COMMONALITIES IN BASIC BUSINESS EDUCATION DELIVERED THROUGH MICROFINANCE

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This study, undertaken within the context of multiple objectives and varying measures of success applied by microfinance institutions (MFIs), examines points of commonality present in basic business education delivered as a microcredit plus service by microfinance lenders. By comparing the curricula and delivery methods developed and delivered by microfinance institutions of distinct operational categories (Non-Profit Organizations, Non-Banking Financial Institutions, and Commercial Entities), a core set of common elements emerged reflecting curricular content and delivery methods derived from existing practice as well as content grounded in educational theory and appropriate instructional pedagogy. When used to inform basic business education in microfinance, realized contributions could include greater assessment potential leading to more successful lender and borrower experiences. A combined academic perspective was applied as the conceptual frame, bridging the disciplines of educational theory, business and economic development, and sociology in formation of human capital. The results of this research further the discourse regarding the provision of microcredit plus services as a crucial component of successful microfinance delivery in multiple contexts, and support the argument for the consistent inclusion of basic business education with microcredit loans.

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LIST OF ABBREVIATIONS AND ACRONYMS

501 (c)(3)	Tax-exempt registry in the United States
APR	Annual percentage rate
CGAP	Consultative Group to Assist the Poor
FASB	Financial Accounting Standards Board
GA	Government agency
IFRS	International Financial Reporting Standards
LLC	Limited Liability Corporation
MDGs	Millennium Development Goals (United Nations)
MED	Microenterprise development
MFI	Microfinance institution
MIXMarket	Microfinance Information Exchange
NBFI	Non-Bank Financial Institution
NGO	Nongovernmental organization
NPO	Nonprofit organization
SBA	Small Business Administration
USAID	U.S. Agency for International Development
USGAO	U.S. Government Accounting Office

PREFACE

> He has told you, O mortal, what is good;
> and what does the Lord require of you
> but to do justice,
> and to love kindness,
> and to walk humbly with your God? (Micah 6:8 NRSV)

This journey truly began in 2003 when, during my first international mission trip, I lived and worked beside two people who embodied justice and kindness while serving those in extreme poverty in Peru – Solomon and Carmen Cabanillas. From that moment on, I knew my life's calling had changed and I would never again be content to sit on the sidelines when there is so much work to be done. While there are many to be thanked and acknowledged as I complete this dissertation, the living example provided by these humble servants of God and the impact they had on my life is simply too important to omit.

I am blessed to have a supportive and loving family who has truly been with me every step of the way. When I announced that I was about to leave a corporate career and enter academia because I thought it would allow me to make a difference in the world, their love and encouragement gave me the courage needed to follow through on that dream. My parents, siblings, nieces and nephews all took interest in my pursuits and I was even joined by my brother Rodney and later my sister on my international mission experiences. In particular, though, my mother Ruth and sister Ginger were my greatest advocates, confidantes, and cheerleaders, always ready with a cup of tea and an open ear no matter what time of day or night I showed up on their

doorsteps. Without them, this work would not have been possible and I will be forever grateful for their unconditional love and support.

Entering the University of Pittsburgh's School of Education from a field quite apart from academia, I found an accepting community where I could develop my skills as a teacher and scholar. From the very beginning, Dr. Mike G. Gunzenhauser was a mentor and friend, providing me with opportunities to learn and grow under his guidance. Likewise, I found in Dr. W. James Jacob, as my advisor and committee chairperson, the direction I needed to structure my interests in the field of international and development education, while giving me the freedom to pursue my passion. I also wish to thank the other members of my committee, Dr. Maureen W. McClure and Dr. Louis A. Picard for their wisdom and expertise, understanding their role was to direct me into producing my very best work. Undoubtedly, this study is better thanks to their involvement.

It is easy to get lost when working on such a project for so many years, and it is in this time that true friends emerge, without whom one knows the work may never have reached fruition. I have such a friend in Frank Gray and his wife, Susan, who never seemed to tire of talking about microfinance or of reading multiple revisions for editing under deadlines. I am also fortunate to have great friends who happen to be librarians, allowing me to have a new appreciation for these intellectual daredevils who dive into questions determined to find the resources needed no matter how obscure. Donna, my friend, thank you.

Finally, my deepest gratitude goes to Cyndi. It seems impossible to find the words to sufficiently thank you for picking up all of the pieces, keeping me on track, and never allowing us to lose sight of all we have to be thankful for even when the walls seemed to be closing in around us. I dedicate this work to you with my love. And now, in closing, I remember Greta … who always seemed to know what "Just five more minutes, okay?" really meant. Thank you all.

1.0 INTRODUCTION

I was taking part in a mission trip with my church, helping to build a solar-powered water tower in a rainforest village near the Amazon headwaters in Peru which had experienced a recent rise in deaths due to contaminated water. During a work break, I was invited to see some local handcrafts which were exquisite in both their quality and design. When I asked for how much they could be purchased, the craftsman said "*quince soles*," or about US$5. This seemed impossibly low, so I ask again for the market price, not a special price for me as a volunteer. Again, he said "*quince soles*." When asked "How much does it cost to make," he considered the question and then replied "*veinte* (20), but it's only worth 15 in the market and that's what my neighbor charges for ones of less quality" (Clark 2008).

1.1 BACKGROUND OF STUDY

Understanding the causes and impact of poverty has eluded societies for centuries, with even the most ancient cultures reflecting on the plight of widows, orphans, the disabled and the outcast and how best to provide for their existence. Poverty is, unfortunately, not a new phenomenon unique to our globalized and highly-connected world, and many of the efforts to address poverty and those affected by it have been attempted through various means by the well-intentioned throughout time. A consistent theme in efforts to address poverty in faith-based and secular

programs alike has centered on the development of skills in order to create conditions by which the poor may ultimately help themselves rather than depending upon the charity of others. This, in very broad philosophical terms, is the essence of microfinance and the extension of education and access to economic opportunity to the world's poor. In the above example, the craftsman does not lack skills in making the goods he seeks to sell, but instead needs a more fundamental understanding of the basic knowledge of business through concepts such as cost of goods sold, calculating profit versus revenue, and understanding how to differentiate ones offerings from the competition in the marketplace.

In the study of microfinance, or more specifically microenterprise development, as a tool in international efforts to alleviate poverty, an expansive lexicon has emerged to reflect the broadening of these programs in terms of participants, objectives, offerings, and programmatic elements. No longer limited to the context of tiny Irish loan funds popularized by Jonathan Swift during his tenure as dean of St. Patrick's Cathedral in Dublin in the 1720s (Roodman 2011), nor to the similarly modest Grameen Bank community lending model employed by Muhammad Yunus in 1976 (Dowla and Barua 2006), microenterprise development is now a global phenomenon wherein more than 10,000 lending organizations provide microfinance loans and related financial services to more than 200 million working poor borrowers, valued in excess of US$7.5 billion annually, with loans outstanding estimated to exceed US$43 billion (Microfinance 2014). Initially founded upon the principle of lending small sums of money to poor citizens which they were then to use in creation of small businesses (or what came to be known as microenterprises), microenterprise development now regularly includes programmatic elements reaching beyond the scope of pure lending to an array of supportive and supplemental

services all theoretically intended to improve the likelihood of success of the borrower and support the economic viability of the lender to provide loans to even more un-bankable poor.

