from NADEV. We thought that our children's education was an investment but the return and profit takes long to come. I am glad I took the loans and thank God, my children are doing well in school; my son is doing his second year at the university, the others have finished school.' (WEN- BU 8).

As a result of the quest for education, some of the women used the loans provided for business to pay for school fees for their children's education. Education is a long-term investment and returns are not immediate or in the short-term to enable the women to repay the loans. The branch manager of MFI-B remarked that some delinquent loans were a result of credit and loans being used for a different purpose other than business.

'One thing I believe about loans - when you take and use it for a wrong purpose you will definitely find it very difficult to pay. At times somebody might come here and present a very good business proposal ... And then she takes the money to do something very different. I have a woman I am following up right now. Like this woman later on I discovered that she took the money and then paid the child's fees, and the fees do not have any income. So she is practically unable to repay the loan.' (MFI-B 2B)

The training and education provided to the women as a result of their involvement in the partnership provided the women with the necessary business skills and experiences and health education that transformed the businesses and the lives of the women. A valued functioning for the women was to ensure the educational outcomes of their children and that made them happy.

6.4.3 Case study two partnership- living standards

In case study two, the aspirations of the women in terms of living standards were higher, especially those in urban areas. WEN BU 9 became a member of M-Pov in 1996 and became a beneficiary of the partnership project and graduated from the scheme to become a full member of MFI-B eligible for individual loans. However, she remained a member of partnership project and benefited from the continuous training and workshops provided to scheme members. She explained how her standard of living transformed through the years from the small loans she took from the project.

'...Being part of M-Pov and MFI-B has really changed my life, from rent that I was paying for renting a house, I could buy a plot (piece of land), I could build a house for my family and even build one for rent that helps take care of my bills...It has helped greatly with feeding in the house, we feed well. Yes we are living a good life and cannot even compare with what it was before. We used to really struggle before and even when I joined, things did not just change like that—we live in a good house now, cement house and not plank house as before. We even have a water system in the house [water connected to the family house with internal toilet system] and I am sure if it were not because of this scheme and being a member of M-Pov and because of these loans, I will not have achieved all these things and changes in my life and that of my family.' (WEN- BU 8).

WEN-BU7 initially started with M-Pov, joined the partnership project, and soon graduated from the partnership project, as her needs were far more than what the partnership project could provide. There was an important transformative change in WEN-BU7's life story and experience between her registration with M-Pov in 1996 and 2014 when her life story was conducted. Access to financial services had greatly transformed her life and she was very happy to tell her story. Her story tells of a transformation from one end of the poverty spectrum to another in terms of living standards.

'When I married, we were living in a small old plank house in Buea town. Life was hard. I had eight farms by the mountain that I used to go to and work...I will harvest crops and keep some in the house before selling the rest. I had no other means of subsistence and if I sold all I could not afford household needs. Life was difficult. I used to walk for long distances all day with carrots, boiled corn and groundnut on my head to sell and make small profit to feed my family and pay the rents. My business was growing and I could take bigger loans progressively. We could now eat well at home without struggling. In five years we were able to build a big house, thanks to the small loans, though now I have graduated and need much larger sums for my business. My life has really changed. I can send my children to boarding school, live in a big water system house, and I even own and drive a car (Carina E).' (WEN BU 7).

A high quality standard of living was a valuable functioning for the women in case study two. The women achieved high living standards as a result of their involvement in the partnership project.

6.4.4 Case study two partnership – social network and community integration

Empowerment and community integration through social relations from partner networks and other beneficiary networks was a recurrent outcome evident from the life stories of the women. However, this outcome was far less evident compared to case study one where the women are actively involved and interact more with partner organisations and their network.

'It has really changed my lifestyle because they have taught us how to live in society and ways of interacting with my clients and how to be friendly with them. It has changed so much in my life.' (WEN BU 3).

The lack of participation of the women in the partnership process meant that the women were less likely to interact with the networks of other women groups and the social network of the partner organisations. Although the women were empowered through their involvement in the partnership and could integrate and interact in community activities, this was limited due to the lack of potential opportunities to interact with partner social networks and the networks of other community groups benefiting from the partnership.

6.5 Participation a capability and a vehicle to enhance valued functionings

This section discusses how the development of capabilities through the interaction and active participation of the women in the partnership process led to the achievement of higher functionings.

The opportunity for the women to participate in the partnership process in itself was a freedom and thus a capability. Participating in the partnership process as a freedom was a constituent component of the intervention and enabled the enlargement of individual functionings of the women. Sen refers to such freedom as constitutive

freedom. The participation of the women in the partnership process was a freedom and acted as a vehicle for the enlargement of the functionings of the women. Women's participation and consequently the level of enlargement of functionings was determined by the institutional structures of the partnership.

By allowing the women to participate in the partnership processes, the women were given the means to become agents of transformative change and were given the autonomy to achieve the lifestyle they wanted to live. Sections 6.5.1 and 6.5.2 below discuss how participation enabled the women in the partnership case studies to enlarge their functionings.

6.5.1 Case study one – achievement of higher functionings.

Understanding the dynamics of the market is a challenging process for every entrepreneur, and for women in developing countries with little or no formal education this can be even more challenging. Not understanding bookkeeping principles and how market dynamics influence cash flow and profitability greatly affects the sustainability of a business, and even more so for a small business with small and fluctuating capital levels. The women in the study relied on cash flow from microbusinesses for daily consumption, health and hospital bills, education, housing and other emergencies. Developing skills and capabilities to understand the dynamics of the market, marketing, and how to run and manage a business was vital in achieving functionings as process and outcome benefits for the women.

Learning and developing skills on business diversification meant that the women in case study one were able to generate cash flow from other small businesses during periods when the main business activity was slow. Consequently, they could continue their loan repayments with ease and still meet other financial commitments to ensure they achieved the functionings to live good and happy lives within their communities.

'During planting, WINHEEDCAM has helped us how we can diversify our activities that can help us - also to save regularly no matter how much the amount is - so that when times are hard you can easily manage your loans. I started with poultry and during the dry season we had off-season fowls from the little loan I started with fowls. As I sold the fowls, I made profit from the fowls and I used the manure for the farmers.'

It gave me a lot profit, we had good food to eat and all moved on well, and life was happier than previously.’ (WEN-BA2)

WEN-BA2’s main business was small-scale farming of vegetables and grains (maize). During the dry season there is little or no rain fall and business was slow as she could not cultivate and grow vegetables as much as she would during the rainy season. However, she had to continue paying her loan, feed her family and meet other commitments to enable her to live a happy life. During the dry season, she carried out small-scale poultry farming to ensure steady cash inflow to offset vegetable farming. This helped her achieve higher functionings; not only did she continue to provide for her needs and that of her family, but she could also continue her loan repayments while focusing on business growth through diversification and this made her happy.

WEN-BA 6 had a provision store, with high business turnover from September to December each year. With education and skills developed through her interaction with WINHEEDCAM and other group members, she did small-scale vegetable farming when the store was not very busy. Through X-Pov loans she was able to construct a small house to generate rental income. WEN-BA 6 had three years of primary education. Although she admitted she found it hard to learn some of the new skills, the staff were patient with her during the workshops and training sessions. Her group members were also supportive and shared challenges and experiences among group members was very helpful. These capabilities developed in the process of interacting with the partners led to higher achieved functionings that otherwise would have been difficult or even impossible to achieve, just by providing her with the loan.

‘Firstly, I have a provision store where I sell food stuff- that is where I began my business and got into collecting rents from the house - as money came from there I used it for the education of my children. As I am a patient I use one tenth [of my income] for health - then the rest for my children. Then building – now I have constructed a small house from the small loan I took from WINHEEDCAM. WINHEEDCAM has changed my life in the area of education – I am engaged small-scale farming since we can take loans from the savings and pay them back quickly so that they can refund in the main office. I have benefitted a great deal. As we collect after five months – I know that there is profit because my things go on smoothly, after that I take another loan – that shows that there is growth in my life through

WINHEEDCAM because the difficulties I used to face are no longer there.’ (WEN – BA 6).

Health insurance was not a service or product that individuals are most likely to purchase in Cameroon, not especially with poor women in rural areas. Health education was a priority to X-Pov, and the message was clear and understood by the women that with poor health a person cannot smoothly run a business and a loan becomes delinquent. Women were encouraged to save for health emergencies and only to use a small proportion of their loans for medical bills.

6.5.2 Case study two – achievement of higher functionings

Like the women in the rural-urban areas in case study one, the women in case study two from the rural-urban setting had little or no formal education. Providing business education to them was vital for the sustainability and continuity of the business.

‘I have benefitted so much. When I started business, I did not know what to do. They educated us how to do business. They have taught me how to do business - I used to do business without taking stocks – I did not check if there was profit or not in my business. Now I know how to do business, balance my stocks from both sides and know what profits I have made from my business and how to cover up for the deficits. Now I can easily detect my deficits – before now I never knew how to determine that – at times I used to sell and become bankrupt and I would not know where the deficits were coming from. Now I can detect my credits from my deficits thanks to the training received from microfinance institutions. It has really changed my lifestyle because they have taught us how to live in society, and ways of interacting with my clients and how to be friendly with them. It has changed so much in my life.’ (WEN- BU 3)

Through her involvement in the partnership project WEN-BU 3 learned and developed business management, bookkeeping and marketing skills. Importantly she also learned how to develop social networks to live well together in society. These skills and capabilities were important to ensure profitability of the business and cashflow to meet other demands and achieve other functionings essential to living well in society.

