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Megan Moodie

Microfinance and the Gender of Risk: The Case of Kiva.org

> Anyone who wants to discover the relation between risk and social inequality must reveal the kernel of the sociological concept of risk, namely, that risk does not exist beforehand only to be distributed in socially unequal ways later. Risk and social inequality—indeed, risk and domination, risk and power—are two sides of the same coin. It is part of the *logic* of risk to polarize, to exclude, and to stigmatize.
>
> —Ulrich Beck (2009, 140)

My aim in this article is twofold. First, I ask what a feminist perspective might bring to current conversations about world risk society. My understanding of this notion draws heavily on the influential work of Ulrich Beck and his emphasis on the politics of risk—the extent to which risk creates and sustains power iniquities (2009, 142). Because risk refers not only to future threat but also to the possibility that one can make decisions to create alternative outcomes (a modern article of faith), one of the central political achievements of risk is to divide the world into risk givers and risk takers. As Beck points out, "risk presupposes a decision, hence a decision-maker, and produces a radical asymmetry between those who take, define, and profit from risks and those who are their targets" (140). These targets are defined by, and available because of, prior social vulnerability. It is here that I think Beck's analysis can be pushed further via feminist insights.

I refer to the conditions of social vulnerability that underwrite risk as "peril." In introducing the concept of peril, I intend to raise questions that may contribute to a better understanding of the lived consequences of this particular form of social vulnerability. It is certainly not the only form, and it is not easily generalized. Rather, peril, to me, is the necessary supplement of risk. It consists of those daily threats to life and limb when one just doesn't

I am grateful to the participants, especially Faidra Papavasiliou, in the 2009 panel of the American Anthropological Association titled "Transforming Global Material Practice? Dimensions and Perspectives on Change, Sustainability, and Possibility," where an early version of this argument was presented, as well as to Caetlin Benson-Allott, Heath Cabot, Susan Harding, Shuhei Kimura, Anne-Maria Makhulu, Maureen Moodie, Jessica O'Reilly, Scott Reed, Lisa Rofel, Anna Lowenhaupt Tsing, and the four anonymous reviewers from *Signs* for questions and provocations that greatly improved this article. Its shortcomings remain my own.

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have enough and is either subjected to the routine violence of deprivation or must perform the difficult work of getting by. In the sense that it can be both the threat of a future state or a lived present that one manages to survive, peril is quite different than risk, which is only the anticipation of catastrophe. Peril's embodied states include indeterminancy, hunger, anxiety, apathy, abandon, and fear. A state of peril takes hold when one loses the ability to plan for the future upon which all risk discourse (and profitability) depends. Those who can survive the peril that results from not being included in the decisions that determine a future course of action underwrite the gains of those decision makers who do not live in perilous worlds. I choose the term "peril" to mark both distance from and connectedness to high-risk financial strategies.

Coping with peril—getting by even when it seems impossible, as well as providing for those who may not be able to provide for themselves, such as children and the elderly—is a feminine terrain of work and activity both in the sense that it is rendered subordinate to risky masculine investment and in the sense that it is being conducted, in large part, by women in the global South. This is, I argue, the primary condition of reproductive labor in our time. Global discourses of risk are gendered such that a particular set of financial investment strategies (also known as casino or frontier capitalism) are coded as masculine in relation to this feminized, often invisible, reproductive labor.[1] I suggest that the swagger of high-risk investment depends on the ability of those who find themselves losing out in the games of global capital to cope with peril in the domestic sphere. The erasure of the work of getting by in perilous worlds must be addressed to understand the contemporary creation of value: to make risk profitable, it must be converted into peril.

My second aim follows from the first but is quite different in its scope. I want to consider the role of microfinance in the conversion of risk into peril, as I believe it is an important site for this conversion. My object is the wildly successful peer-to-peer lending website known as Kiva.org. I will show how Kiva's creation of technologically and visually mediated feelingful ties between virtual lenders and borrowers performs a similar social role to that of the family in mediating the relationship between reproductive and productive activities. The virtual relationship channels the emotion of lenders in such a way that they can both distance themselves from any potentially harmful effects on the borrower (i.e., risks) at the same time that they feel a connection to that individual borrower located at a vast geographical re-

[1] The term "casino capitalism" comes from the work of Susan Strange (1986). "Frontier capitalism" I derive from Anna Lowenhaupt Tsing (2005).

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move and across divides of class or gender. The experience of kinship by the lender in the global North to the borrower in the South works to neutralize or erase the financialized aspect of the transaction and the financial links that preceded it; in other words, the extent to which the ability to loan from one's laptop in the Silicon Valley depends on the ability of loan recipients to cope with peril that may precede (but in many instances is created or exacerbated by) microloans themselves.

Microfinance is successful on a global scale (in the sense of being both popular and taken as the common sense of development) because it translates risk into peril. This does not, of course, happen for everyone in the same way. I am not arguing that microfinance alone creates social vulnerability. Rather, I am pointing to the ways in which microfinance operationalizes and sometimes increases social vulnerabilities that precede it, such as those of race, class, and gender.

We can see the conversion of risk into peril in the ways that microfinance engages the language of risk to draw social distinctions, at the same time that it must work to foster a sense of social connection. Put simply, risk in microfinance is always thought to accrue to the lender but not to the borrower. The loan, not the person, is the site of risk. Within microfinance's own discourse, groups traditionally thought too risky to be creditworthy (particularly poor women) are, in fact, low risk because they are easy to control. A centerpiece of microfinance rhetoric is the extremely high repayment rate when loans are made to groups of women, a phenomenon often attributed to women's greater talent for both management and self-sacrifice—in other words, their ability to cope with the daily challenges of a perilous world and still fulfill debt obligations. Thus, the growing interest of multinational banks in microfinance, in investing in the poor, in taking on this risk once seen as far too dangerous (never mind that money has always been made lending to the poor) depends precisely on a particular kind of gendered work in households that inhabit perilous worlds. The separation of these two worlds—the world of risk and the world of peril—is a necessary illusion for risk to remain profitable. But in order for these worlds to appear separate, a particular kind of social-emotional bond must be formed between them. This is what we might call the "virtual kinship" generated by peer-to-peer lending sites like Kiva. And the role Kiva plays in the relationship between risk and peril is similar to that of the family as it has been characterized in many feminist materialist analyses of the relationship between production and reproduction: providing an emotional, moral grounding for a vastly unequal social relationship.