This dissertation examines one component of a specific set of microenterprise offerings known as microcredit plus. While there is no clear evidence of the absolute origin of the term microcredit plus, the first consistent use of the term can be found in the Phil Smith and Eric Thurman (2007) text, *A Billion Bootstraps: Microcredit, Barefoot Banking, and the Business Solution for Ending Poverty*. Here, microcredit plus is defined within the context of ancillary services beyond the simple provision of a loan, and is used comprehensively to "describe the wide variety of extra benefits that are often linked with microloans" (p. 78) in all types of situations in which poor borrowers access additional services in conjunction with their loans. These additional services, or microcredit plus components, may be clustered within categories of services most commonly grouped under the headings of: hunger and nutrition; health care and disease prevention; literacy (language and numeric); environmental awareness and preservation; human rights; community empowerment; and business education and training. Lenders offer microcredit plus services as extensions of microloans, or even mandate participation as a condition for a loan; execution varies broadly in practice with no observable pattern detected in the likelihood of one type of lender or another to employ a particular practice.

It should be noted that microcredit plus services are those programs uniquely separate from financial instruments which are also offered as extended benefits of, or as conditions for, micro-lending and micro-borrowing. While extensive growth has been realized in the past 30 years in microfinance for programs such as micro-insurance, guaranteed savings, secondary education funds investment, and access to institutional bank transfers, this inquiry focuses specifically on the provision of microcredit plus services as described above. This distinction is

fundamental to the contextual framing of this study, in that a single element of microcredit plus is considered here: basic business education. While many lenders arguably demonstrate an awareness of conditions both contributing to and resulting from a direct link between an inability to borrow due to poverty and the absence of opportunity (economic or otherwise) as a result of this limitation, this study is grounded on the position that poverty involves more than a lack of money and it therefore negotiates within the bounds of microcredit plus to investigate the development and delivery of basic business education as a microcredit plus service. By closely considering the development of content and the pattern of delivery of basic business education as currently realized in the microfinance industry, by a cross-section of lenders representative of the various types of institutions dominant in this field, the potential exists to contribute added benefit to borrowers and lenders alike. Specifically, this is an analysis of content and pedagogy, practitioner and audience, and self-reported measures of institutional performance.

1.2 TERMINOLOGY

Microcredit: This refers to microloans and any other form of small credit extended to an individual borrower for whom traditional lending programs or providers are either unavailable or infeasible (Ledgerwood 1998; Rhyne 2001; Sigalla and Carney 2012). Borrowers are often considered un-bankable as high risk borrowers, possessing little or no collateral, lacking formal education, without other legitimate means by which to obtain operational or initiative funding, and who represent the bottom-of-the-pyramid class of global economic participants.

Microcredit Plus: These refer to the collective set of ancillary services not classified as financial instruments, extended to the borrowers of microfinance loans as either additions to or conditions

for the opportunity to borrow. Frequently, extended services are grouped into the categories of: Hunger and Nutrition; Health Care and Disease Prevention; Literacy (Language and Numeric); Environmental Awareness and Preservation; Human Rights; Community Empowerment; and Business Education and Training. They are designed to enable borrowers of microcredit loans to accumulate social and human capital as well as financial and enterprise capital.

Microenterprise Development (MED): With its specific focus on enterprises, MED is defined as the extension of small-scale financing and lending services to the working poor, usually in support of very small businesses or micro-enterprises. MED frequently involves the bundling of business development services such as market research and competitive intelligence reporting, information technology support, leadership training, and facilities or resource allocation modeling specifically designed to develop the borrower's microbusiness or microenterprise. These resources are intended to support the financial growth of the commercial venture.

Microfinance: This term has evolved to encompass the entirety of engagement between micro-lenders and micro-borrowers. These engagements are highly customized and may include singularly or in some combination the following: loans; supporting financial instruments such as interest-bearing savings programs or pension plans; insurance; revolving short-term credit terms similar to open lines of credit; funds transfer services; and emergency loans. While frequently extended to individuals for the specific purpose of supporting micro-business initiatives in emerging markets, microfinance services are uniquely contractual arrangements between an individual borrower and a lending organization.

Microfinance Institution (MFI): These are institutions specializing in financial and banking services for low-income groups, enterprises, or individuals. MFIs are loosely classified into three

broad categories: nongovernmental organizations (NGOs); non-bank financial institutions (NBFIs); and banks, commercial, state- or privately-owned.

Microloan: This refers to the principal value and transactional terms extended to a micro-borrower. The amount which constitutes a microloan (versus a standard commercial or personal loan) varies by country and by macroeconomic factors in a particular region. Worldwatch Institute (2013) reported an average microloan size worldwide of US$1,026 in 2011, although this figure is highly skewed between developed, developing, and nations classified as in transition. The global average microloan interest rates reported in 2011 were 37 percent with rates reported as low as 19 percent in Bangladesh and as high as 80 percent in Uzbekistan (Ottenhoff 2011), with loans extended to low-income borrowers in 185 countries at an average repayment rate in excess of 90 percent.

Savings Groups: Considered as a distinct category within the microfinance industry, savings groups are comprised of community members who together create a consortium of microenterprises wherein individual members commit a pre-determined amount of funds to a group account which is then available to members for additional or incremental loans. In some cases, funds are made available to existing members for little or no interest; in other cases, interest is charges as a means by which to expand the available pool of funding. Often, the power of the savings group is in the collective action and responsibility of its membership. The earliest examples of microfinance followed this particular model of financial inclusion and a shared community commitment to economic expansion.

1.3 PROBLEM STATEMENT

Widespread debate exists regarding the effectiveness of micro-loans as a development strategy for sustainable poverty eradication, fueled particularly by highly publicized nefarious practitioners and usurious interest rates. In this debate, views range from its original perceived panacea as means to fulfill a basic human right to its limitations as yet another cyclical trapping of the poor in support of a Westernized and consumption-based global existence. Regardless of one's position in the discourse, the relative impact both socially and economically of substantial financial resources moving into underdeveloped regions of the world previously un-served or underserved by commercial lenders cannot be denied. As such, research into micro-lending in particular and microfinance as an industry is extensive, exhaustive, and rife with both critique and support of both their merits and dangers, contributions and limitations, long-term restrictions and short-term benefits, contemporary vogue and multifarious history as a potential tool of poverty reduction (Roodman 2011).