‘NADEV organise seminars and workshops to train us on how to run and manage our business and how to manage our loan. At times it is NC4D who will organise the

seminar and invite us. I have learnt a lot from the training, a lot. My problem is how to expand my business, I will like to move from this plank house and build a small good house, a workshop, and add more machines. ' (WEN-BU 8)

From the findings presented in section 6.5 above, there is strong evidence to suggest that process benefits through the development of capabilities enhances the achievement of greater, higher and sustainable long-term functionings as is the case with the women in the case studies. To achieve greater transformative change, MFI partnerships should focus and strive to develop the necessary capabilities of the beneficiaries to ensure the achievement of greater functionings and consequently sustainable long-term poverty alleviation.

6.6 Case study comparative analysis

This section of the chapter presents a comparative analysis of the two case studies with a focus on the actual alternative combinations of functionings and the achieved (valued) functionings for the women involved in the partnerships.

6.6.1 Alternative combinations of functionings

The aspirations of the women from the two case studies presented in section 6.2 are varied. In case study one found in the extreme poverty region, the aspirations of the women were quite traditional, unadventurous and less ambitious. Housing as an aspiration was less ambitious compared to women in case study two who aspired to build big and expensive houses with many rooms, tiled floors and connected water. The women in case study one were happy and contented with a less ostentatious house and readily voiced their excitement of being able to provide a home and shelter for their families. This difference may be explained by one of several reasons: in the extreme poverty region, the poor strive for daily subsistent living and to meet the daily necessities of food and shelter. This may restrict their aspirations and ambition and lead them to consider aspirations of ostentatious life-styles as unachievable. The fact that the women in the extreme poverty region had closed social networks and mainly interacted with those at their social level in society may result in their aspirations being

conservative. On the other hand, the women in case study two in the intermediate poverty region interacted with wealthier clients and beneficiaries of MFI-B in their communities, and this influenced their aspirations. This findings supports Appadurai's (2004) argument that, aspirations are always deeply context dependent and to a significant extent, influenced by social surroundings, upbringings, culture, social context and social networks.

The women in case study two can be grouped into two categories based on their aspirations. The first group is made up of those who were very conservative in their aspirations and the second group of those with ambitious aspirations. The aspirations of the first group were very similar in nature and importance as positioned on the pyramid to those of the women in case study one. The aspirations of the second group of women in case study two were more focused on entrepreneurial growth and ambitiously high living standards. It is possible to question if this group of women were poor enough to benefit from the partnership project that was aimed at supporting poor women to lift themselves out of poverty or simply that they had very high and ambitions dreams. In either case, the fact that they were involved in the partnership was an indication they experience some form of deprivation and may be vulnerable to poverty at some point.

While the aspirations of the women in case study one are more towards what Sen (1985,1993) and Nussbaum (1992) refer to as basic capabilities (health, education and being nourished) and vital to ensure a good quality of life and well-being, the aspirations of the women in case study two were more geared towards higher level capabilities.

6.6.2 Achieved functionings

The achieved functionings of the women were expressed in terms of transformative change experienced following their interaction and involvement in the partnership projects. In case study one the women experienced higher levels of transformative change through their achieved functionings as a result of their involvement and participation in the partnership project. As a result of the participation of the women in the partnership processes, the women could express and voice their aspirations and

outcomes expected to ensure transformative change that would enable them to live happy lives.

In case study two, the level of transformative change experienced by the women was limited compared to that experienced by the women in case study one. The women struggled to achieve their aspirations and also it took longer to attain and achieve such aspirations. As a result of the fact that the women did not have the opportunity to express their needs and experiences of poverty, the benefits from the partnership were limited, with the women having to seek alternative means to achieve their aspirations from within their community.

6.7 Discussion

The analysis and findings presented in chapter five and chapter six above have highlighted some key issues that are the focus of discussion in this section. The main objective of microfinance partnerships is financial inclusion of the poor to enable the ‘becoming’ of entrepreneurs which facilitates transformative change and consequently poverty alleviation. Findings from the study suggest selective and restricted financial inclusion negatively affects the level of transformative change and therefore poverty alleviation. Financial inclusion is the subject of discussion in section 6.7.1. Entrepreneurial performance is often measured by statistical measures that determine growth. However, findings from the study suggest that entrepreneurial performance can be measured by other social dimensions. Social change as a measure of entrepreneurial performance is discussed in section 6.7.2. Financial inclusion and entrepreneurial activities for poverty alleviation both aim to ensure the poor develop valued capabilities and achieve the functionings that enable them to live happy lives. Partnership processes thus present alternative combinations of functionings and valued functionings to be achieved and in so doing act as a link between the realisable functionings and realised functionings as discussed in section 6.7.3.

6.7.1 Beneficiaries of MFI partnerships – financial inclusion of the poor

This section concentrates specifically on who benefits from the outcomes of MFI partnerships. The goal of social partnerships is to address social problems by creating

social and economic value for beneficiaries. MFI partnerships aim to address the problems of poverty by improving the depth and breadth of financial inclusion to the poorest of the poor and vulnerable in society. This section analyses the MFI partnership outcomes based on the level of financial inclusion to determine who benefits from the partnership process.

Microfinance institutions have claimed the potential to provide access to the poor and unbanked who would otherwise not have access to financial services from formal financial institutions. Microfinance institutions have been criticised for selectively targeting the marginally poor or non-poor, excluding the poorest of the poor from their activities (Hulme and Arun, 2009, Hulme and Arun, 2011). Critics argue that MFIs trade off targeting the poorest of the poor to achieving self-sufficiency and to cover costs. Evidence from the study suggests that MFIs can target and provide access to financial services to the very poor achieving self-sufficiency and cover the cost of processing small loans. Cross-sector partnerships for poverty alleviation involving microfinance institutions and non-profit organisations have the potential to achieve this. However, for this to be effective beneficiary/client selection criteria need to be more flexible and include other social risk assessment measures.

The analysis and findings discussed above suggest that both case study one and case study two partnership programs strive for financial inclusion for the poorest of the poor and vulnerable groups in society. The beneficiary selection process provides the opportunity for the poorest of the poor in communities to be included. However, the depth and breadth of outreach of microfinance by MFIs in the case studies do not necessarily suggest the financial inclusion of the very poor and vulnerable in communities. Cull et al. (2007) argue that average loan size can be used to determine the depth of outreach of microfinance organisations in terms of their provision of financial services to the poorest segments. The average loan size in the partnership project in case study two is lower, with loans starting from 50,000CFA and increasing for every loan cycle to a maximum of 250,000CFA, when the women graduate to an individual loan scheme with MFI-B should they require a higher loan amount. With case study one, although there was no minimum loan amount, loan size ranged from 200,000 CFA to 500,000CFA.

According to Cull et al. (2007), the depth of outreach in case study two should be higher and broader than that of case study one. However, the findings from the study suggest the opposite. Contrary to the argument presented by Cull et al. (2007), loan size alone does not determine the depth of outreach in terms of financial inclusion for the poorest segments. Empirical results from this study indicate that the beneficiary selection policy and criteria and the level of participation of beneficiaries in the partnership process determine the depth of outreach. In case study two, the precondition for selection was an existing business or microenterprise. Women and other vulnerable individuals from the poorest segments may not have had the resources, skills and opportunity to establish an enterprise prior to selection and inclusion to benefit from the partnership project. This selection criteria by itself exclude the poorest segments from participation and access to financial services.

Financial inclusion in case study two is thus limited to ‘the marginally banked’ and the consumption of financial services rather than access to financial services by ‘the unbanked’. This distinction greatly affects how financial services can be maximised to achieve transformative social change. The lack of flexibility in client selection criteria and loan size for financial inclusion may be attributed to the lack of understanding of the social problem. Partner organisations need to understand poverty from the perspective of the beneficiary. Only then can they address the needs of the beneficiaries to achieve greater and long-term benefits.

In both case studies, women were encouraged to create savings accounts and only use savings for major commitments and emergencies. Buckley (1997) argues that it is not the credit itself that lifts the poor out of poverty, but their ability to save from income generated from the use made of credit. According to Buckley (1997), microfinance programs that stress only lending are likely to be missing opportunities to assist the many poor people who may wish to save but do not necessarily wish to borrow. In case study one, savings is a compulsory requirement for every beneficiary, and new groups joining the scheme. In case study two, beneficiaries of the partnership project were automatically registered as members of MFI-B, with the opportunity to save and buy shares to become shareholders of MFI-B. The evidence from MFI-B’s 2013 financial report indicates a huge turnover, increase in share capital, and high savings as a result of the increased number of beneficiaries signed onto the partnership project. The increase in share capital and savings in MFI-B can provide services to many more

women through the partnership project. This is referred to in the literature as cross-subsidisation (Armendariz and Szafarz, 2009).

Cross-subsidisation is where microfinance institutions reach out to unbanked wealthier clients in order to finance a large number of clients whose average loan size is relatively small (Armendáriz and Szafarz, 2009). With cross-subsidisation a great majority of individuals in the poorest segments are excluded from access to financial services even with partnership relationships, as seen in case study two.

In case study two, the beneficiaries of the partnership project were marginally poor, whereas in case study one, beneficiaries included the poorest of the poor in communities as well as individuals who are marginally poor. Financial inclusion is greater, with a wide breadth and depth in case study one compared to case study two.

6.7.2 Social change as a measure of entrepreneurial performance

By providing access to financial services to poor women entrepreneurs, microfinance institutions hope that the loans and credit are used to set up small businesses or to establish and grow existing businesses. Some academics and researchers have studied the outcome of microfinance intervention projects in terms of the performance of the entrepreneurial activities of the women (Barnes et al., 2001). Findings from this study suggest that the transformative change achieved as capabilities developed and functionings achieved through the interaction and involvement of the women can also be used to assess the performance of the entrepreneurial activities and ventures.