In the first half of this article, I map out the conceptual terrain I mean to index via the concept of peril. I then turn to several studies of microfinance,

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especially of Bangladesh's Grameen Bank, which have tended to show that microcredit lending and borrowing exacerbates women's social vulnerability, in turn heightening peril and the need to cope with its uncertainties rather than serving as the tool of empowerment that it is taken to be by social entrepreneurs and development planners.[2] Here I wish to highlight the centrality of domestic forms of work, or reproductive activities, in the structure and intention of microfinance. The second half of the article turns to Kiva itself and describes the ways in which the visual and narrative practices of the organization provide a clear instance of the translation of risk into peril that underlies all microfinance initiatives.

Frontier capitalism and everyday peril

> It is important to remember that investment bankers always receive high compensation for the deal *no matter the result*. The higher the risk, the bigger the deal, the more radical the change, the more money Wall Street makes, even though a merger or restructuring of a large company is precisely the kind of transaction that leads to a deterioration of long-term shareholder value.
> —Karen Ho (2009, 25)

To really get at the gender of risk, we need to look at the profitability of risk, captured so cogently by Karen Ho above, which has been an insufficiently addressed issue in much of the emergent risk literature. Beck's work on risk society, for instance, is an important touchstone for my analysis, yet it does not highlight this profitability to a satisfactory extent. His attention to the cultural and financial work done through the "staging of the reality of global risk" (2009, 10) sheds important light on the nature of contemporary political interventions in the name of risk mitigation; his acknowledgement of the centrality of social vulnerability to global risk structures is a primary insight into these structures (see, e.g., Beck 2009, 178–79). But while he draws attention to the way that risk mitigation becomes big business, a risk

[2] While I do not provide a new ethnography of microfinance per se, my readings and opinions here are undoubtedly influenced by my own fieldwork with microcredit and women's empowerment in the northwest Indian state of Rajasthan (see Moodie 2008). In this earlier writing, I was concerned with the on-the-ground workings of microcredit and its unexpected social consequences; here, I am concerned with global structures and rhetorics of microfinance. While I would still argue that we cannot assume the effects of microloans outside of any particular context, the rapid expansion of supposedly development-oriented lending since my original fieldwork in 2003, as well as its embrace by the high finance sector, has dramatically shifted the terrain.

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industry with "large and growing markets for technologies, experts, counter-experts, and products" (50), he does not go far enough in his consideration of the global value of risk itself, perhaps because he does not consider the specific formations of vulnerability (like gender) that are central to risk society.

So how is risky (and potentially very profitable) capitalism gendered masculine? While it is important to remember the simple sociological fact that there are more men in positions of authority that allow them to engage in the highly valued risk taking of high finance, it is not enough to map risk and peril onto male and female bodies. We must always keep in mind that other notion of risk: the creation of those "at risk" to embody antisocial ways of living, who are also often men. The distinction that matters is one between those who can *take* risks and those who *are* risks simply by existing.

Thus, when I point to the seemingly bifurcated gendering of risk, I am saying less about women and men and more about a series of representational practices that make particular configurations of power make sense. In this case, these representational practices rely on a distinction between the domestic sphere, where the work of reproducing life happens, and the public sphere, which is the site of politics, production, and the social. Because public/private distinctions—and their corollary Marxist categories, production and reproduction—have popular salience and a rich scholarly history, they provide a good analytical form for my argument. My analysis here, as should be apparent from the title of this article, is indebted to Marilyn Strathern's important text, *The Gender of the Gift* (1988), both for its form and its conception of gender. Strathern moves us away from notions of gender that are simply about "men" and "women"—as if these were not precisely that which gender norms seek to create—and toward "those categorizations of persons, artifacts, events, sequences, and so on which draw upon sexual imagery—upon the ways in which the distinctiveness of male and female characteristics make concrete people's ideas about the nature of social relationships" (ix). Certainly a division between domestic and productive labor is central to how social relationships have been imagined in the modern North and has salience for material relations of production and reproduction. My thesis is that the commercial value of risk is created by the conversion of risk into peril, a gendered process. This conversion depends on social-economic relationships that demand that daily, bodily peril be borne by those whose social vulnerability can be exploited and amplified. It is therefore the focus on how difference—in this case, a gendered difference—is mobilized in this exploitation and amplification that I consider feminist and not simply that microfinance is aimed at women (although this is surely also the case).

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I want to briefly point to three important insights from recent work on global capitalism in order to support my argument that freewheeling, risky financial strategies are gendered masculine. First, the creation of the scale of the global, without which today's risky financial strategies cannot achieve their goals, creates and relies upon norms of sociality that are coded masculine: competition, first past the post, kill or be killed. And it is precisely the global that provides the tropes for separation and connection that I am identifying as central to the conversion of risk into peril. Anna Lowenhaupt Tsing (2005) has shown that the ability to conjure up the scale of the global is one of the successful sleights of hand of frontier capitalism. The frontier, as described by Tsing, is necessary to produce the fiction of discovery that enables large-scale dispossession; it also carries with it all the echoes of masculinity and the menace of cowboy justice. The value produced in these frontiers only comes from its having been tamed or wrested from a state of nature (and from those who reside in that state of nature). Dangerous foes must be vanquished. In this scenario, something must be lost—violence is necessary for value creation. Risk therefore creates both the global and its remainders, the rubble of "ordinary catastrophe" that can be expected into collateral damage (Tsing 2009).