What does receive some measure of agreement among advocates and detractors alike is that poverty is expression of a condition characterized by more than simply the absence of financial capital or the ability to acquire it. Poverty, instead, is expression of a condition wherein the gap between current-state existences and a more sustainable and self-sufficient state encompassing both economic and human capital is insurmountable. Furthermore, poverty also suggests the prospect for modification in the need-gap is highly unlikely given the absence of and lack of access to resources necessary for change.

This study explores the nexus of economic capital and human capital formation, and seeks to understand the position of MFIs to provide added human development services within the realm of microcredit plus services, specifically in the category of basic business education. I

examine the curriculum and delivery methods used by MFIs which consistently incorporate basic business education as either a resource available to or a condition for qualification as a borrower in the conventional definition of the term. This examination includes content analysis and subject interviews of those responsible for training to develop a set of commonalities within the context of content as well as practice, and investigates such points as how curriculum content is organized, competencies and key skills for development, applied methods of instruction, training and evaluation of teachers, assessment measures, and how successful outcomes are defined and reported.

The problem to be informed by this study and its findings is that there is a need to better understand how basic business education in micro-lending is designed, delivered, and measured. It is estimated that over 90 percent of all microfinance programs offer some level of training and technical assistance (Microfinance 2014), although the specific breakdown of education versus training versus technical assistance (a much broader category of enterprise support services) is not known from the literature. This focus upon the design, delivery, and measurement of basic business training to microcredit plus clients and the potential impact which could be realized if that training were to reflect commonalities reflective of successful execution in the field may directly contribute to an outcome of social as well as knowledge and financial capital accumulation through recognition of the genuine needs of the individual and the community.

The basic purpose of micro-financing speaks to the importance of having access to available and reasonable credit terms as a fundamental human right. Arguably, though, access is only one part of the equation – knowledge of how to most effectively use the credit available, and of how to leverage this new access into a systematic process whereby the urgency of need is replaced by the promise of opportunity over time, is far less understood and receives much less attention in

the broader scope of research in microfinance and microenterprise development. Recognizing that microcredit plus programs are comprised of any number of components within the realm of technical assistance and training, which are by definition beyond the requisite provision of financial instruments, there appears to be no clearly defined commonality of practice even among those organizations which view basic business education as an essential and fundamental microcredit plus service within their portfolios. Without the guidance of shared experiences and identified commonalities within the industry, these basic business education programs vary widely within three key areas: curricula, whether developed in-house specific to the programs offered or purchased as customizable modules outside of the organization; trainers and facilitators, or those on whom responsibility is placed to communicate the training message; and performance measures, indicating the ways in which success is constructed, measured, assessed, reported, and used in a continuous cycle of improvement for future rounds of training and education. While each of these inputs to basic business education should reflect the needs of the borrowers, the economic and social conditions in which the borrowing is to take place, and the overall mission of the lending organization, they should coexist with sound pedagogical practice in order to achieve the educational outcomes desired. The three inputs identified above, curricula, trainers, and measurement, reflect the greatest degree of variability in basic business education and comprise the basic points of consideration and analysis in this study.

1.4 PURPOSE OF THE STUDY

The intention of the study was to use a document content analysis approach, supported by subject interviews of representatives of lending organizations, to discern a set of commonalities or the

possible absence of such common points in three specific areas of input to basic business education delivered as a microcredit plus service. These three categories of inputs include curricula, trainers, and measurement.

The study begins with a content analysis of business education curriculum used in field application by a representative sampling of 15 MFIs out of approximately 90 which met the qualifying criteria by consistently providing this type of training to borrowers with curricula available for analysis in English. The MFIs reflect organizations from each of the three categories of micro-lenders recognized by the industry, specifically identified as non-profit and nongovernmental organizations (NPOs/NGOs), non-banking financial institutions (NBFIs), and for-profit commercial entities such as banks. This particular component of the content analysis considered such strategic elements as fundamental topics for inclusion in the training, big ideas for conveyance, experiential methods used as a strategy to construct meaning, and categories of necessary competencies to demonstrate proficiency in a particular subject area. In addition to these strategic considerations, content analysis at this point also considered such tactical factors as language of delivery, local content customization, unique lender-mandated content inclusion, and supporting materials used to support content delivery, comprehension, and application. The objective was to collect sufficient data to aid in defining what commonalities exist within currently available curriculum and perhaps to establish the foundations of a model for microfinance clients and borrowers which specifically addresses how adults learn, what factors make it difficult for adults to learn, that all learning takes place within a cultural and human focus, and that teaching tailored to entrepreneurs must include both information sharing and elements of motivation.

Next, the focus of my content analysis shifted to consideration of the instructors. Education is more than simply providing the requisite information and hoping that the audience may glean from it what they need. This is true in any educational context, and even truer in the arena of microfinance. Some of the borrowing clients may be textually and numerically illiterate, most have no experience either starting or running a business, and frequently clients present with extenuating circumstances exerting unknown pressures on family, health, safety, and the general ability to thrive in the current situation. The instructors, therefore, are arguably the most critically important component of the business education model and an understanding of how they facilitate this microcredit plus service is crucial.

Investigation into the role of instructors of basic business education programs within the context of microcredit plus services cannot be underestimated. Often, educators in local microfinance offices fill multiple roles within the organization. The local trainer may be the office manager, the recruiter, the collector, or even the loan officer. In many cases they are volunteers, and often they are individuals from the local community who have successfully participated in past micro-lending arrangements and have emerged as one in the community to whom others look up and who holds a voice of authority in lending matters. As such, this portion of the study incorporated inquiry into such components as trainer recruiting, performance evaluation and reporting, qualification criteria, and delivery mediums, and was supplemented with structured interviews of field trainers for further insight into conditions, challenges, teaching techniques, and common points of modification of the standardized curriculum.

The final area of content analysis focused upon measures of performance. It is difficult, at best, to measure outcomes associated with training and education in any context, as evidenced by the myriad of evaluation instruments and divergent views on such topics as assessment, high-

stakes testing, accountability, standards, and institutional capacity. This challenge is exponentially compounded within the context of microcredit plus services, and as such there have been few studies that have attempted to link borrower experiences to what was learned in lender-sponsored training programs (Klinger and Schündeln 2011). Perhaps the difficulty rests with the simple premise that outcomes of training conditionally delivered through microcredit plus programs are too abstract or complex to evaluate; perhaps the objectives of the lender weigh too heavily upon the borrower to allow for an unbiased and legitimate evaluation; perhaps still there remains an inherent disconnect between what constitutes success for the borrower in contrast to success for the lender.