Entrepreneurship has traditionally been studied with regard to themes including opportunity, recognition, motivation, financing and performance (Jamali, 2009). The women in the case studies examined had one main motivation for their involvement in entrepreneurial activities: to move themselves and their family out of poverty. Although these women faced financial exclusion as a challenge, understanding market principles and practices for sustainable long-term entrepreneurial activity, and to ensure long-term process and outcome benefits were the greatest challenges they face.

According to De Tienne and Chandler (2007), opportunity identification is considered a mainstream fundamental issue in entrepreneurial research, given that it is an important entrepreneurial capability and a source of competitive advantage. In case

study one, the women interacting with the partner organisations and their involvement in the partnership processes enabled them to identify opportunities for diversifying their business activities, and even sharing some of the opportunities with other group members. These entrepreneurial capabilities empowered and enabled the women to sustain their businesses and as a result led to improvement in their living standards and poverty levels.

Performance of large scale entrepreneurial activity is often measured in terms of turnover and employment growth (De Bruin et al., 2007). The sort of entrepreneurial activity that poor women often carry out includes microbusinesses involving family members, with employees ranging from three to five. From the life stories of the women involved in the study, they developed other skills and capabilities that helped sustain the business for longer-term periods with small incremental growth. From the perceptions of the women, to be able to feed their family, educate their children, take care of housing needs and meet other daily emergencies from the business were measures of growth. The performance of the business measured in terms of other social dimensions by the women that is, the social transformation in the life of the women, were considered a measure of the performance of the microbusiness.

Entrepreneurial activities for poverty alleviation are complex and, unlike largescale entrepreneurial activities, may be measured by dimensions other than financial measures of profitability and growth. Encouraging small-scale entrepreneurial activity by the poor in developing countries like Cameroon through access to financial services has great potential to achieve transformative social change. Evidence from the Global Entrepreneurial Monitor supports the existence of a curvilinear relationship between gross domestic product and entrepreneurial activity, with the highest levels of activity reported in less prosperous countries and the lowest levels of entrepreneurial activity reported in the middle-income countries (Acs et al., 2005, Baughn et al., 2006). Entrepreneurial activities for poverty alleviation do not only involve opportunity identification, motivation and resources/financing but also involve understanding the aspirations of the entrepreneurs and the socio-economic dimensions that drive sustainability of such entrepreneurial activities.

6.7.3 Partnership processes the link between capability and functionings

This study extends the understanding of the capability approach by making the link between capability and functioning in the application of the capability approach in the study of poverty interventions. This study uses Alder and Kwon's (2002) framework to link capabilities to functionings when applying the capabilities approach in the study of poverty interventions. Alder and Kwon (2002) propose a framework that links opportunity, motivation and ability in the creation of social capital from social relations as a form of social structure. Alder and Kwon (2002) argue that an actor's network of social ties creates opportunities for social capital transactions, motivated by the aspirations, goals, norms, shared beliefs and trust of the actors, and enhanced by the competences and resources available through the social network.

Cross-sector partnerships provide opportunities for women to create ties with partner organisations and their network, and also create ties with other beneficiary groups. These ties through motivation to address poverty and its various dimensions and the desire of the women to achieve their aspirations enable the actors (MFIs, NPOs and beneficiaries) to identify and develop skills and competences as capabilities that enable the beneficiaries to achieve greater functionings. The opportunity, motivation and abilities provided through ties and social relations networks with the partner organisations are more important than focusing on continuous loan cycles where there are little or no ties created with the beneficiary. This is evident in the case studies examined as presented below.

Table 35: Opportunity-motivation-ability as capability development in social relations

Opportunity	Motivation	Ability
<ul style="list-style-type: none"> -Opportunity for WEN to create ties (internal and external) -Internal ties with partner organisation 	<ul style="list-style-type: none"> -Trust in WEN -The desire by WEN to achieve their aspirations -The desire to live a happy life -The motivation of collective action with group members 	<ul style="list-style-type: none"> -Competence and resources -Willingness to learn -Skills training

-External ties with group members, other groups and collaborators	-The motivation to be involved in the processes and activities with partner organisations	
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Source: Adapted from Alder and Kwon (2002).

The level of training in business management and development in case study one was significantly higher than that of women in case study two. Although the women in both case studies experienced transformative change through their interaction with the partner organisations and were happy, many women in case study two would have loved to have additional training to better understand their business and how they could grow their businesses. This became clear when the women talked about the challenges they faced in their interaction with the microfinance institutions.

‘As I prepare and sell chicken stew – I would love to start my own poultry so that I can take chickens from there and sell them. At least I would make more profit than when I buy chickens from another person who has his own poultry. I don’t really know how to go about it. I was going to present the problem to MFI-B and I thought that may be the microfinance institution can help me out of this problem.’ (WEN-BU3).

‘MFIs should organise seminars and bring some experts in to educate us on business and especially the period in business, and tell us about the economic crisis that we are having so that we also prepare ourselves and then they can tell us what to do. Because for example as of now in Cameroon we don’t really know what is happening and there is nobody to tell us what is happening. We do also need business experts to at least enlighten us. Sometimes they create - other institutions create seminars but the information does not go around.’ (WEN-BU10).

The women in case study one understood business dynamics and market changes at their level and most of them did not experience these challenges faced by the women in case study two. The level of participation and involvement of the women in the partnership process greatly influenced the level of capability development (process value) and consequently the outcome of the partnership. With greater involvement, social relations and ties with field workers, coordinators, partnership champions and other staff, the aspirations and challenges of the women could be identified and resolved through workshops, and through training as well as through learning experiences from the group members.

This difference in level of participation is referred in the literature as ‘deep’ and ‘shallow’ participation focusing on the depth and breadth of engagement of participant in all stages of a given activity (Farrington and Bebbington, 1993). Cornwall, (2008) argues that a ‘deep’ and ‘wide’ participatory process might be ideal however, in practice it can prove either virtually impossible to achieve or so cumbersome and time-consuming that everyone begins to lose interest and suggests for ‘optimum participation: getting the balance between depth and inclusion right for the purpose at hand’ (Cornwall, 2008: 276). With the two case studies examined, case study one exhibited a deep and ‘wide’ participatory approach while case study two exhibited an ‘optimum’ participatory approach with regards to beneficiary inclusion, but a shallow participatory process. The level of beneficiary involvement referred to in the study as beneficiary embeddedness in the partnership process is discussed in greater detail in chapter seven. The table below presents a summary of transformative social change from the perspective of the women.

Table 36: Dimensions of transformative social change

Poor women	Family
<ul style="list-style-type: none"> -Improved standard of living -Health education and access to affordable health care -Improved sanitation and housing -Empowerment -Education, learning and innovation -Opportunity to participate in community activities -Business skills and training -Ability to live longer -Happiness -Having a voice in community 	<ul style="list-style-type: none"> -Improved living standard -Affordable health care for family members -Education for other members of the family -Ability for family members to live longer -Happiness

6.8 Summary

This chapter presented the analysis and findings from the MFI-WEN partnership outcomes, focusing on functionings (doings and beings) valued by the women and expressed as aspirations. Access to financial services through MFI-WEN partnerships by women is intended to widen and broaden financial inclusion and achieve transformative social change as an outcome.

CHAPTER SEVEN

7.0 Discussion and conclusion

7.1 Introduction

This last chapter of the thesis discusses some of the findings from the analysis of the two partnership case studies. Section 7.2 discusses the concept of financial inclusion as an outcome of MFI partnerships, the impact and the process of becoming entrepreneurs by the poor. Section 7.3 discusses beneficiary embeddedness and its potential for innovation in cross-sector social partnerships. Section 7.4 discusses constructive communication as a valuable resource in cross sector partnerships. The findings from the study strongly suggest that beneficiaries are silent partners in the co-creation of value in cross-sector partnerships. The beneficiaries as partners in the co-creation of value in cross-sector partnerships is the focus of discussion in section 7.5. The chapter presents contributions of the research from the findings, highlighting the limitations of the study and possible directions for future research.

7.2 Financial inclusion an outcome, impact and a process of becoming

This section discusses the objective of microfinance institutions in achieving financial inclusion as an outcome and impact of poverty alleviation. Informed by the findings from this study, this section discusses the theoretical and practical implications of limiting the evaluations of such intervention programs to predetermined outcome and impact measurements. It discusses how the events and activities involving MFI partnerships enable beneficiaries and specifically women to become entrepreneurs who facilitate transformative social change. It discusses the findings from a theoretical and practical perspective and how the findings inform future research on financial inclusion for poverty alleviation.

The objective of the financial inclusion of the poor is to improve their consumption level and wellbeing, consequently reducing and alleviating poverty through transformative social change. For microfinance institutions to increase the potential of financial inclusion, maximise the financial services provided and become transformative change agents, these institutions have to interact with society. Financial

inclusion is often viewed and assessed in terms of the outcome and impact at the individual level.

‘Outcome’ and ‘impact’ are terms often used in poverty intervention and development studies as evaluation measures and assessments to determine who benefits from an intervention, how and at what level. Outcomes are those benefits or changes realised as a direct result of a program’s activities and other outputs. Impact often refers to long-term results and ultimate social value. Generally, an outcome evaluation tells who has benefited and what the benefit is. For example, in the case studies under examination, women entrepreneurs (WEN) benefited from increased income levels, education and health (indicating personal, social and economic benefits) as outcomes of the intervention, and an impact evaluation would look at how the women benefited and the level of benefit in terms of quality and sustainability for the long-term.