The second insight is that risky investments are seen as agential and entrepreneurial in themselves. As Ho reminds us in the quotation with which I opened this section, the investment strategies most highly valued are those that involve the greatest risk. However, the funds—the savings, homes, and hopes—put at risk in these strategies are rarely those of the individuals or firms making investments. In other words, the risk of the investment is separate from its actual lived effects. Ho's work with Wall Street investment bankers is an important window into the ways in which risk comes to be valued in itself. As volatility is the nature of the Wall Street employment market (its culture), investment bankers reproduce this culture as they actively construct the cycles and crises that have much more dire consequences for those who are not among the privileged risk takers. If the most worthwhile people live in a state of risk and make profits from risk, risk itself must be part of what it means to have value. Returning to the language of production and reproduction, risk taking is production devoid of any reproductive necessities. Risk must obscure the prevalence of ordinary catastrophe or, on an even more mundane level, the need to cope with daily peril.

The third important site for the gendering of risk returns us to Beck's argument that risk society creates a risk industry in order to protect against risk. I take this kind of protection as the other side of a patriarchal imagery that involves the risky agency described above. Risk-as-value/agency and the understanding of risk mitigation as protecting one's family are two sides

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of the same gender complex. Risky investing produces the need to mitigate against risk; the vagaries of masculine authority produce the need for protection from its arbitrary exercise. It is no wonder that the imagery used in insurance advertisements, for instance, relies on middle-class, heterosexual norms to portray a responsible and "happy family man" (Patel 2006, 38). At the same time, buying protection against risk distances those who exercise risky agency from any harm (i.e., peril) that might ensue from such risks.

Looking at the above examples should foreground for us the question of what happens when risky strategies don't work out. Who picks up the pieces when a house is lost to the bank or a natural disaster, or life savings disappear overnight, or a friend doesn't pay you back on time, or the crops fail from drought; or the national currency is devalued as quickly as a broadband connection transmits data? Those who do not get to set the terms of risk live with peril, the experience and expectation of potentially catastrophic events that have just happened or may come to pass. As masculine risk is structured around the necessity of (and the necessary sectioning off of) peril, its supplement is femininized. As should also be apparent, the question of who must inhabit perilous worlds is a question of prior social vulnerability that is not reducible to the gender of individual bodies and yet is highly gendered.

Perilous worlds are worlds of work; peril is not annihilation, though there are cases in which peril is tantamount to social or literal death; farmer suicides in India during drought years are one example (see Patel 2006). But peril is the constant threat—punctuated with periods of acute lack, whether in the form of hunger or social support or political voice—of not being able to get by. Survival often involves extreme deprivation and yet engenders forms of ingenuity or self-discipline that often work despite the odds. In fact, what is most striking about perilous worlds are the creative ways in which they are navigated. It is this kind of cobbled together, jerry-rigged, good-as-long-as-it-lasts management of food, clothing, and shelter—those domestic necessities—that, I am arguing, makes coping with peril the condition of reproductive work in our time for poor women who are the intended beneficiaries of microfinance.

The pioneer on the frontier and the high-stakes investment banker rely on the safety net of domestic management: the savings club, the sister network, the creative cookery, the precise portioning, the fast. This, Marxist feminists have long told us, is one of capitalist production's conditions of possibility, whether under slavery or high industrialism. Yet with the arrival of microfinance, something about this relationship has changed dramatically. Whereas in the past reproductive work was seen as a shadow or informal economy, today its virtues are extolled, capacities taxed, and practices

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codified in the development world of microfinance (Elyachar 2002). This shift in microfinance rhetoric, however, is not the same thing as recognizing or bringing to light the dependence of capitalist production—or financial risk strategies, for that matter—on reproductive work. Quite the contrary. The substantialization of informal economies in the rhetoric of microfinance entails obfuscating precisely the conditions that put people into peril to begin with. It is this obfuscation that is performed through "peer-to-peer–ness," the virtual kinship of lending organizations like Kiva, a point I elaborate below.

Before turning to this task, I want to point out that, when I posit a relationship between Wall Street–style high-risk investment and microfinance, this relationship is both formal and material. It is formal in the sense that the "financialization of everything" under neoliberalism (Harvey 2005, 33) includes phenomena ranging from subsistence activities to development to global markets. Both Wall Street and the vast majority of microfinance institutions (MFIs) work within the terms of neoliberalism—thus we can expect them to echo one another in ways that are at times uncanny. But the relationship, and these echoes, are not only a question of ideology or historical coincidence. They are also quite material. In the last twenty years, more and more mainstream banks have gotten into the microfinance business, and MFIs have adopted Wall Street "best practices," often at the behest of Consultative Group to Assist the Poor (CGAP), the monitoring arm of the World Bank, the mission of which is the full sustainability (i.e., financialization) of the microfinance industry. As Milford Bateman (2010) points out, these practices include market-based interest rates, the end of subsidies through the mobilization of savings, a shift in focus from poverty-alleviation outcomes to growth and outreach (i.e., the extension of services to more and more clients), and the incentivization of managers at levels approximating those found on Wall Street (14). This is what Ananya Roy identifies as "minimalist microfinance" (2010, 45), which is minimalist in the sense that it is not bogged down with the question of poverty alleviation. A new alliance between microfinance providers and multinational banks, such as Citigroup and Deutsche Bank, that seeks to financialize development and draw in the world's poorest consumers means that it is hard to tell where Wall Street ends and microfinance begins.[3] Not only are banks

[3] As an example of the amounts of money involved, Citigroup posts on its website that "the Citi Foundation has been supporting the microfinance sector for more than 25 years and over the past 11 years has granted more than $80 million in support of 365 microfinance and microenterprise programs in 60 countries" (Citigroup 2009, 22). But it is important to keep in mind that this only includes money invested via its nonprofit foundation, not investments

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pursuing the extension of financial services to the poor, but the microfinance industry has borrowed assessment tools from the banking industry, such as measuring the success of various MFIs on the basis of their "portfolio at risk" or on the balance of outstanding loans (see Roy 2010, 30–33). Indeed, for the leaders of this "new wave" of microfinance (Bateman 2010, 3), the goal of microfinance is not to be found in outcomes related to poverty but in the financial independence of the MFI itself—in the creation of an "asset class" or circuit of investment (Roy 2010, 51).