Here, the study again concentrated on the participating MFIs to develop a comparative analysis of how the definition of success is constructed by those MFIs which specifically offer and promote basic business education delivered through microcredit plus programs. Admittedly, this component represented the greatest challenge of the proposed study. Researchers in the areas of Comparative, International, and Development Education have explored the impact of literacy education on microfinance clients and institutions (Karlan and Valdivia 2011) as well as relationships between a country's progress toward economic development and the availability of credit financing for small business owners; few, however, have explored how training participants define and measure successful participation in such programs (Klinger and Schündeln 2011). By examining the basic business education programs provided by MFIs and developing a comparative analysis of the performance measures reported by MFIs to demonstrate success, an understanding emerged of how these organizations define and prioritize qualitative measures such as client participation in juxtaposition with quantitative measures such as repayment rates and total loan portfolio values.

As designed, this study is structured to accomplish four goals. First, it provides a systematically applied method to determine if, in fact, commonalities exist in the design, delivery, and performance measures of basic business education delivered in microfinance. Second, it provides a set of common elements found to exist in the curriculum content designed for inclusion as either a resource available to or a condition necessary for micro-loans. Third, the study identifies patterns observed and validated in the practice of trainers, ranging from qualifications to methods of recruitment and evaluation, and from classroom techniques to applied pedagogy. And finally, the examination suggests broadly applied practice by MFIs to evaluate, measure and report success, variably defined and uniquely constructed, in order to further the discourse into this particularly challenging component of the proposed topic of inquiry.

1.5 RESEARCH QUESTIONS

The questions guiding this research were developed in consideration of the existing literature, specifically as it informs the topical areas of microcredit plus services, basic business education in emerging markets, economic and human capital formation, and the application of microfinance as a development strategy. They were constructed to provide a context within which to determine if commonalities exist in the content and delivery of these curricula, in order to help readers understand whether standards exist and if they contribute to a consistent application of assessment criteria in determining success in micro-lending practices. The potential application of this study is that readers might develop a more broadly applicable

variable framework to guide both the content and delivery of basic business education in microfinance, leading to improved practice and borrower success.

1. What commonalities exist in the basic business education curriculum content designed and used by microfinance institutions within the practice known as microcredit plus?
2. What common practices exist in the recruitment, training, and pedagogy of field trainers responsible for the delivery of basic business education curriculum delivered as a microcredit plus service?
3. In what ways do microfinance institutions report performance measures and do these reflect any accumulation of human, social or knowledge capital in addition to the acquisition of financial capital in order to further economic participation?

1.6 THEORETICAL PARADIGM

In order to effectively describe the conceptual framework which guided this study's design as well as informed its eventual interpretations, several components of that frame must be identified and their operative relationships sufficiently explored. As such, the ontology, or study of opinion and assumptions that are made about "the nature of social reality, claims about what exists, what it looks like, what units make it up and how these units interact with each other" (Grix 2004, p. 59), and the study's epistemology, or proposed pattern of distinguishing justified belief from opinion, will be fully considered. Together, these will form the theoretical paradigm, research framework, and expected limitations of the project.

This study is grounded in the application of critical theory as a framework to explore the practice and results of basic business education in microcredit plus programming. Supported by critical theory's identification as a radical humanist approach by W. James Jacob and Sheng Yao Cheng (2005) in Paulston's *Macromapping of Paradigms and Theories in the Comparative, International, and Development Education Field*, critical theory rejects the "primacy of class and

economic determinants … and stresses the multidimensionality of power relations and the role of agency in social change" (p. 249). By this definition of critical theory, application can be reasonably assigned here to such topics as the struggle for social equity, sustainable development, and the empowerment of marginalized groups (i.e., those in extreme poverty) by such means as education and the accumulation of social and economic capital. Collectively, these are essential points in the consideration of microfinance in general and basic business education delivered as a microcredit plus program in particular as an effective development tool.

It is important to acknowledge at this point my conflict as a researcher between using the lens of critical theory to consider basic business education in microfinance as a social development tool, and my inclination to use the functionalist modernization theory, somewhat in contrast to a critical theorist perspective. My initial inquiries into development of a conceptual frame led first to the functionalist perspective (as opposed to the radical humanist) in that I found great appeal in considering microfinance within a theory conveniently applied to international development issues. With its focus on adaptation to various environments, goal attainment, systems integration, and the patterning of societal values on basic human organizations (Jacob and Cheng 2005), a functionalist perspective would have been a reasonable alternative to use and not inconsistent with my own patterns of analysis.

One powerful argument in support of modernization theory as a lens by which to consider basic business education in microfinance is Walt W. Rostow's stages of economic growth theory, a stalwart of international business textbooks (Cateora, Gilly and Graham 2012) and one of the notable development theorists advocating modernization theory applied with a functionalist perspective when considering combined social and economic development programs. Rostow's theory applies efficiently to the basic principles of microfinance insofar that

widely known microfinance organizations such as Grameen Bank and SKS Micro-finance quote Rostow's five stages their instructional materials, arguing that the empowerment of microcredit is the exact type of stimulus needed in order to propel Third World countries through Rostow's five economic development stages (Arora 2009). Although Rostow was criticized by those in the social sciences who felt this was a thinly veiled political agenda in support of capitalism, the Rostovian doctrine still provides analysts and policymakers with a set of criteria for evaluating foreign aid, among other international missions. Evidenced in this specific example, modernization theory within a functionalist perspective could clearly have provided an appropriate theoretical foundation to develop the bounds of this study without substantial modification or reconsideration of the research problem.

Despite this contrasting position, though, I still argue critical theory is the appropriate frame to consider micro-financing and microcredit plus programming for several compelling reasons. First, I believe that critical theory, particularly that of the so-called first and second generation Frankfurt School adherents which include the writings of Jurgen Habermas (Murphy and Fleming 2010), Max Horkheimer and Theodor Adorno (2002) and Henry Giroux (1997), offer the strongest counterpoint to opponents of neoliberalism as the dominant theoretical determinant of globalization, and argument against those who choose to view globalization for its oppression rather than by its opportunity. Advocates of the neoliberal agenda within the context of globalization argue that market-driven initiatives "will make human rights and democratic participation more universal" (Torres 2002), while opponents contend that changes in the "conditions of production, the domains of politics, and the state of the economy overall" (p. 366) will more likely lead to greater socio-economic stratification rather than a universal "rising tide" which will benefit all. A critical theory approach allows both to have conceptual validity,

with the realization and acceptance that there is no one reality, and the complexities of the systems engaged will result in both contradictory and inconsistent outcomes.