Most studies of microfinance interventions have focused on statistical or measurable outcome indicators, thereby focusing on who benefits and at what level they benefit. Focusing on outcomes and outcome indicators, an intervention program therefore prioritises the ‘ends’, that is, the functionings as paramount to achieving poverty alleviation. Outcome evaluations are thus limited by the fact that they may not often indicate how the benefit was achieved and how processes could be improved to ensure more beneficiaries benefit from such interventions. Outcome indicators are often predetermined prior to project implementation and may not reflect the true and actual needs of the beneficiaries. Researchers have argued for impact evaluation assessments to be more rigorous with refined methodologies to understand the dynamics and process of intervention and impact, and how to improve such processes.

Hulme (2000) identifies two goals of impact assessments: ‘proving’ impact and ‘improving’ impact. The primary goal of proving impact is to measure as accurately as possible the impact of an intervention, and improving impact aims at understanding the process of intervention and its impact so as to improve the processes (Hulme, 2000). In intervention evaluation and assessments, proving impact may be linked more towards outcomes and determining functionings, whereas improving impact focuses on the process of intervention and how such processes may be improved to ensure greater and more sustainable outcomes. Intervention programs that focus on improving

impact prioritise the ‘means’ that is, providing opportunities for alternative combinations of functionings that are feasible for an individual to achieve.

Most studies of microfinance intervention programs focus on the impact of credit, applying quantitative measures using proxy indicators to assess impact (Angelucci et al., 2013, Barnes et al., 2001, Hulme, 2000, Pitt et al., 2006). Organisations and institutions providing microfinance for poverty alleviation most often prioritise proving impact for reporting to donors, sponsors and government agencies with less focus and attention on improving intervention (Hulme, 2000). Impact, outcome and social change as used in poverty intervention are therefore used to assess the benefits of participation by beneficiaries in such interventions. However, the preference of term depends on who is doing the assessment and for what purpose. Where assessment is done for the purpose of reporting to funders, donors and government agencies, the focus is proving impact using quantitative proxy indicators which generalise and often do not capture small qualitative aspects of change experienced by the beneficiaries. Focusing on proving impact for reporting purposes, these institutions limit the potential that financial services present in achieving transformative social change by ignoring, limiting or underestimating the role of the beneficiaries in the intervention processes. Social partnerships present opportunities for MFIs to interact with society, understanding the role of how beneficiaries can be involved in intervention projects to enable greater and sustainable outcomes and impact.

Social partnerships are social problem-solving mechanisms among organisations that aim primarily to address social issues (e.g., education, health, environment, poverty etc.) by combining organisational resources to offer solutions that benefit partners, as well as society at large (Waddock, 1988). Social partnerships are a means or mechanism by organisations to implement long-term strategies for corporate social responsibility (CSR) and to ensure competitive advantage through corporate image and reputation, as well as delivering socio-economic value (Jamali and Keshishian, 2009, Sagawa and Segal, 2000, Porter and Kramer, 2006). Social partnerships are thus aimed at achieving greater outcomes in terms of socio-economic value when addressing social issues such as poverty, health, education and other social and environmental problems. As such, social partnerships aim at improving intervention impact rather than proving impact of partnership outcomes, by focusing not only on who benefits and what the benefit is, but also more importantly on who benefits and

how they benefit. That is, focusing on the partnership processes identifies who benefits and how. Assessing and evaluating social partnership intervention projects should be focused on the systematic and dynamic interaction processes involving partner organisations and beneficiaries, and how such processes can be improved to ensure maximum benefits are derived from such partnership projects.

The two social partnership case studies examined in the study involve MFIs and non-profit organisation (NPOs) that aim at maximising the provision of financial services to achieve transformative social change for women entrepreneurs. A comprehensive value assessment of the social partnerships at the micro-level to examine who benefited (the level of poverty of the women entrepreneurs) and how they benefited indicates that social partnerships in general and particularly social partnerships involving MFIs and NPOs may not always strive to improve intervention impact, but focus on outcomes and proving impact of partnership outcomes.

In case study two, the partnership focused on the outcomes for reporting to the individual organisation board members. The partnership focused on women with existing businesses and microenterprise, selectively excluding the poorest of the poor from access to financial services. It had a fixed credit amount per beneficiary and was limited to three loan cycles. There was little understanding of the interaction process and the nature of poverty experienced by the women. Consequently, there was no attempt to improve the intervention process and the impact of the partnership outcome. The partnership focused on the number of women who registered for the partnership project and automatically became members and shareholders in MFI-B (Nkong Credit for Development Savings and Credit Association), as well as the number of women who graduate from the partnership project and took up larger loans with higher interest rates from MFI-B. The partnership process was assessed in terms of who benefits, the number of WEN, the loan portfolio and the loan repayment, ignoring the process of how the women benefited through the process of interaction with the partner organisations and the level of change and transformation experienced by the women. Case study two thus focuses on 'proving' impact of the partnership outcomes.

In case study one, partner organisations focused on understanding the issues and various dimensions of poverty from the perspective of the women, and strove to improve the partnership intervention process to meet the needs and aspirations of the

women. To achieve this, the partnership strove to include the poorest of the poor and other vulnerable groups in the project, to provide access to financial services for such groups, and to involve the women in the formation and implementation of the partnership process, with flexibility with project schemes, variable loan terms, flexible interest rates and repayment periods. The project was assessed not in terms of the number of women involved in the project, the number of loan cycles (loan cycles are unlimited) or the number of women who graduate to MFI-A (Mutual Guarantee Finance Limited), graduation was at the discretion of the WEN, but on the quality of the outcomes, the systematic and dynamic transformation in the lives of the individual women to live the lives they desired, valued and aspired to. According to the program director for X-Pov (Women's Initiative for Health Education and Economic Development –Cameroon), the partnership projects were assessed based on the women's stories and feedback, with the women actively involved in the evaluation process.

From the perspective of the women in case study one, they experienced small incremental positive differences in living standards and other aspects of their lives. These small incremental differences in standards of living, skills, cultural views and other dimensions of poverty over time became transformative and valued by the women. This transformative social change was a result of the understanding of poverty from the perspective of the women by the partner organisations, the improvement in the intervention processes in collaboration with the women and the involvement of women in the partnership process. As such, the impact and transformative social change are highly attributed to the involvement and participation of the women in the partnership processes.

Change is often assumed to be stepwise for analytical reasons and most probably explains why the evaluation of the partnership in case study two is mainly assessed in terms of step wise increases in number of beneficiaries over the life of the partnership project. Hernes (2007) argues that, to look at change as step wise is to view change as an output rather than as a process, whereas change is best viewed as an event among other events leading to the change condition. Hernes further argues that rather than assessing change that is produced, it is important to understand the complexity of the processes surrounding the change. The objective of the women interacting and benefiting from the partnership project is to lift themselves out of poverty by engaging

in small-scale entrepreneurial activities and becoming entrepreneurs. The series of events from prospection to granting of loans and loan repayments are all different events that facilitate the journey of transformation and becoming entrepreneurs. From Hernes's point of view, the focus of the intervention should be understanding the processes from prospecting the women as potential beneficiaries to the point where the benefit is realised (change in the living standards, improvement in housing standards, health, etc.).

In both case studies, there is potential for the women becoming entrepreneurs, which they aspire to do in order to lift themselves and their families out of poverty. In case study two although there was no flexibility in the implementation of the partnership project with limited loan cycles, there was the potential for the women to become the entrepreneurs they aspire to. Tsoukas and Chia (2002) argue that even repetitive stable processes in organisations can be seen as states of becoming and that the repetitiveness is not directionless but created from some basis of understanding as a point of reference. In case study two, the loan cycles are seen as a repetitive process with no room for flexibility and innovation; however, the understanding is that the women will use the loan to develop existing microbusinesses that enable them to lift themselves out of poverty through transformative social change.

The very nature of the repetitive stable processes in the case studies indicates the actuality of the women in achieving financial inclusion and becoming women entrepreneurs. The potentiality of exercising their agency to take action and influence the process is the main difference between the two case studies. According to Whitehead (2010), every state of actuality is a direct experience and a fulfilment whereas the potentiality is the capacity. From the capability approach standpoint, the actuality of the women experiencing the repetitive loan cycles is an outcome and a functioning achieved through the partnership project, and the potentiality is a capability that enables the freedom to achieve actuality in different spheres. Repetitive and continuous states of actuality create potentiality, but partnership structures must be able to allow and enable these potentialities to be realised.

The above discussions highlight the contribution of this study by presenting the importance of dissolving agency-structure barriers in cross-sector partnerships and

allow individual agency to take advantage of the potentialities that enable them becoming entrepreneurs and achieving transformative social change.

7.3 Beneficiary embeddedness and the potential for innovation in cross-sector partnerships

The participation of beneficiaries in cross-sector partnership intervention projects depends on how close the beneficiary is to the partner organisations and the partnership process. In chapter two, the involvement of the beneficiary in intervention projects was grouped into three categories: passive recipient, active recipient and active partner. The degree of involvement of beneficiaries from each of the three categories in the partnership process is referred to in this thesis as ‘beneficiary embeddedness’. This thesis classifies beneficiary embeddedness into two categories: shallow and deep levels of beneficiary embeddedness.