The management of risk to investors is a central concern in this new field of microfinance, and private banks are reluctant to undertake this risk on their own—but they are happy to gain when this risk turns profitable, as when a microfinance institution begins to be publicly traded. So, for instance, it is not uncommon to have government or international donor backing as a cushion against loss when a private bank begins lending to the poor (Roy 2010, 54). Other risks that are identified include those associated with collection: the risk of a giant bank appearing immoral by chasing poor women for tiny amounts of money, for example. Roy remarks that "in order to hedge such moral risk, the [microfinance industry] promotes linkages between commercial banks and microfinance institutions. Such relationships outsource the practices of discipline and punishment to nongovernmental organizations, thereby allowing banks to enter frontier markets" (55). In the next section I explore some of the literature that has studied these "practices of discipline and punishment" on the ground, but here I want to mark that the discourse of risk that is central to the world of microfinance is one focused on the lender, not the borrower.

The perilous world of microfinance

Even while microcredit has become enshrined as the global solution to poverty, and in particular to women's poverty, the social scientific and feminist literature on microfinance as a lived practice has remained intensely skeptical and critical.[4] This is, I want to suggest, because observers of microfi-

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made by subsidiaries or other wholesale partnerships (see MicroCapital 2006). Inclusion of such partnerships would undoubtedly increase the total a great deal, but as of the time of this writing I have been unable to locate such a sum.

[4] My assessment here is of a general trend, or mood, in the literature, and not of individual authors who may or may not find positive aspects to microfinance. Outside of industry publications, even positive reports on microfinance rarely report the kinds of results that the industry claims for itself. So, for instance, while Naila Kabeer's analysis (2001, 2005) of programs in Bangladesh may provide an important corrective for how we think about empowerment and may question the Western benchmarks that have so far been implemented to show microfi-

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nance on the ground are noting two related aspects of the social life of microfinance: it does not work sufficiently to actually mitigate peril (that is, to take people out of cycles of anticipating and living through crises of food and shelter), and microfinance can itself exacerbate the condition of peril in which many women already live. And yet microfinance is ironically touted as a particularly important step toward the empowerment of women. A brief examination of some recent literature on the microfinance institution extraordinaire, the Grameen Bank, will help me illustrate this point.

The Grameen Bank, which is truly the world's flagship microfinance institution, was established by Muhammad Yunus in Bangladesh in 1983. Since its founding, the Grameen Bank has grown beyond its initial mission of lending capital to poor women for their preexisting entrepreneurial ventures to include loans for housing, tube well construction, mobile telephones, and fishery cooperatives, among many other endeavors. The number of programs working to replicate its model worldwide has also grown at an exponential rate. Indeed, the Grameen Bank model of microfinance has become enshrined as one of the primary paths to poverty alleviation.[5] While there is a great deal of debate over mission drift and the shift of focus from poverty alleviation within the microfinance field itself—particularly debate between what might be called the Bangladesh consensus (see Roy 2010) and the new wave of microfinance promoted by CGAP (see Bateman 2010)—it is undoubtedly the case that the Grameen Bank, even in its incarnation as Grameen II, is the international face of microfinance.

Despite Grameen's tremendous popularity and extensive reach, however, not everyone agrees that microcredit is a miracle cure for poverty or a clear avenue to women's empowerment, either in the Grameen Bank case or elsewhere. In his detailed study of the Grameen Bank, Aminur Rahman (1999) reports that women who borrow from Grameen are more likely to be victims of violence from both male relatives and unrelated moneylenders. He remarks, "despite the success of the Grameen Bank in delivering loans to poor women and bringing socioeconomic changes to many of these women's households, my findings suggest that there are still many borrowers who become vulnerable and trapped by the system. . . . The burden of debt on individual households in turn increases anxiety and tension

nance's failures, this is a far cry from claiming that it is the panacea it has been represented as being. Her work also points to the fact that the successes of microfinance may be the result of forces that have nothing to do with how a lending project is structured—for instance, the charisma of the individual borrower or the political mission of the lending organization.

[5] Here I am referring to what we might think of as the original Grameen Bank mission, which is still the prevailing representation of Grameen's ideology despite the fact that its practices have changed entirely under Grameen II (see Bateman 2010, 18–19; Roy 2010, 110–18).

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among household members and produces new forms of social and institutional dominance over many women clients in the program" (3). Thus, not only is microfinance not achieving its central goal—economic self-sufficiency for the poor—it is also not achieving its tangential "virtuous spiral" (Mayoux 1999) goal of collaterally empowering women; rather, it is shoring up forms of authority in the household. Here we should pause to note the social locus—the household—because what we are seeing is the transformation of risk into peril. The risk here is the perceived risk to banks, which they take on when deciding to loan to the poor; the idea is to make a profit, in the end, on this risky endeavor. Peril arises for women not only because they are borrowing money, a practice that, admittedly, existed long before the advent of the Grameen Bank, but because they are submitting to new, stringent repayment guidelines at the same time that they are encouraged, indeed prodded, to take on more debt. I return to this point in a moment.

Rahman's findings are confirmed by those of Lamia Karim (2008), who focuses on the importance of a patriarchal "economy of shame" (6) in upholding the return rates—upward of 98 percent—that make Grameen Bank appear to be profitable and thus a worthwhile risk for investors.[6] But while the Grameen Bank model assumes a self-employed woman who is an "out-of-the-home entrepreneur" (14), it is often men who actually use the loans; they are justified in doing so by deeply entrenched systems of gender inequality and kinship obligation (Rahman 1999). Further, estimates within the microfinance industry itself are that 50–90 percent of all microcredit goes into funding consumption—getting food or paying medical costs—rather than into enterprises at all (Bateman 2010, 204). This is because the poor borrowers to whom microfinance is directed live in peril; the needs of the present engulf them too quickly. These needs are taken care of in the realm of the domestic and through the feminized work of getting by.