A second justification for the use of critical theory as a theoretical lens through which to consider basic business education in micro-lending is its concern with the social construction of experience, those transformative conditions which exist, and the experiential conditions from which emerge no categorically clear winner or loser. Globalization as a whole, and micro-financing as a series of programs positioned to provide the poor with greater opportunity to participate in the promise of globalization, is complicated by multiple transformations that exist in social and political systems. Douglas Kellner's arguments here have been particularly influential, suggesting globalization and the social reconstructions it produces cannot and should not be considered exclusively from one vantage point. In a perspective widely endorsed by critical theorists and applicable to a condition defined by tensions between conformity (or homogenization) and fragmentation, Kellner (2008, p. 503) posits that globalization's reconstructions should be viewed as the interconnectivity of systems which are, by nature, "highly complex, contradictory, and thus ambiguous sets of institutions and social relations, as well as [ones] involving flows of goods, services, ideas, technologies, cultural forms, and people." By this approach, critically theoretical and embracing of the complexity of the subject by definition, I objectively considered individual elements of microfinance, specifically basic business education delivered in microcredit plus arrangements, as the multidimensional conditions they are and for the broadly diverse audiences they serve.

Following through with this argument for the use of critical theory as a conceptual framework, I likewise applied evaluative methods such as content analysis and semi-structured interviews as the means by which qualitative data was collected, interpreted and reported.

Philosophically post-positivist in that they also allow for multiple realities and assume the data collected will necessarily be affected both by time and context, these evaluative methods supported the theoretical paradigm applied to this study as they provided for rich descriptions emphasizing the importance of interpretation in both collected content and subject interviews.

1.7 HYPOTHESIS AND PROJECTED RESULTS

The inclusion of basic business education with microloans allows microfinance lending institutions (MFIs) to extend access to economic capital as well as human and social capital formation to borrowers who participate in these programs. An analysis of the practice of MFIs to provide added human development services within the realm of microcredit plus, specifically in the category of basic business education and training, reveals multiple operational as well as programmatic components limiting identification of consistent practice or patterns of effective delivery and measurement. Without these points of commonality, it was assumed a comparison of content, delivery methods, evaluative measures and applied measures of success would be wholly subjective and contribute little to advances in practice which could benefit microfinance borrowers, lenders, and contributors defined as those from whom the financial capital to loan and offer supplemental services originates.

Designed as a post-positivist study in keeping with the Chicago School ideals that the emphasis of research should be upon interpretive understanding rather than "observable, objectively defined phenomena" (Savin-Baden and Major 2010, p. 28), this research collected and analyzed physical artifacts from the basic business education programs designed and delivered by MFIs, as well as considered subject impressions which would not be reflected in

solely in documentation and policy review. While results were expected to reveal an absence in commonalities found in each of the three areas of consideration, consistencies appeared more frequently than anticipated. This occurrence contradicts arguments of the limited effectiveness of such programs, although multiple and disparate definitions of success held by borrowers, lenders, and contributors to these programs and institutions were still found to exist.

1.8 LIMITATIONS AND DELIMITATIONS

The disciplines of educational theory, business and economic development, and sociology in formation of human capital are among those frequently described as being guided most by one's perspective. As the academic domains within which this study was conducted, an essential limitation of the study was that the objective was not to discover absolute truth. It was expected that many of the findings would reflect individual and institutional constructions of both tangible and intangible components ranging from what content *should* be included in basic business education curriculum to what constitutes a successful outcome in the delivery of and participation in business training.

The positioning of this study within the realm of qualitative research provided another limitation, that of site and participant selection. Described in Joseph Maxwell's *Qualitative Research Design: An Interactive Approach* (2005), sampling is particularly problematic in qualitative research in that it implies a certain representation of the population sampled. The method utilized for this inquiry reflected neither a true probability (or random) sampling nor purely convenience sampling, but instead may be classified as purposeful (Patton 2002) and criterion-based (LeCompte and Preissle 1993) selection. While acknowledged as limiting, this

strategy of deliberately selecting organizations, settings, and participants was nonetheless critical for this study in that the information necessary for analysis simply was not available from other sources and thus adequately achieves the objective of representativeness of the population. A second benefit of purposeful selection is that, despite the intentional inclusion of certain members of the population, it is still possible to achieve a reflection of heterogeneity with defined criterion-based sampling. By defining the dimensions of variation in the population most relevant to this study and "systematically selecting individuals or settings that represent the most important possible variations of these dimensions" (Maxwell 2005, p. 89), I believe a typical data set emerged from which conclusions may be appropriately and adequately drawn.

A third limitation to be noted in the study is that of time, particularly as it relates to current economic conditions and the global development climate within which investments such as microfinance and microcredit plus service programming occur. International initiatives to address poverty and extend development services to the world's poorest citizens are in a constant state of flux, influenced by a multitude of factors ranging from foreign aid fatigue to regional conflicts siphoning off available resources and bandwidth. The data presented clearly denotes the relative conditions of the global economy as it has bearing on microfinance investment and borrower access, and every effort was made to position this snapshot within an appropriate historical and conditional context.

The research has one additional limitation, yet one with the potential to significantly influence the eventual interpretation of data collected; that is, the existence of bias. It is crucial to accurately establish what was and was not the intent of this study in an effort to frame both the methods and objectives of the research as well as clearly articulate what was and was not considered. At the broadest point, the intent of this research was not to determine the inherent

benefit or damage caused by international development efforts such as microfinance. While the debate surrounding this highly charged concept is both meaningful and necessary, I did not intend to suggest that microfinance should or should not continue to expand or even exist; I intended only to present information found to exist in the industry's current state and consider the commonalities which may therein exist. Likewise, I did not suggest to offer data on the challenges MFIs face in the delivery of microcredit plus programs, nor the difficult experiences borrowers and lenders have endured throughout the history of implementation of micro-loan practices. As presented earlier, multiple realities may exist within this consideration and are likely influenced significantly by one's perceptions of globalization and the inequity of economic development resulting in variably defined winners and losers. It is impossible to consider microfinance in general and microcredit plus in particular apart from the issue of globalization, but in doing so one must also acknowledge that the discourse will then necessarily occur within multiple contexts and by application of widely disparate definitions of such terms as success, progress, and sustainability. For example, in the opening reflection wherein I recount an actual experience with a local craftsman in Peru, I may hold a very definition of success linked to profit maximization based upon product differentiation, of progress defined by market share and new markets entered, and of sustainability measured by defined and predictable savings in order to protect against unforeseen risks such as flooding or illness. My Peruvian counterpart, on the other hand, may view success, progress, and sustainability in very different but in equally valid ways centered upon such successful outcomes as available time to spend in other ventures such as fishing or farming, sending his child to school with the appropriate required materials which may have been bartered, and the successful retention of his home and contribution to the local church.