Table 37: Classification of beneficiary embeddedness in cross-sector partnerships

Level of embeddedness	Degree of involvement
Shallow	<ul style="list-style-type: none"> -Consultation -Informing -Involvement as beneficiaries -Possible involvement in the formation phase
Deep	<ul style="list-style-type: none"> -Delegated power -Empowerment -Sharing of resources -Having a voice -Involvement in the formation and implementation and co-creation of value -Involvement as partners

Table 37 presents the two levels of beneficiary embeddedness as used in the study. Where the level of embeddedness is shallow, beneficiaries are consulted and informed

about projects and decisions. However, their involvement in activities may be limited and they often are docile recipients of instructions and benefits. Where the level of embeddedness is deep, beneficiaries have a voice, take part in activities and are involved in the governance of the partnership with delegated powers.

Where beneficiaries are deeply embedded in the partnership process, strong bonds and ties are developed, which is essential in building trust and social capital, an important component of social risk assessment in the partnership implementation process. Through such interactions, beneficiaries develop relational capabilities as a result of their embeddedness in the partnership process. Relational capability involves both individual and collective capabilities, captured through the relational conditions of human beings (Renouard, 2011). According to some capability approach researchers, some personal developments can be achieved only in cooperation with other human beings (external capabilities), and the collective capabilities of a group can be expressed more than the aggregation of individual capabilities can be (Ibrahim, 2006, Robeyns, 2005). Relational capability can be applied both to individuals and groups. Relational capability is used here to show how transformative social change through capability development, improvement and innovation in intervention processes results in the development of individually valued capabilities and achievement of higher functionings. Through relational capability developed by the women, partner organisations can identify and develop relational capacity to develop innovative processes and flexible financial services products for greater and sustainable transformative social change.

According to the concept of relational capability for social innovation developed by Murphy et al. (2012), envisioning contribution, building relations and co-designing solutions to ensure co-creation is essential in cross-sector alliances in order to provide greater social benefits and benefits from economies of scale (Webb et al., 2010) in the form of improved social or environmental welfare (Phills et al., 2008). In case study two, the women were shallow or superficially embedded in the partnership process. The women were informed and consulted about the partnership process, but the shallow level of embeddedness of the women implies there were no close ties or bonds developed with the partner organisations and consequently the level of relational capability with the partner organisations is low, which negatively affects the relational capacity that ensure process innovation and financial services product innovation.

In case study one, the women were given the opportunity to enter into relations of trust, building strong bonds, long-term relationships, and integrating with partner organisation networks and consequently developing relational capabilities. The partner organisations recognised the knowledge and potential of the women and, through shared learning, involved the women in the partnership processes and together developed solutions such as flexibility in loan terms and processes, innovative products and services that met the specific needs of the women. Case study one highlights the potential of building relationships with beneficiaries and developing relational capabilities and capacity as a result of the beneficiary being deeply embedded in the partnership process.

For learning and innovation to take place in the partnership process, communication is vital. The voice of the beneficiary, their opinion, feedback and suggestions are important and should be seen as a resource necessary for the success of the partnership in terms of outcome and benefits for the beneficiary.

7.4 Constructive communication as a resource in cross-sector partnerships

Communication in cross-sector sector partnerships, either as instrumental, public relations, marketing communication or reputation management, needs to be seen as an interactive dialogue with different stakeholders, rather than a form of disseminating information about the partnership project. In case study one, meetings involving women and the partnership project team were more frequent, informal in nature and interactive with the women taking central stage. In case study two, there were fewer meetings, the relationships were more formal and professional, and information was disseminated to the women regarding the partnership project. This form of communication, unlike the interactive and engaging communication style in case study one, is one-sided. Jonker and Nijhof (2006) refer to this form of one-sided communication in collaborations between business and non-governmental organisations as ‘monologue’, where communication is initiated and controlled by the organisation. For cross-sector partnerships to be able to bring about transformative social change for intended beneficiaries such partnerships through the management team and those responsible for the implementation of the partnership project should be able to understand the social issues being addressed, and how the beneficiaries are

affected within their environment. Communication thus involves a process of listening, making sense and learning from each other.

Academics have argued that for organisations to increase their understanding and develop awareness of their environment, managers need to understand the theory of sense making to better understand communication processes (Craig-Lees, 2001, Cramer et al., 2004, Morsing and Schultz, 2006). According to Gioia et al. (1994), the extent to which an individual or an organisation is able to integrate the sense making of others will influence the individual's or the organisation's ability to enact strategic or productive relationships. In case study one, during the client prospection process, there were several trainings and educational sessions provided by the NPO, and it was also during this process that the women began to express their aspirations. These aspirations enabled the partner organisations to understand the poverty issues, make sense of the beneficiary's environment from their perspectives, and identify how to involve the beneficiaries in the implementation of the different loan schemes and programs. Gioia and Chittipeddi (1991) refer to this process as the sense making process. Gioia and Chittipeddi (1991: 448) extend the concept of 'sense making' by introducing the concept of 'sense giving' and argue that sense making is followed by action in terms of articulating an abstract vision that is then disseminated and championed by corporate management to stakeholders in a process labelled 'sense making'. Gioia and Chittipeddi's (1991) concept of the sense making and sense giving process is focused on internal stakeholders. However, the concept can be applied to the study of communication dynamics between organisations and external stakeholders such as beneficiaries.

Morsing and Schultz (2006) extends Gioia and Chittipeddi's (1991) concepts of sense making and sense giving to involve external stakeholders of an organisation. They propose three CSR communication strategies based on the direction of communication: a stakeholder information strategy involving a one-way communication (sense giving), the stakeholder response strategy involving a two-way asymmetric communication (sense making to sense giving) and a stakeholder involvement strategy involving two-way symmetric communication (sense making and sense giving in iterative progressive processes) (Morsing and Schultz, 2006).

In case study two, although during the prospection process beneficiaries expressed their aspirations to the field workers and field coordinators, the communication did not seem to get through to the partner organisations and thus there was a two-way asymmetric communication between the partner organisations and the women. Consequently, the women were not involved in the implementation (sense giving) of the partnership process. In case study two, Morsing and Schultz's (2006) stakeholder information strategy involving a one-way communication was evident. This is different with case study one, where the women were involved and participated in the implementation process. In case study one, there was a two-way symmetric communication involving sense making and sense giving in iterative progressive processes. The partner organisations, through the NPO, were able to understand the experiences of poverty from the perspectives of the women within their environment, including their suggestions in strategic decisions and action, as well as involving them in the implementation of the loan and credit schemes. This thus suggests that the involvement of the beneficiary in the communication process in cross-sector partnerships is essential for appropriate sense making and sense giving processes for the generation of greater benefits.

Le Ber and Branzei (2010b) look at communication as a resource for value creation in cross-sector partnerships from the standpoint of the beneficiary and introduce the construct of beneficiary voice to illustrate three distinct roles that beneficiaries may play in value creation in cross-sector partnerships: voice-receiving, voice-making and voice-taking. In both case studies, the partner organisations both realised and acknowledged the role of the beneficiary in value creation, what Le Ber and Branzei (2010b) refer to as voice-receiving through relations of production. However, the value created through relations of production as a result of voice-receiving included associational value through high visibility, public image, increased share capital and transferred value through an increase in client base, local knowledge and market experience for the partner organisations. The level of involvement and the role of the beneficiary in the partnership process contrast in the two case studies, where the beneficiaries in case study one were more involved and participated in the partnership implementation process and little or no involvement of the beneficiaries in case study two. Le Ber and Branzei, (2010b) refer to this process as voice-making through relations of integration. In case study one, as a result of the involvement of the

beneficiaries in the partnership implementation process, suggestions made by beneficiaries were included in strategic decisions and actions by the partner organisations, but this was not evident in case study two. Le Ber and Branzei, (2010b) refer to this as voice-taking through relations of definition.

From the analysis and discussions of the two case studies examined in the study, although voice-receiving contributes to value creation, it does not necessarily increase the potential of value creation for the beneficiary. However it increases the potential value created for the partner organisations. Voice-making and voice-taking are essential and have the potential to increase the value created for the beneficiary through increased process value from their involvement and participation in the partnership process and consequently increased outcome value in the form of higher and sustainable functionings. Le Ber and Branzei's (2010b) beneficiary voice – voice-receiving, voice-making and voice-taking can be linked to Morsing and Schultz's (2006) application of sense making and sense giving as a valuable communication resource with great potential to maximise the benefits created for the beneficiary in cross-sector partnerships.

Communication through dialogue is a valuable intangible resource, either as voice-receiving, and voice-making, or as sense making and sense giving, and can transform the process of interaction and, consequently, the outcome of such interactions. Burchell and Cook (2013) argue that there is transformation in the process of engagement through dialogue. This is evident in case study one, where participants interviewed from both the partner organisations and the women talked of how dialogue had led to a breakdown of assumptions, a process of 'demystification' as well as a breakdown in cultural barriers. From both the women and partnership project team members in case study one, there was a general suggestion that dialogue had played an influential role in creating a greater understanding of the different perspectives of poverty and the needs of the poor, and importantly how dialogue facilitated joint learning. The project coordinator of X-Pov talked of how communication and dialogue helped demystify the myths about disability and other vulnerable groups, but importantly through communication the partnership project was able to meet the needs of the women and transform their lives. The women also emphasised how communication and dialogue with the partnership team and particularly the field

workers and field coordinators helped identify solutions to their problems and challenges.

The active involvement of beneficiaries in the partnership project and processes imply they are not only seen as ‘beneficiaries’ of such projects, but also as partners involved in the co-creation of benefits. Participation of the women in the partnership process enabled the women to voice their concerns and suggest innovative solutions and processes to facilitate the achievement of individually valued functionings.