My point here is that we must never lose sight of the kinds of activities that are undertaken through microfinance loans. They are predominantly domestic in nature—reproductive—even when they are sold as goods or services outside the domain of the household. The purchase of poultry or livestock, stitching, food preparation and sale, seed purchase, and so on make up the bulk of microfinance initiatives, at least on paper. As economists Susan F. Feiner and Drucilla K. Barker note, these are all informal sector jobs and always "constrained by domestic responsibilities" or achieved

[6] Yunus often refers to the high repayment rates of microcredit loans as an indication of the effectiveness of the loan group form and women's inherent creditworthiness (1999). The numbers themselves—always cited as being above 90 percent—appear to be problematic, however (see Pearl and Phillips 2001).

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in tandem with these responsibilities (2006, 10). What the loans are actually used for is another matter, but it should give us pause that many observers of microfinance in South Asia report that dowry, a site of social reproduction par excellence, represents an extremely important unofficial site of investment—an observation confirmed during my own fieldwork in India.

Women are not being invited to pursue the heavily valued and risky strategies of global capitalism through microfinance. There are no initiatives that I know of to teach rural women in India to learn the Mumbai stock exchange. It is not proposed that women in South Africa prospect for new mining opportunities. I am not suggesting that any of these are goals or visions we would want to pursue, simply that microfinance is always already coded as feminine by virtue of its scale (micro, small, domestic), activities (reproductive), and relationship to peril. In the second half of this paper, I turn to the popular peer-to-peer microfinance lending website Kiva to push this discussion of the relationship between microfinance and reproductive work even further. Frederick Engels's enabling insight that reproductive work in the household is obscured by the economic and emotional centrality of the social institution of the family is my point of departure here. Engels demonstrates that one of the main tasks of capitalist production (not an incidental social by-product) was to create "'free' and 'equal' people" who can "dispose freely of their persons, actions, and possessions" ([1884] 1972, 142). This was achieved, he contends, by making sexual love, as a voluntary arrangement between two people, necessary to moral marriage (144). Thus, the sociality of the economic relationship was as important as the economics of sociality. Like the family, peer-to-peer Internet-mediated relationships create a fiction of specialness, destiny, and commensurability that erases the extent to which the risk agency of the lender relies on the recipient's ability to cope with peril.

Kiva and peer-to-peer sociality

First, the organization and its website: Kiva is an immensely successful peer-to-peer network designed to let relatively wealthy lenders in the global North select worthy entrepreneurs in the global South to whom they can loan money directly. Since its inception in 2005, Kiva has loaned over $100 million, with $60 million of this being lent in 2009 (P2P-Banking.com 2009). Like most microfinance initiatives, Kiva boasts an impressive repayment rate—97.88 percent at the time of writing.[7]

[7] For continually updated statistics, see http://www.kiva.org/about/stats.

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The organization itself is based in San Francisco, and its staff includes former employees of PayPal, eBay, and other Bay Area tech companies. Its founders, Matt Flannery and Jessica Jackley, were working with Tivo and Village Enterprise Finance, respectively, when they started the website, reportedly just as a hobby for friends and family. While completing an MBA at Stanford, Jackley had traveled to East Africa, where she had seen microfinance in action. Flannery visited her there, and after several months and a bit of media exposure, the two decided they could run Kiva as a full-time job.

Kiva's setup seems quite simple. Potential lenders are greeted with the photos and stories of "entrepreneurs" across the globe to whom they can loan $25 or more.[8] Entrepreneurs' narratives often include biographical data and a bit of information about their intended business, as well as the dollar amount they think will allow them to fulfill their needs. Each lender then forges an individual economic relationship with an individual borrower, and lenders get to evaluate a borrower's need and entrepreneurial potential; importantly, they can also have a one-on-one relationship with "their" borrower via email messages sent through the website. One of the responsibilities of Kiva Field Partners is precisely to facilitate this form of direct communication (volunteers also provide translation services). It is this aspect of Kiva—its peer-to-peer–ness—that seems to have made it so successful.[9]

In articles and interviews, Jackley describes the mission of Kiva as bringing people together through stories. Her work focuses on using the peer-to-peer network form to connect people across the globe in more humanizing ways. Jackley repeatedly stresses the importance of connection via technology. In the face of real human interaction, even interaction that is mediated by the forms and flows of the Internet, people cannot remain separate but necessarily forge a special bond. The peer-to-peer quality of the site creates the sensation that, as one Kiva employee put it, "you really know where your money is going" (Modi 2008). It is also what makes Kiva and the kind of microfinance institutions it supports different than traditional charity. Lenders feel satisfaction about lending, but part of this satisfaction derives precisely from the idea that one is helping others to help themselves

[8] See http://www.kiva.org/lend.

[9] Kiva itself makes money mostly through private donations, called "optional lender fees," though it is very interested in beginning to offer loans with interest. Private donors include Silicon Valley entrepreneurs and online lenders, who can choose to put a certain amount toward the website's maintenance during their checkout process. Kiva also collects interest on funds held in its accounts during a thirty-day waiting period before fund distribution to partner organizations—what it calls "float." In other words, because loaned money has usually already been promised and dispersed by the in-country partner, Kiva is able to create an interest-accruing lag in its turnaround.

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(rather than providing charity), a centerpiece of neoliberal approaches to poverty alleviation.