What I suggest as a delimiter in light of the existence of these strongly rooted opinions on the economic, social, and humanitarian impact of microfinance programming is that my choice of a problem statement and research questions was intended to accomplish a specific objective: to determine if commonalities exist in the content and delivery of the curricula used in basic business education in microfinance, in order to help readers understand whether common practice exists and if it contributes to a consistent application of assessment criteria in determining success in micro-lending practices. I, in no way, presume to suggest that other issues do not or will not inform this topic. On the contrary, by an explicit understanding of what the study will and will not cover I intend to present results which could be generalizable to many participants in the field of microfinance, leading to improved practice and borrower success.

1.9 SIGNIFICANCE OF THE STUDY

As will be presented in the following review of the literature, little is known about the development and delivery of basic business education within the context of microcredit plus service programming. A preliminary scan of commercially available curriculum designed specifically for microenterprise training programs resulted in identification of just 8 pre-developed packages for sale to microfinance organizations, all from United States' publishing sources, and many developed in cooperation with existing micro-development organizations. These results are consistent with a report published in 2002 titled *A Guide to Curricula: Training for Microenterprise Development* (p. 18) wherein authors Amy Blair and Erika Malm extensively reviewed 13 micro-enterprise training curricula and found a similar set commercially available at that time. There has been notable contraction within the industry since the time of

that study, however, and more frequently occurring than commercially available curricula are microfinance organizations which offer their training programs and instructional curriculum to other lenders and development organizations for a small fee. These MFIs develop their own training programs in-house primarily for internal use only, but occasionally with the intent to market these programs to other MFIs in order to recoup development and design costs. It is in this application that the potential exists to significantly inform developers and practitioners alike in what may constitute a common practice model for microfinance clients and borrowers. By intentionally considering the commonalities which exist or are absent in the areas of content, delivery, and evaluation, an expanded scholarly understanding may emerge which could then lead to new ways of thinking about borrower's needs for human and social capital formation, not simply the economic capital most clearly apparent in micro-lending patterns.

Another area of potential significance is the consideration of standards; more specifically, the application of standards to educational environments wholly apart from traditionally structured learning environments. There is no shortage of debate in the field of educational theory over the merits of standardization, whether as executed in the classroom or used to structure such broad-sweeping ideals as the Common Core. As the presence or absence of commonalities emerges from this proposed research, the conceptual significance of applied standards in basic business education in micro-lending may both inform and be informed by educational theory on standards in non-traditional learning environments. While not fully generalizable to all educational settings given the external conditions under which these training programs necessarily occur, some benefit may still be realized for, as examples, adult learners, students with insufficient or non-existent preparatory knowledge, or learners in economically conflicted settings. The danger here is that a critical theory approach to this study will inherently

resist efforts toward reductionism, which standards clearly appear to embody in an educational setting. As described, the intent would be to entertain the identification of a common framework within which practitioners would be enabled, empowered, and expected to customize the learning experience for students who will arguably emerge from highly variable and widely divergence backgrounds and frames of reference rather than mandate a fixed set of either content or delivery practices.

Finally, this research holds personal significance in that it contributes directly to my work in international missions and allows me to leverage my working knowledge of business concepts as a professor in higher education. Since my first international mission experience in 2003 and through subsequent experiences over the next 12 years, I have witnessed firsthand what can be achieved with modest economic investment in the un-bankable poor and I have come to fully embraced the belief that access to fair and reasonable credit terms is a fundamental human right. While I cannot and will not argue that microfinance is the panacea to all development challenges, what I can personally attest to is the sustainable personal and community benefit well-run and effectively structured microfinance programs provide in highly problematic areas with little to lose and much to gain. My goal is to make a meaningful contribution to this discourse by an intentional examination of what exists in basic business education in microfinance and from that to propose future research which may benefit the practical application of this service to those who may genuinely benefit from its effective delivery and design.

It would be reasonable to expect eventual outcomes of this research to include a comprehensive set of learning modules which could be readily adapted to various borrower conditions and experiences. Another potential outcome could involve guidance for MFIs in the areas of trainer recruitment, development, and evaluation. One of the most aspirational goals of

this study was with the guided consideration of practice in the design and delivery of basic business education in microfinance, authentic evaluation measures may be developed and deployed allowing all stakeholders access to the information they need to continuously improve. A critical assessment of the effectiveness of these programs is possible with comprehensively designed evaluation techniques, and thus would allow for a more informed discourse regarding micro-financing as a broadly deployed development strategy and its efficacy (or lack thereof) as a tool against poverty. In all of these points of potential application, an appropriate education, well-designed and efficiently delivered, exists as the fundamental concept to be considered by this study and serves as the most critical component of personal significance.

1.10 DESCRIPTION OF CHAPTERS

This study consists of five distinct chapters, all designed to provide a thorough framework of the research I conducted in the area of microfinance and the specific domain of basic business education programming. This opening chapter described the background of the study, indicated the problem statement and purpose of the study, offered specific research questions, and began to develop the conceptual and practical application of anticipated findings. Given the potential significance of this work, great attention has been and will continue to be afforded to the areas of research design, development and construction of an appropriate theoretical paradigm, and guided execution of the research methods as proposed.

The chapters to follow this introduction provide further evidence of both the validity of this study and evidence to support that sufficient technical and epistemological merit was present to justify progression with this research project. Chapter 2 provides an extensive literature review

organized around such concepts as development education, microcredit plus programming, basic business education curriculum, and the recruiting and professional development practices used by MFIs to find and keep quality educators in the field. Likewise, the review of literature considers topics such as the efficacy of education as a microcredit plus service and any evidence to support the promise of education as a means by which micro-lending may be more effective in the long-run. The literature review is presented thematically so that direct application may be realized for how existing scholarship has and does inform the research questions and the proposed methods of data collection in this study.

Chapter 3 presents the specific methodology I have chosen to use for this study, and develops in detail the methods I used for tasks ranging from collection through analysis. I consider such concepts as indicators of quality, the identification of potential areas of researcher bias, and the manner and timing of this study's completion.

Chapter 4 documents the data collected by the various methods described. Here, I present evidence from the content secured from the intentionally-chosen subject organizations as well as interpret reflections from subject interviews. These results are organized and presented in a manner consistent with the methods described, and inform the analysis of each research question specific to the topics of curricula, trainers, and evaluation. The final chapter 5 integrates my conceptual frame and theoretical paradigm, specifically by utilization of a critical theory lens to examine systems of development within the sphere of basic business education. The presentation of my findings deliberately explores the implications for practice in the field of microfinance and ultimately suggests further research into practical areas of deployment and application.

2.0 LITERATURE REVIEW

For nearly 40 years, microfinance has captured the imagination of policy makers and poverty activists as a legitimized method of economic development programming inspired by the fundamental principle that access to affordable credit is an essential human right. The arguments for broadly applied and widely available microfinance lending found early support in both principle and practice among a disparate group of unlikely allies, ranging from the CEOs of the world's largest secular lending institutions to faith-based humanitarian groups driven by evangelical dogma. Advocates keenly focused on women and children's rights saw in microfinance a means by which historically marginalized groups could self-empower and *own* the process of human capital formation by their own hands, while development economists posited that market forces and profits would ensure financial self-sustainability in the microfinance arena, generating a cost-neutral supply of investment funding designed for and directed toward the poor.