7.5 Beneficiaries as partners in the co-creation of value in cross-sector partnerships

Cross-sector partnerships have been studied mainly from either the macro or meso level of society, with very few studies focusing on the micro-level perspectives, which involves interaction with individual beneficiaries. Where there have been studies on the role of the beneficiary in cross-sector partnerships, they have focused on the benefit of their active involvement (Kolk et al., 2010; Vock et al., 2014; Austin, 2000b) and the potential to contribute to value creation. The findings of this study suggest that beneficiaries are actively involved and embedded in cross-sector partnerships as partners involved in the co-creation of value. This section discusses the role of the beneficiary as a partner in the co-creation of value in cross-sector partnerships.

Waddock, (1998) argues that partners of cross-sector partnerships must be actively involved in the partnership with a resource commitment that is more than merely monetary. Resources other than monetary include time, staff and employees, equipment and, possibly, structures. In the case studies, the resources required to carry out the partnership projects included time, money, personnel and equipment.

Traditionally beneficiaries of partnerships between businesses (BUS) and NPOs are assumed to be passive and active beneficiaries of NPO-BUS partnership projects. This thesis extends the role of the beneficiary in cross-sector partnerships and argues that beneficiaries are partners in the co-creation of value in cross-sector partnerships. Beneficiaries are seen as partners whose role involves active participation in the partnership processes for the co-creation of value to benefit both the partners and the

intended beneficiaries. The role of the beneficiary in value co-creation is summarised in Table 38.

Table 38: Role of Beneficiary in the co-creation of value

CSSP Process	Role of beneficiary	Value type for women	Value type for partners
Formation	1) Articulating the social problem. 2) Visibility of partner organisations	-Empowerment -Voice receiving and voice giving -Involvement and active participation	-Higher visibility -Public awareness of poverty and disability
Implementation	1) Beneficiary selection 2) Loan attribution 2) Social risk evaluation 4) Training 5) Loan repayment	-Financial support and services -Social relations and social networks -Business and management skills -Financial support and services -Capability development -Achieved functionings -Leadership skills, learning and innovation	-Innovation -Process-based improvements -Increased long-term value potential -Opportunities for learning -Market intelligence -Access to local network and knowledge -Public image, trust, and credibility -Increased share capital

Table 38 summarises the role of the beneficiary as a partner in the co-creation of value in the MFI-WEN partnerships studied, identifying the type of value created for each beneficiary that is the women as beneficiaries, the MFI and the NPO.

7.6 The voice-participation framework

To summarise the findings from the study, the issues and theoretical perspectives discussed in this chapter, this study proposes a voice-participation framework. The framework is built on the active involvement of beneficiaries in cross-sector partnership projects, where voice-making and voice-taking in a two-way symmetric communication allows beneficiaries to take advantage of potentialities that enable the achievement of functionings and freedom of choice in different spheres.

Beneficiaries as partners bring into the partnership resources including social capital, skills and knowledge, local networks, financial resources and individual innate capabilities. The organisational partners bring to the partnership organisational specific resources and their social networks. The dimensions of voice-participation lie in a range from inclusive to collective responsibility. The voice-participation framework ensures that potentialities are realised, and capabilities are developed that allows the beneficiary to achieve higher and sustainable functionings and, consequently, transformative social change.

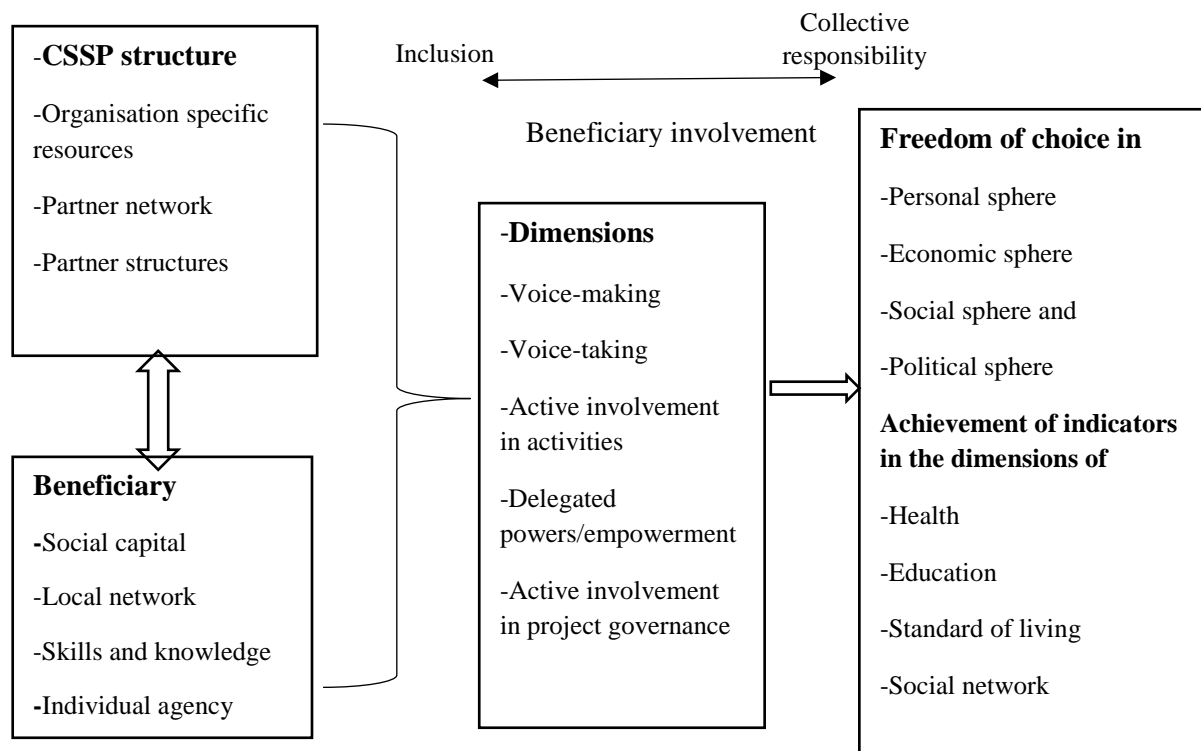


Figure 16: The voice-participation framework

Where beneficiary embeddedness is shallow, beneficiaries are included (inclusive beneficiary involvement) in the partnership through consultation and informing beneficiaries of decisions. The dimensions of voice-making and voice-taking are limited. Where there is deep beneficiary embeddedness, there is collective responsibility with both beneficiaries and partner organisations involved in the governance of the partnership project and actively participating in the partnership processes. The dimensions of voice-making, voice-taking and active participation enable the co-creation of value for both beneficiaries and partner organisations as shown in Figure 16.

7.7 Contribution of the study

There have been several theoretical approaches to poverty alleviation through development that have heavily focussed on economic growth. This study contributes theoretically by highlighting Amartya Sen's (1985) capability approach as an alternative approach to achieving sustainable long-term poverty alleviation. This study presents the importance of dissolving the agency-structure barrier, allowing individual

beneficiaries in poverty alleviation projects to take advantage of opportunities to develop capabilities that allow them to achieve functionings of their own choosing to enable them to live happy lives. This study extends the poverty dimensions set out by the Oxford Poverty and Human Development Initiative by adding the fourth dimension 'social network' and the 11th indicator of 'involvement and participation in community activities'.

MFIs often target the 'marginal poor' and 'non-poor' clients (Morduch, 2000, Woller, 2002, Hulme and Arun, 2009, Hulme and Arun, 2011), with many MFIs moving 'up market' to reach larger numbers of poor customers through cross-subsidisation, economies of scale or both (Cull et al., 2007, Cull et al., 2009), with loan size as an indication of depth of financial inclusion (Cull et al., 2007). Results from the analysis of the two case studies suggest that the social networks of the poor, especially those developed through their interaction with MFIs, were important and key to financial inclusion and the use of financial products and services, with great potential for other poor women within the WEN's networks to become involved. The findings from the study highlight that, contrary to MFIs targeting the marginally poor and moving 'up market', targeting the extreme poor and vulnerable in society can be profitable, resulting in increased levels of financial inclusion and consequently reduced levels of poverty.

The capability approach has been applied in the study of poverty and in policy recommendations in European countries such as Germany, the Netherlands and the United Kingdom (Anand et al., 2005, Arndt and Volkert, 2011, Burchi and De Muro, 2015). These studies focused on the judgements of academics, experts and organised stakeholders to determine the capabilities that the poor value. This study extends the capability approach to the study of poverty and poverty alleviation in a developing country context, highlighting the importance of the voice of the beneficiary in the partnership processes and outcome in expressing valued capabilities through their aspirations. Findings from this study may be applied in the study of poverty in other developing as well as developed countries.

Previous studies on cross-sector partnerships have not included change. This study contributes to the literature by highlighting the potential of cross-sector social partnerships in enabling transformative social change. Previous studies on beneficiary

involvement in cross-sector partnerships have focused on the active involvement and potential to make contributions to value creation by internal beneficiaries, i.e., employees and customers of partner organisations (Kolk et al., 2010, Vock et al., 2014, Austin, 2000b, Austin, 2000a), beneficiaries as stakeholders who receive part of value organisations create in a cross-sector partnership (Le Ber and Branzei, 2010b, Lepak et al., 2007). This study contributes to the literature on cross-sector partnerships as follows:

1. It highlights the role of cross-sector partnerships in enabling the ‘becoming’ of entrepreneurs
2. It highlights the role of the intended beneficiary in the creation of value and,
3. It extends the role of beneficiaries as partners in the co-creation of value in cross-sector partnerships.