Consider the following testimonials, posted on the Kiva website, from three different lenders:

> I still come back to look at the faces of those whose loans I've helped fund. I feel as if their stories have become part of me, and I learn so much more about the world around me by learning about the world around them. I read the human stories at Kiva.org and realize just how far a small amount of money can stretch for someone who is striving to work to better themselves and their families and their communities . . . and their world. Our world. While others in my family collect "things," I collect stories of hope and desire, and the willingness to work to make dreams into reality.
> —Diane

> When I was young my parents would give financial help to our church and our neighbors. It was a lesson in giving that has stayed with me for 100 years (my age). Later as a nurse I saw first hand the needs of others on many different levels and believe that giving can improve lives. It is easy to give when you can see how your money is being used. During my younger years I did not have a TV or computer to watch the results of my helping others globally. How wonderful it is that we can now check on the Internet to see how our money is being used in various countries in desperate need of development. Over the years I have found that helping others not only improves their lives, but enhances my own.
> —Liane

> Conventional investment wisdom is to have a diversified portfolio of investments; this was the first time I considered emotional rewards as something I could expect besides the occasional dividend. It certainly is habit-forming, and I gain a sense of community in a redeeming cause. I have also enjoyed leveling the playing field a little bit for women in the developing world.
> —Steve[10]

In these three statements we see the recurrent themes of Kiva lending: connection through stories, the ability to use technology to see where money is going and exactly how it is "making a difference," and the ability of capitalism and entrepreneurialism to empower women across the globe. But what is also striking is the emotional register of the comments. Diane feels the stories of borrowers are "a part of" her; Liane sees Kiva as in line with a hundred-year lifetime of valuing Christian charity that "enhances" her own life; Steve comes to value "emotional rewards" as much as dividends.

[10] Liane's and Steve's testimonials are available online, at http://www.kiva.org/press/lenders. Diane's testimonial also appeared on this page but has since been taken down.

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Such responses are structured by the site itself, which moves between individual stories and the more familiar presentation of investment data; in addition, there is an elaborate network and technological apparatus for lenders to access when they become a part of Kiva, including Kiva-related websites not directly sponsored by Kiva such as Kivafriends.org and Kivapedia.org. On the Kiva site, lenders can keep track of their loans, rate individual entrepreneurs for future lenders, and create virtual investment portfolios but always retain the underlying philosophy that the humanness of Kiva is essentially different from banks. As we saw in the above testimonials, Kiva depends on this emotional investment and markets its humanity. According to Kiva's president, Premal Shah, unlike banks, Kiva lenders like Steve "value emotional returns" (*Frontline* 2006). In addition to the kinds of testimonials listed above, stories abound of individual lenders going to the countries of "their" entrepreneurs to visit or of borrowers writing long messages about how the loan money has changed their lives. Relationships are at the heart of Kiva.

Or so it seems. In point of fact, if you click on someone's face and story on Kiva and donate, your money actually goes to an in-country MFI that has partnered with the site. It is this institution that is responsible for the distribution of funds, repayment, and monitoring the borrower's business. It is an in-country field partner, and not Kiva staff, that deals with the day-to-day technicalities of giving and collecting on loans. And it is the field partner that may charge and collect interest (most field partners charge an interest rate of around 40 percent). Kiva itself does not charge interest, and lenders' money does not go to service interest payments on the loan that is disbursed via the MFI.[11] While Kiva has a screening process for these field partners, they do not have any follow-up mechanisms on the ground to investigate what happens once lenders' money reaches the MFI. Jackley says publicly that this is because field partners are the "real experts" and that Kiva is just taking on this one little piece of the microfinance world, providing funds to microfinance institutions already doing good work around the globe (Jackley 2009). There is silence, however, on the subject of what Kiva would or could do in the face of serious grievances—of the kind cited above from Grameen Bank borrowers—from an individual borrower. The approach is part of a seductive neoliberal logic: Field partners should not be patronized with external evaluation and follow-up; the poor do not need supervision, just access to capital. Yet this same structure means that an organization like Kiva has absolutely no accountability to the people served by its partners.

[11] Kiva explains its relationship to in-country field partners and the charging of interest on its website (see Niemira 2009).

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To be fair, the structure of Kiva is laid out quite clearly on the organization's website; it is not a secret that money goes to partnered in-country organizations. Yet, when blogger and research fellow at the Center for Global Development David Roodman created a post "exposing" that Kiva loans did not go directly to individuals but to microfinance institutions, thus making "the person-to-person donor-to-borrower connections" marketed by Kiva "partly fictional" (Roodman 2009; see also Strom 2009), he generated something of a scandal. It seems that the scandal tells us more about the structure of the lenders' expectations—their desire to believe in the possibility of a one-to-one connection—than about the actual workings of the organization. After Roodman's post and in light of its self-proclaimed dedication to transparency, Kiva was forced to change the language on their home page from "Kiva lets you lend to a specific entrepreneur, empowering them to lift themselves out of poverty" to "Kiva connects people through lending to alleviate poverty" (in Strom 2009). Of course, many came to Kiva's defense, and the overall effect of Roodman's exposé seems to have been to bring more attention to Kiva and microfinance rather than to somehow debunk either the organization's claims or the microfinance model.

Aside from the issue of emotional returns, Kiva also traffics in the gender ideologies typical of microfinance around the world. Jackley reports that a speech by Grameen Bank founder Muhammad Yunus at Stanford was the real inspiration for her decision to pursue microfinance work in Africa. As we have seen, Yunus's work selling microfinance on a global scale has created and relied on the notion that women are better—and more needy—borrowers who are more likely to use money to make changes that benefit society. Kiva quickly found out that the idea of microfinance as empowering to women in the global South sells. Matthew Flannery writes, "Lenders showed unambiguous preferences according to region, gender, and business type: Africans first, women first, and agriculture first. A female African fruit seller? Funded in hours. Nicaraguan retail stand? Funded in days. A Bulgarian taxi driver? Funded in weeks" (2007, 50). On one hand, this is clearly part of a traffic in images with deep colonial and missionary roots: a distant third-world woman is made to stand in for problems of poverty and underdevelopment, and support for this woman works to emotionally suture over the violence of capitalist exploitation (see Mohanty 1984). A billboard that appeared at the Palo Alto exit of Highway 101 south of San Francisco is a telling example.[12] In the photo, two women who are likely African—though their specific ethnicity is not given, nor is their location (in

[12] As of June 15, 2012, a photo of this billboard was available at http://www.wiseclerk.com/group-news/servicesmicrofinance/kiva-kiva-billboard-advertising.