Regardless of one's position on the effectiveness of microfinance as a tool to be used fighting the systemic causes of poverty on a global scale, the economic, social, financial, and market impacts of microfinance practice over the last 40 years is largely indisputable. It is estimated that despite this era of financial austerity and close scrutiny of lending practices in developed and developing economies alike, more than 10,000 lending organizations currently provide microfinance loans to more than 200 million working poor borrowers, valued in excess

of US$7.5 billion annually with loans outstanding exceeding US$43 billion (Microfinance International Exchange 2014). These are remarkable values in sheer financial terms, yet even more staggering when considering the average microfinance loan is valued at a mere US$1,026 (Worldwatch Institute 2013).

What is likewise indisputable in the study of microfinance as a development strategy is the volume and breadth of scholarly work driven from the multiple perspectives by which microfinance may be considered and the theoretical frames through which both its practice and outcomes might be investigated. To effectively position the scholarship related to these topics, several dominant themes have been identified and will herein be explored.

This review of literature investigates research focused upon microfinance as a development strategy with specific attention awarded to the unique set of supplemental activities bundled with microloans collectively known as microcredit plus services. Within this set of supplemental and ancillary non-financial services, literature focused on the sub-category of basic business education was explored in greatest depth, particularly as it informs understanding of curriculum, instructors, means of instruction, and evaluation methods.

Recognizing that these works of scholarship influence both policy and practice, this review of literature also provides a summary of research exploring if (or how) basic business education curriculum delivered within the context of microfinance may be considered as a method of development education. The review concludes with a consideration of the literature addressing the use of James Paul (2005), Douglas Kellner (2002; 2008) and Raymond Morrow and Carlos Alberto Torres' (1995) interpretation of the Frankfurt School's development of critical theory as a conceptual frame and philosophical foundation of studies conducted in the social sciences. This approach and its application to mixed methods data collection seems

particularly relevant for this study and its eventual interpretations, thereby providing context for both the research and anticipated findings.

2.1 MICROCREDIT PLUS SERVICES

To effectively position the specific set of services defined as microcredit plus within the more broadly defined and expansively considered discipline of microfinance, one must understand the evolution of what is generally defined as the formal and informal provision of financial services to the poor. Microfinance, though arguably in unsophisticated and unregulated forms, has existed for centuries, likely predating many if not all of the organizations and institutions which now provide these resources to a vast and growing global constituency. While both economic and philanthropic lending programs targeting the urban and rural poor have roots dating to the Irish loan funds in the early 1700s (Hollis and Sweetman 2004; Roodman 2011), microenterprise development as a financial instrument driven cooperatively by commercial as well as humanitarian motives is a relatively new phenomenon. The most explosive global growth in the awareness of and resources committed to microfinance in a contemporary sense is often linked to Muhammad Yunus who popularized the idea of lending small amounts of money to impoverished villages in Bangladesh in 1976 and subsequently received the Nobel Peace Prize in 2006 “for efforts to create economic and social development from below” (Dowla and Barua 2006, p. 22). Robert Christen and colleagues (1995, p. 2) suggest in a study commissioned by the United States Agency for International Development (USAID) to report on “frontier microfinance programs” that the mid-1970s represented the first serious global efforts to formalize financial service provision to the poor and that subsequent years reflected significant

momentum in the growth of both loan values and stakeholders on both sides of the lending equation. Reflecting upon the Christen and colleagues' report, James Brau and Gary Woller (2004, p. 2) further reinforced defining the emergence of microfinance as the time period between the mid-1970s and mid-1980s, noting the pervasiveness and fundamental shift of microfinance during this period clearly reflect "what began as a grass-roots movement motivated largely by a development paradigm [has evolved] into a global industry informed increasingly by a commercial/finance paradigm."

Following this earliest stage of microfinance, the time period defined as the mid-1980s to the late-1990s was characterized by the growing numbers of both lenders and borrowers, and what Brau and Woller (2004, p. 2) note as the "rise of the microfinance industry within historical context." Mutua and colleagues (1996, pp. 179-193) describes this time period as when stereotypes of the poor as un-bankable were shattered, and various lending methodologies demonstrated that it was possible to provide cost-effective financial services to the poor. Microfinance ultimately solidified its place on the global stage in the mid-1990s by riding the wave of social investment for the poor and generating interest with the attraction of doing well by doing good [works]. This powerful appeal, combined with offering donors the potential means and mechanism to alleviate poverty while making a reasonable return or ironically even turning a profit, proved nearly irresistible and as a result millions of dollars were mobilized into microfinance programs and services (Hollis and Sweetman 2004; Hulme 2005; Ledgerwood 1998; Roodman 2011; Sigalla and Carney 2012) in the closing years of the twentieth century and into the pre-recession period of the early 2000s.

Before 1997, few articles existed in academic journals on the topic of microfinance, demonstrating the disconnection between scholarly interest in microfinance and the industry's

development. Since then, literally thousands of articles have appeared in peer-reviewed journals ranging from traditional and widely-read journals such as the *International Journal of Applied Economics* and *Business & Society*, to publications which emerged specifically to provide context to this burgeoning field of interest and inquiry. The *Journal of Microfinance* (published 1999-2008) and *Journal of Development Entrepreneurship* (1996 to the present) are two examples of peer-reviewed journals focused exclusively or predominantly on microfinance or highly-related topics; the *Journal of International Trade and Economic Development* (1997 to the present), in contrast, covers broad, multi-disciplinary topics highly applicable to the microfinance industry along with other articles appropriate to these integrated and immersive disciplines. Collectively considered, there exists no dearth of critically-reviewed publications offering a rich body of research within which to position this examination and from which to glean appropriate context to consider the nuance of specific elements of microfinance in practice (Brau and Woller 2004; Roodman and Morduch 2009).

The above noted shift of microfinance from a development paradigm to a commercial/finance paradigm is an essential point of understanding when a review of relevant literature rests on microcredit plus services as a uniquely defined subset of the microfinance discipline. This shift resulted in an influx of for-profit, commercial providers, many of whom found irresistible the prospects of 90+ percent repayment rates and typical interests rates charged in excess of 30 percent Annual Percentage Rate (APR). These for-profit providers frequently, although not exclusively, focused on the provision of financial services in keeping with their mission of profit maximization and return on investment. There is no indication, however, that either repayment rates or interest rates varied with the widespread entry of these new players,

only that the microfinance industry as a whole had now captured the attention of the global finance and investment community.