At a practical level, the common way of assessing and measuring the outcome and impact of poverty alleviation projects has been defined by predetermined development outcomes from a top-down approach. This study highlights the need for such projects to focus on other qualitative outcomes from the beneficiary point of view through their voice and participation in such projects.

7.8 Limitations of the study

Most studies on poverty and microfinance interventions are based on randomised controlled trials based on baseline assessments of clients at the start of the intervention. Randomised evaluations are based on predetermined criteria measured against baseline assessments. Such a methodology measures results after two years or less and by implication considers social change a terminal result. This study employed qualitative life story interviews to determine retrospective transformation experienced by the WEN through their interaction in the intervention project.

The disproportionate distribution of poverty in Cameroon means the Northern and Extreme (Far) North regions experience most extreme poverty levels in the country. These regions are predominantly French speaking. Due to language barriers and resource constraints, the research focused on the southern regions of the country.

The key methodological challenge in this study is the subjective nature of the data collected from the actors, particularly the women entrepreneurs. The data collected were based on personal views and experiences of their interaction with microfinance institutions and their perception of social progress and social change in the form of poverty alleviation.

7.9 Further Research

Social relations, ties and bonds are necessary for social risk evaluation by microfinance institutions. Further empirical research needs to be carried out on how and under what circumstances microfinance institutions develop strong ties and sparse/dense networks with beneficiaries and their influence on poverty alleviation.

Further research needs to be done on the role of communication in cross-sector partnerships, particularly with beneficiaries, and on how communication improves the partners understanding of the social issue and also the sustainability of the partnership.

This study focused on medium-sized microfinance institutions. Further research will need to be carried out with larger commercial businesses, and also with international microfinance institutions to determine if the context and size influence the formation and implementation of cross-sector partnerships for poverty alleviation.

Although the explicit aim of the partner organisations from their mission statements is to address poverty, from the study it is evident that there is more to this than is explicitly expressed. There is thus the display of the two main theoretical approaches to social partnerships in the case studies under investigation. Where larger and more established for-profit organisations are involved, there could be one theoretical approach applicable. However, there is the possibility that the industry, context and size of the business determine the theoretical approach in the development of social partnerships. Further research needs to be carried out to determine how and under what circumstances such factors influences partnership motives.

Further research also needs to be done to determine how and what influences how aspirations as valued capabilities are converted to achieved functionings.

7.10 Concluding statement

In the introductory chapter, the stated purpose of the study was to investigate the role of WEN in cross-sector social partnerships in maximising access to financial services for transformative social change. To achieve this, the following research question was developed: ‘what is the role of the beneficiary of cross-sector collaboration in improving how women in Cameroon experience entrepreneurship as a process of change? Sub-research questions were employed to guide the investigation: What is the role of beneficiaries in sustainable poverty intervention programs? What is the role of the beneficiary in value creation for poverty alleviation?

Previous studies have conceptualised poverty based on basic needs and income levels. Such conceptualisations as discussed in chapter two have ignored the heterogeneity of human beings, the complexities and dimensions of the environment that affect poverty. Basic needs and income do not adequately capture different deprivations the poor experience in space of capabilities. Empirical evidence presented and discussed in chapter five suggests that involving beneficiaries in poverty intervention programs is essential to ensure poverty is defined and conceptualised from the perspective of those who experience it.

The literature on cross-sector social partnerships as presented in chapter three presents the role of the beneficiary in cross-sector social partnerships as active beneficiaries. Empirical evidence presented in chapter five and six answers the research question and presents the role of the beneficiary of cross-sector social partnerships that transcends beyond active beneficiaries. Beneficiaries are involved in the value creation process (formation and implementation) of cross-sector partnerships for poverty alleviation and also in the governance structure of such partnerships. The contribution of the study is discussed in the subsequent paragraphs.

This study provides evidence that microfinance institutions through financial inclusion of the poor can achieve transformative social change. Through cross-sector partnerships, microfinance institutions can interact with society and maximise the potential of financial services provision as a transformative social change mechanism.

Involving beneficiaries in the formation and implementation processes of cross-sector partnerships for poverty alleviation bridges the communication gap between

beneficiaries and partner organisations, maximising financial services for transformative social change. The evidence is reflected in the aspirations of the women in the study and the level of achieved functionings from the perspective of the women entrepreneurs.

APPENDIX

Appendix 1: Political Map of Cameroon



Appendix 2: Semi-structured interview protocol

REFERENCE (NAME):

DATE:

INTERVIEW PROTOCOL

A. FINANCIAL INSTITUTIONS (SEMI-STRUCTURED INTERVIEWS)

1. Can you tell me some of the financial services products you provide?
2. Can you tell me the level of microfinance services you provide to your clients and customers (looking for the type of client group, poorest of the poor, marginal poor and non-poor)
3. Can you tell me the level of interaction between your institution and your prospective customers /existing customers? (specific products for women entrepreneurs)
4. In your opinion how would you describe such interactions with customers and entrepreneurs
5. Can you tell me about your prospection process, how is such a process initiated?
6. How many of such initiations fail? Where the interaction does not move beyond the initiation phase or where the process is terminated by either party before or after the business is set up by the entrepreneur.
7. What are some of the motivation factors of prospective clients (women entrepreneurs) that influence your choice of interaction?
8. What are of the motives that may influence your institution to interact and work with women entrepreneurs?
9. What level of resources (time, human resources and financial resources) are involved in the interactions/relationships?
10. What activities are generally involved in such interactions?
11. Are there any challenges involved in the initiation and implementation of such interactions/relationships?
12. Are there any conflicts that arise as a result of such interactions?
13. What are some of the benefits of such interactions to your institution?

Appendix 3: Life story interview protocol

REFERENCE (NAME):

DATE:

A. WOMEN ENTREPRENEURS – WEN (Life Story Interviews)

1. Can you tell me about how you started interacting with microfinance institutions? (when and what circumstances, microfinance institutions include banks)
2. Can you tell me about your interaction and relationship with microfinance institutions (Looking at types of financial services involved in: loans, savings, insurance etc.)
3. Can you tell me about some of the things you have heard or experienced which make you want to interact or involve with a particular type of microfinance institution?
4. Can you tell me how your interaction with microfinance institution has change your life and that of your family over the past years? (Wellbeing, health, housing, social interaction and Education)
5. Can you tell me how your interaction with microfinance institutions has benefited your business over the years? How has your interaction influence the growth (profitability, size and growth in number of employees, diversity of business venture) of your business over the years?
6. Can you tell me some of the difficulties and challenges you face in your interaction and involvement with microfinance institutions?
7. In your opinion how can these difficulties and challenges be addressed to improve the interaction of women entrepreneurs like yourself with microfinance institutions.
8. Would you like to expand your business? What are some of the difficulties that hinder you from achieving this?
9. In your opinion how can these difficulties be overcome?
10. Can you tell me the number of loans you have taken to fund your business and the amounts?
11. Can you tell me if you have any loans you are repaying currently and the interest rate?

Appendix 4: BEAC regulations on Microfinance

BEAC regulations on Microfinance

The regulation is divided into two parts:

- 1- The Regulation itself enacted by the Ministerial Committee
- 2 -The different regulations issued by the Banking Commission and specifying the different provisions of what might be called the General Regulations.

The exact title is "Regulation No. 01/02 / CEMAC / IMAC / COBAC concerning conditions

Exercise and Microfinance Activity Control in the Economic Community and Monetary Community of Central Africa. "

This regulation consolidates the establishments into three categories:

- 1- First Category are classified establishments (EMF) that perform collection the savings of their members they employ in credit transactions, exclusively for the benefit of these (associative, cooperative, mutualist)
- 2 -are classified as Second Category institutions (MFIs) that collect savings and grant credits to third parties (public companies only)
- 3 -are classified as Category III institutions (MFIs) that extend credit to third without exercising the activity of collecting savings (microfinance institutions, projects, companies that grant credits or courses mutual guarantee companies).

Each of these categories is subject to specific rules and obligations.

First category:

No need for a capital or a minimum staffing, the savings is collected from members.

A minimum of 30 members or members for independent EMF, 15 for EMF Network.

A member cannot hold directly or through intermediaries more than 20% share Social.

Credit to members only.

Obligation to establish a solidarity fund to cover the losses. This fund should be continuously "at least 40% of the capital made after deduction of deficits"

There is also a requirement to establish "mandatory reserve of 20% of the amount of exercise assign unlimited duration and amount ".

If there is an external borrowing, the ratio of "own resources" to "line external financing "must be equal to or greater than 50%

Second category:

Minimum capital of CHF 50 million

The savings is collected at the public level

Appropriation to all customers

In addition to the legal reserve, they must be a mandatory reserve of 15% profit distributable unlimited duration and amount.

As for the first category, if there is an external funding line, the ratio "Net equity" to "external financing line" must be equal or greater than 50%

Third category:

Minimum capital of CHF 25 million

No savings; the funds may come from loans, deposits, or funds left by shareholders

The Credit, open to all, is the main activity

As with the previous category, in addition to the legal reserve, they must constitute a reserve requirement of 15% of the profit without any time limitation and amount.

Networks:

If institutions they network, they have an obligation to create umbrella body. This last must have a capital or endowment "appropriate" enabling it to exercise specific functions and "mandatory" including:

- 1- Defining accounting standards and procedures
- 2- Implement an internal control system
- 3- Ensuring compliance with prudential norms
- 4-Exercise disciplinary power and implementation of remedies

5- Organizing the management of establishment of surplus resources etc.

This umbrella body becomes the EMF representative to guardianship and agencies control.