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Eastern Africa? in California?)—share a cheerful smile as one adjusts the other's earring. We as viewers do not know why these women are happy, or what earrings have to do with microfinance, but we must assume that something Kiva has done has made them this way. We get the emotion without the narrative. The trick of the website, however, is that it links the emotion connected to the anonymous third-world woman with a name and a story. It is precisely the forging of an emotional-social bond with the individual entrepreneur that gives the emotional returns to Kiva lenders. Thus, we have a new kind of traffic, one that, as I have been arguing, allows distance and closeness at the same time: I, as lender, can reap emotional benefits privately through my laptop or in the privacy of my individual life, should I choose to pursue a real relationship with "my" entrepreneur.

Risk for whom?

Consider Kiva's webpage titled "Risk and Due Diligence" (table 1). Despite the convincing social science literature pointing to the ways that microfinance, with its repayment obsession, puts women in fiscal and physical danger, it is clear that the risk of microfinance is to the lender, not to the borrower. According to Kiva, these risks to the lender arise at three levels. The first is entrepreneur risk, in which an individual borrower defaults on his or her loan and is unable to pay back the lender. At this level, the risk is that the lender will lose money because a particular borrower does not live up to his or her end of the deal. The second is risk at the level of the field partner, including the possibility that the partnering microfinance institution goes bankrupt, defrauds Kiva, or simply has "poor operations," which means it cannot distribute and collect funds efficiently. The third level of risk is that to the country, referred to as "macro-level." These occur because of catastrophes of three sorts: economic, political, and natural. In other words, Kiva warns lenders that they must remember they are loaning money to volatile and environmentally endangered locations and that a catastrophe may simply not allow them to collect on their loan.

The Kiva approach to risk is telling. It refuses to engage with, though it gestures toward, what it might mean for individual borrowers to be subject to any of the events cited as risks. Why would a borrower default, beyond simple trickery? We never know. What does it mean for the daily life of an entrepreneur in Uganda to borrow money during an unforeseen drought year? What happens to borrowing groups when whole nongovernmental organizationss dissolve or go bankrupt? The focus is on the life of the loan, not the life of the borrower, but the affiliation created between two individ-

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Table 1. Kiva.org's "Risk and Due Diligence" webpage, as it appeared in 2009

Risk 1: Borrower Risk	Risk 2: Field Partner Risk	Risk 3: Country Risk
"Each borrower is screened by a local Kiva Field Partner before being posted on Kiva's website. The Field Partner looks at a variety of factors (past loan history, village or group reputation, loan purpose, etc.) before deeming a borrower as credit worthy. However, a number of factors can result in borrowers defaulting, such as: (1) Business issues (e.g., crop failure) (2) Health issues (e.g., malaria, HIV/AIDS) (3) Other issues (e.g., theft, paying for school fees, over-indebtedness, reduced remittances, civil disturbances, etc.) If a borrower defaults, Kiva Field Partners are expected to pursue collections according to their normal practices. In addition, Kiva asks and expects that all of our Field Partners adhere to the Client Protection Principles from the Smart Campaign."	"When you lend to a borrower, Kiva delivers the funds to the local Field Partner. . . . While working with Field Partners increases the likelihood that your loan will be effectively used and repaid, new institutional risks are introduced such that even if a Kiva Entrepreneur is able to repay, Kiva Lenders could still lose principal due to, for example: (1) Bankruptcy (e.g., the Field Partner may go out of business and be unable to collect your loan) (2) Fraud (e.g., staff members at the Field Partner may embezzle funds) (3) Poor operations (e.g., the Field Partner may have poor methodologies for screening entrepreneurs or collecting repayments)"	"When lending internationally, it is important to consider 'macro-level' risks: (1) Economic (e.g., a large currency devaluation—or the institution of exchange controls by local governments—may reduce or render the Field Partner's local currency collections valueless for you). (2) Political (e.g., many loans posted on Kiva are disbursed in the developing world. Policies can change regarding funds repatriation or even the requirement that borrowers have to repay their loans). (3) Natural disasters such as a flood, tsunami or drought may greatly reduce the likelihood of loan repayment from certain countries or from specific regions in a country."

Note: Source, Kiva.org, http://www.kiva.org/about/risk, 2009.

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uals in different locations—the kinship of lender and borrower—works to create the illusion that they are engaged in a mutual task.

The virtual mutuality masks the real peril to which borrowers are subject, peril that has in some cases been created by microfinance itself, as when women become trapped in cycles of debt. And this is not even to mention the myriad sources of peril that are not the stuff of Kiva narratives. One does not read of abusive husbands who take loan disbursements, or of threatening moneylenders who must be appeased after one has had to take a second loan to pay back the Kiva loan and maintain a preferred borrower status.

Yet, in looking closely at borrower profiles and the blog posts written by Kiva Fellows (volunteers who travel to visit partner microfinance initiatives at their own expense), there are inklings of these absented, other stories. If one takes the peril of the borrower as the narrative starting point, a different picture of microfinance might emerge. An illustrative case is provided by a March 12, 2009, article titled "The Other 2%" and posted to the Kiva Fellows blog by Andrea Bouch, who worked with the Foundation for Assistance for Small Businesses (Fundación de Asistencia para la Pequeña Empresa; FAPE) in Guatemala. Bouch reports that while she thinks Kiva's 2 percent default rate on its loans is "phenomenal," as a fellow she had visited with women who were behind on their loans. Here is her narrative at length:

> Yesterday I visited four clients who all are at least 1 year behind on their loan payments. Only one client is a Kiva borrower, but the stories are all very similar. Most of the women had something go wrong: a health issue, a death in the family, a sudden unexpected cost, etc.
>
> But all of them had overcommitted themselves to multiple loans from multiple banks. So when things start to head south financially it's three times as hard for them because they have three banks knocking on their door . . . . So what do you do when your name is on the dunce list and your debt gets larger everyday? No, seriously, what do you do?
>
> In the cases of the women I met with yesterday: one proposed a long-term payment plan with smaller monthly payments, another cried and cried and asked for a year of leniency, another pretended she didn't know what we were talking about, and the last client went to her husband and asked for his help in repaying the debt . . . .
>
> The microfinance institutions want to protect their reputation and with the level of transparency that Kiva provides to lenders, the default and late payment rates are right there for the world to see. Thus, many MFIs choose to essentially insure their loans for late payments

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> and they have shiny ZEROS next to those stats. But that doesn't mean that they don't have late and defaulted loans (Bouch 2009).