The organization of the profession:

The EMF must adhere to the Professional Association of Microfinance Institutions of their state. There can be only one association per state. The Cameroon for example created its association in September 2003 (250 members) but the first general meeting, constitution of the office, took place on 22 June 2003. The presidency is held by the Director Camcull the network (the first and oldest network of Cameroon) and vice presidency by the Director of MC2 network (another large network of Cameroon).

Approval and prior authorization

Before exercising any establishment must apply to the Monetary Authority. It has three months to send the file (with a view) with the Banking Commission (COBAC). At the end of the two periods, if there is no reasoned decision (in one way or the other), the latter is deemed favourable.

The regulation newly implemented, existing EMF have 5 years to get in compliance.

To be approved 9 documents are required (including the list of founding members, the members of the Board of Directors, the documents certifying the shares in instalments etc.)

Control of EMF

Once licensure obtained, it is mandatory to provide:

1-Every year the operating account

2-Every 03 months the financial position (balance sheet), statement of holdings, calculation of the economic capital, the calculation of risk coverage ratio, fixed assets, the liquidity ratio, the processing coefficient, control risk division standards and the reporting of loans in favour of shareholders, associates and staff leaders.

You will find below a summary of the two regulatory documents of the CEMAC

MINISTERIAL COMMITTEE.

Regulation No 01/02 / CEMAC / IMAC / COBAC concerning conditions of Exercise and Control the Microfinance activity in the Economic and Monetary Community of Africa Central. "

Title I General provisions (including the definition of the three categories)

Title II authorized operations and services

1- The collection of savings

2- Credit operations

3- Financial investments

4- Other resources

Title III of the organization

Chapter 1 of the networks, and financial umbrella body organ

Chapter 2 provisions specific to certain establishments

Chapter 3 of the organization of the profession

Title IV of approvals, prior authorization and declaration ban

Title V of regulatory standards

Title VI of the monitoring and control of institutions

Title VII sanctions

Title VIII of the interim administration

Title IX of the liquidation

Title X of the various provisions

Title XI of the transitional and final provisions

Regulations COBAC EMF 2002/01: scopes of COBAC regulations prudential standards for EMF

Regulations COBAC EMF 2002/02: limitation of authorized operations ancillary

COBAC Regulation 2002/03 EMF: the heritage funds

Regulations COBAC EMF 2002/04: net equity

Regulations COBAC EMF 2002/05: Requirements for constitution of the solidarity fund

COBAC Regulation 2002/06 EMF: the constitution of reserves

Regulations COBAC EMF 2002/07: risk coverage

Regulations COBAC EMF 2002/08: Risk Division

Regulations COBAC EMF 2002/09: coverage of fixed assets

COBAC Regulation 2002/10 EMF: EMF of commitments to their shareholders

Directors, officers and staff

Regulations COBAC EMF 2002/11: fixing the number of members and the maximum shares held by the same Member

Regulations COBAC EMF 2002/12: coverage of loans by available resources

COBAC Regulation 2002/13 EMF: the conditions of use of financing lines

COBAC Regulation 2002/14 EMF: EMF liquidity

Regulations COBAC EMF 2002/15: the rules of emission checks

COBAC Regulation 2002/16 EMF: the EMF stake

COBAC Regulation 2002/17 EMF: The legal situation changes and conditions stake in the EMF

Regulations COBAC EMF 2002/18: accounting and provisioning of receivables doubtful

COBAC Regulation 2002/19 EMF: the list, content, advertising, transmission deadlines documents for EMF control bodies

Regulations COBAC EMF 2002/20: audit of microfinance institutions in the first category with a total balance sheet of less than or equal to 50 million francs

Regulations COBAC EMF 2002/21: legal forms related to each class of EMF

Appendix 5: Nature of Research Project

Kent Business School

Project Title:

Microfinance and Community Economic Development in Sub-Saharan Africa, the Role of Women Entrepreneurs: The Case of Cameroon.

Researcher: Ngechop Yvonne Claire Ndifor

Ycnn2@kent.ac.uk ; Clairendi@yahoo.co.uk

<http://www.kent.ac.uk/kbs/research/student-research/profiles/ngechop-yvonne.html>

Supervisors: Dr. May Seitanidi, Professor Andrew Fearne

Research Project:

This research aims to study and analyse the extent to which a partnership approach between microfinance institutions and women entrepreneurs constitute a social change mechanism. The partnership approach in the case of this research refers to unconventional forms of credit provision where, credit is accompanied by other non-financial services such as training, resource management, advertising etc which complements the credit provided and facilitate the development of successful business initiative. By studying the partnership formation and the dynamics of the partnership process, it aims to identify the ‘social outcomes’ (the direct benefits of the partnership to the partners) and the ‘societal outcomes’ (indirect benefits to the employees and the society) and its impact on poverty alleviation and social change.

By studying the process, dynamics and outcomes of MFI and Women Entrepreneur (MFI-WEN) interaction through the partnership approach, the areas of value creation can be identified to improve the impact and outcome of microfinance interventions in poverty alleviation. This study focuses on business MFIs and assumes that, MFIs as sustainable businesses employing a partnership approach in their interaction with women entrepreneurs present longer term and far reaching (Outreach) impact and outcome to the poor, their businesses and the wider community.

Research Methodology:

This research involves carrying out semi structured interviews with managers and employees of microfinance institutions as well as life history interviews with women entrepreneurs, their employees and individuals in the community where these businesses operate.

Ethical considerations and confidentiality:

The proposed research does not intend to place any of the participants at risk of physical, psychological or emotional harm (including the potential to cause distress or embarrassment).

The names of Organisations, Informants' names and personal identities of those interviewed will not be used for this research. The names of organisations shall be excluded from any publications resulting from this research. Interviewees shall be sent a transcript of their interview for their factual corrections and to check for validity but also to consider any organisational issues of confidentiality.

Principal researcher:**For and on behalf of Organisation****Date:****Date**

CONSENT FORM

Title of project: Microfinance and Community Economic Development in Sub-Saharan Africa: The Role of Women Entrepreneurs. The case of Cameroon.

Name of investigator: Ngechop Yvonne Claire Ndifor

Participant Identification Number for this project:

Please initial box

1. I confirm I have read and understand the information required for the above study. I have had the opportunity to consider the information, ask questions and have had these answered satisfactorily.

☐

2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving any reason.
Contact details of lead researcher:

☐

Ngechop Yvonne Claire Ndifor

University of Kent, Canterbury, CT2 7N2

Ycnn2@kent.ac.uk

clairendi@yahoo.co.uk

3. I understand that my responses will be anonymised before analysis. I give permission for members of the research team to have access to my anonymised responses.

☐☐

Coding Summary By Source Yvonne Ndifor Project (Thesis) 17/10/2017 22:07

Classification	Aggregate	Coverage	Number Of Coding References	Reference Number	Coded By Initials	Modified On
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Document

Internals\\Interviews\\North West province\\Case 1\\MUGFIC 1

Node

Nodes\\Challenges faced by WEN

No	Coverage	Count
1	0.0233	1

1 NYC 17/08/2014 02:13

Rep: The only thing is that culturally, men are known to be head of families. And even when women take loans, some of them end up being managed by men. And if you see a woman who defaulted on a loan and you go closer, you realise that she took the loan and handed to the husband. But those who are directly managing, they are better entrepreneurs than most small business men.

Internals\\Interviews\\North West province\\Case 1\\WEN - BA1

Node

Nodes\\Articulating Poverty\\meeting basic daily needs

No	Coverage	Count
1	0.0297	1

1 NYC 19/11/2015 18:50

If I need to eat meat or rice, I don't need to bother myself any longer. I will collect from my store. If there is electricity shortage, I can collect kerosene from the store and can cater for the school needs (pens) of my children with relative ease.

Nodes\\Articulating Poverty\\Meeting medical bills and going to hospital

No	Coverage	Count
1	0.0131	1

1 NYC 19/11/2015 18:46

It has changed so much since if I am ill I can go to the hospital and I won't stress myself too much with work.

Classification	Aggregate	Coverage	Number Of Coding References	Reference Number	Coded By Initials	Modified On
Nodes\\Aspirations\\Business growth						
	No	0.0290	3			
				1	NYC	19/11/2015 18:46
If they give me a big loan I will take it and expand my business with						
				2	NYC	19/11/2015 14:56
Yes and gradually by the time it finishes I don't even feel it again. It's easy to pay that way and we like it so.						
				3	NYC	19/11/2015 14:57
Of course I would appreciate that and expand my business with.						
Nodes\\Challenges faced by WEN\\Responsibilities transfered to WEN						
	No	0.0225	1			
				1	NYC	19/11/2015 18:48
The difficulties are that before now we waited for them on the spot to pay back the loans and interest. Now only four are left and they do not come to collect, so we carry the money to them						
Nodes\\Cost of delinquent loans to WEN\\Action taken for delinquency						
	No	0.0482	1			
				1	NYC	19/11/2015 15:00
I will go to their houses and stay there until they pay the money. If they cannot afford the money they may have a farm as collateral which I need to see and ensure that if the money is not paid, I will collect the farm. You need to reinforce and the person must work to pay back the loan – before the loan is given there must be a collateral or either your child will be held responsible to pay the						
Nodes\\Functionings\\Daily food consumption - Feeding						
	No	0.0296	1			
				1	NYC	19/11/2015 15:01
If I need to eat magi or rice, I don't need to bother myself any longer. I will collect from my store. If there is electricity shortage, I can collect kerosene from the store and can cater for the school needs (pens) of my children with relative ease						

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