The discussion that follows this post addresses in large part the issue of what lenders know or sign up for when they loan money though Kiva, with many lenders saying that even though they like to get full repayment on loans so that they can loan again, they consider their lending on Kiva a donation and regard a 2 percent risk as extremely minimal. Again, risk here is risk to the lender. Notably, not one of the commenters was particularly concerned that such examples might show that microloans were not ultimately empowering the women involved.

Bouch does not tell us what the resolution to any of these particular cases was, but her sympathies are to some extent with the women she reports meeting the previous day, even if she remains committed to the microfinance vision in the end (her final concern is for how the "lending community" feels about defaults). If we push her text in another direction, though, it seems that in talking to borrowers who are late in payments, Bouch is forced to confront the peril in which they live in several different ways. Consider the reasons cited for not being able to make payments: "a health issue, a death in the family, a sudden unexpected cost." These are domestic expenses that families, especially women, must increasingly bear given the retraction of welfare services worldwide (see Sassen 2000). None of them is frivolous or negotiable; none involve individual greed that can be pathologized. Although it is not explicitly stated, there is also an implicit link between these reasons for default and the dangerous overborrowing from three banks at once that so concerns Bouch. As readers we are meant to understand that taking out multiple loans is a financial strategy to get ahead, one that turns out to be a bad idea in situations of instability. It is as if the insecurity that makes repayment of three loans at once impossible comes from outside the situation of borrowing itself. But what if we reread these two paragraphs together so that it is the utter necessity of grappling with these unexpected costs of living for women and their families that compels them to take on more debt than they can reasonably manage? All three banks make a profit on their "risky" investment in the poor because the risk is transferred—as peril and the wherewithal to withstand it—to poor female borrowers. And what of the woman who asked for "leniency"? Or the one who "cried and cried"? Surely there is some sense in which these are sympathetic figures (especially when juxtaposed with another woman who "pretended she didn't know what we were talking about"). Although we are not privy to their stories, we can again assume that they have to do with the unexpected turns and necessities that must be dealt with in perilous worlds.

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It appears that Bouch's story of defaulters in Guatemala did catch the attention of Kiva. In June of 2009, another Kiva fellow, Jeremy Lapedis, posted an update titled "An Unfortunate Case of Fraud" on the borrower pages of four women from FAPE. According to Lapedis, FAPE discovered that these women did not use the money they were given for its intended purpose but instead pooled their money together to buy a plot of land; because this land had not yet produced, the women were unable to pay back their loan. The post concludes "FAPE is working hard to recover the money from your loan."[13] Are these the same four women encountered by Bouch some months before? If so, it appears that their financial strategy was not simply to take out multiple loans but to try to invest in a different form of wealth than those entrepreneurial models encouraged by Kiva and its field partners. The "unfortunate fraud" could also be seen as an effort to expand the scope and potential of microfinance, to turn the instability of loans into the stability of land. If not, what are the local conditions in Chimaltenango, Guatemala, that are encouraging such borrowing and producing these defaults? What are their links to global trends? The FAPE field partner entry on Kiva's website mentions that the program's default rate is high "due to the difficulty some Kiva entrepreneurs have experienced in repaying their loans as a result of the global economic crisis." What does this look like on the ground? These stories are not part of the peer-to-peer relationship forged between lender and borrower because they would serve to put that very relationship into a broader context in which the fiction of care and emotional kinship that underwrites Kiva's program would be untenable. To perform this kind of contextualization is to raise dangerous questions about the resources one may risk as a lender and the lack of resources of those who increasingly confront the perils of loan taking itself, in addition to daily forms of want, violence, and dispossession.

Conclusion

In 2009, I attended a public conversation with Jessica Jackley at the International Museum of Women in San Francisco. During the follow-up question and answer period, Jackley was asked whether microfinance really made the kinds of structural changes that were necessary to alleviate poverty and what the negative consequences of microfinance might be, to which

[13] While all of the web references in this article are publicly available and do not involve joining or registering with Kiva or any associated organization, in the interest of protecting the borrowers' identities (or at least not publicly labeling them as "defaulters") I have chosen not to provide the links to these postings or to the individual women's borrower pages.

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she replied, "I've only seen positive things happen." It is precisely this emphasis on experience and the personalization of microfinance that allows risk to be transformed into the peril of daily life for many microfinance borrowers. One's experience, and not, for instance, the critical social science literature or even the reflections of Kiva's own fellows, becomes the basis for knowing and analyzing problems and relationships that are always kept at an institutional distance. In this sense, Kiva performs a kind of social-emotional work similar to that of the family, as shown in now-familiar feminist analyses of the relationship between production and reproduction: it provides a moral imperative for and legitimacy to what is essentially a relation of great iniquity.

The relationship between the family and virtual kinship is both formal and material. On one hand, I hope to have shown how the virtual sociality created by Kiva works to hide the traffic between masculine and feminine domains—in this case, between risk and peril. On the other hand, I have suggested that the work of managing in perilous straits is reproduction par excellence in the era of the global risk society. Thus, our analysis of this society must include attention to the work of getting by that takes place largely in households in the global South and is performed largely by poor women in positions of prior vulnerability. The solutions proffered to problems of poverty, and to women's poverty in particular, should point us to the issues at stake: manage risk for lenders in wealthy countries, subcontract peril to poor women in the global South—and perhaps make a profit in the process. Nowhere is it suggested that we reassess the value of reproductive work or that the work of keeping heart and body together in the face of (planned) cycles of crisis and want is itself difficult, innovative, and inherently worthwhile. It is this last point that I think development planners, philanthropic entrepreneurs, and even many feminists are missing as they embrace and expand the world of microfinance. We would do well to return to earlier debates on the family, production, and reproduction as we traverse the era of virtual kinship. And we would do well to continually ask of world risk society: risk for whom?

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