While there is no clear evidence of the absolute origin of the term microcredit plus, and many for-profit and not-for-profit lenders claim it as their differentiator, the first consistent use of the term in the literature exists in the Phil Smith and Eric Thurman text, *A Billion Bootstraps: Microcredit, Barefoot Banking, and the Business Solution for Ending Poverty* (2007). While many lenders arguably demonstrated an awareness of conditions both contributing to and resulting from a direct link between an inability to borrow due to poverty and the absence of opportunity (economic or otherwise) as a result of this limitation, Smith and Thurman appear among the first to affirm the point in the literature that poverty involves more than a "lack of money" (p. 77), and that therefore an alternative term was needed in scholarship and practice to "describe the wide variety of extra benefits that are often linked with microloans" and "… explain all types of situations in which poor people access additional services in conjunction with their loans" (p. 78).

Since this initial application of the phrase microcredit plus services, the term has gained broad support among scholars and researchers in the arena of microfinance. Microcredit plus services have become a standard reporting component recognized by international micro-lending institutions as an agreed upon set of services commonly linked to loan terms by member organizations (Consultative Group to Assist the Poor [2009] 2012; Karmakar 2009; Microfinance International Exchange 2014), and numerous scholarly sources use the term without the credit of authorship as a seemingly agreed upon method by which to consider non-financial supplemental services (Karlan and Valdiva 2011; Ledgerwood and White 2006; Roodman 2011; Sigalla and Carney 2012). While the unique expectations and demands of

borrows often drive ingenious patterns of capital acquisition, the supporting services which surround it, and the methods by which borrowers and lenders are brought together by high-technology industry participants such as Kiva and MicroRate, broad categories of 'plus' programs have nonetheless provided a structure by which varying services may be considered and within which they may be examined and positioned in structural context (Ledgerwood, Earne and Nelson 2013).

Returning to Smith and Thurman's (2007, p. 79) model, microcredit plus services may be clustered into four broad categories of practice, accomplishing what the authors describe as "lagniappe," the Creole word for "a little bit extra for the same price." These four categories include services focused on hunger and nutrition, medical care and disease prevention, environmental preservation, and the focus of this examination, business education. While arguably all of the plus services defined within this model contribute in measurable ways to the accumulation of human and social capital along with the accumulation of economic capital through micro-lending, of particular interest to this study is the specific way in which business education, or more specifically basic business education, is designed, executed, and assessed. This distinction between business education and business training is fundamental to the framing of this inquiry, as business training is most often equated with technical assistance which could imply aiding borrowers to become better farmers, craftsmen, or seamstresses (Lensink, Mersland, and Nhung 2011, pp. 3-8). Basic business education specifically infers the development of universal competencies within the business discipline, and with this application a keener focus can be applied to the education programs in practice and the process by which they are designed and deployed.

2.2 BUSINESS EDUCATION CURRICULUM

Recognition that poverty as a human and economic condition involves more than the absence of financial capital has been fundamental to the emergence of research into business education delivered in microfinance. Decades of studies have yielded substantial data on the efficacy of microfinance programs measured by quantitative values such as repayment rates, loan-to-debt ratios, valuation of loan portfolios, and local market degrees of loan saturation (Annim 2012), yet relatively few studies have emerged which focus specifically on the methodologies for delivering business education and their subsequent outcomes.

While limited, this body of research rests upon several basic premises. First, microfinance by its original definition is most frequently extended to individuals for the specific purpose of supporting microbusiness initiatives in emerging markets and the absence of this credit imposes a serious constraint on business viability in economically challenged markets. As such, evidence exists which supports that microfinance does, in fact, improve business performance in developing countries (Armendáriz and Morduch 2010; Collins et al. 2008). Second, despite this evidence of incremental small business success in regions where microfinance is widely available, competitively offered, and programmatically mature as measured by the experience of active lenders, there is growing consensus among all stakeholder groups that a parallel effort to increase human and social capital formation in conjunction with increased access to financial capital must exist for this success to be sustainable over time and transferable to multiple constituencies. Likewise, in order for microfinance to deliver upon the U.N. Millennium Development Goals (MDGs) of eradicating extreme poverty and hunger, achieving universal primary education, promoting gender equality and empowering women, reducing child mortality, improving maternal health, combating HIV/AIDS, malaria, and other

diseases, ensuring environmental sustainability, and establishing a global partnership for development (Clemens et al. 2007), a balanced focused must be present. While many lenders have extensive histories of offering human and social capital formation methods integrated with their lending programs (Aghion and Morduch 2005; Khandker 2005; Maes and Foose 2006; Sievers and Vandenberg 2007), relatively little has been reported of their success in this subset of programmatic offerings due, in large part, to the absence of agreement on methods by which to assess these outcomes.

The third and final premise upon which studies focused specifically on the methodologies for delivering business education and their subsequent outcomes rely is that the availability of credit and favorable lending terms to borrowers who have long been considered un-bankable by traditional lending organizations is insufficient to contribute to measureable and transformative growth (Littlefield, Morduch, and Hashemi 2003; Sievers and Vandenberg 2007). Essential to sustainable enterprise profitability and viability is instruction on how best to use this credit in ways that are appropriate, savvy, and reflecting of contemporary business practice which will provide to the borrower the best possible opportunity to achieve the financial benefits sought as a step toward independence and out of poverty (Rubach, Bradley and Brown 2010). When microenterprise borrowers respond to initiatives designed to provide capital in the form of microcredit, most need or in fact expect this capital to be combined with education and technical assistance tailored to their distinct purpose and reflective of the external environment in which their enterprise will operate (Klinger and Schündeln 2011).

2.2.1 Curriculum Content

Situational realities have a significant impact on the forms and types of microfinance programming offered to a particular community (Bateman 2011; Blair and Malm 2002; Daley-Harris and Awimbo 2011), despite the fact that these programs are increasingly expected as a standard offering by borrowers. These same situational realities substantially shape the processes by which curriculum content is chosen and the pedagogical methods by which it is delivered. Researchers focused on the actual execution of business education delivered as a component of microcredit often choose one particular component of the deliverable and seek ways to either quantitatively or qualitatively measure the extent to which that element is provided to borrowers, by what means, and through the use of which pedagogical practices (Bjorvatn and Tungodden 2010; Chebair 2005; Klinger and Schündeln 2011; Lazar 2004). Certain curricular components appear with notable frequency, allowing for curriculum content to be considered by a taxonomy structured around three distinct areas of focus: literacy, specifically mathematical and financial; entrepreneurial activity, to include such elements as bookkeeping, basic accountancy, and technology skills; and marketing practice, specifically sector and competitive analysis.

2.2.1.1 Literacy

As one of the aforementioned United Nations' MDGs, the international community's response to achieving universal primary education has elicited a plethora of studies and scholarship on the effectiveness of structured educational programs focused on literacy. Leveraged on the development of human capital as measured by one's achievement in the fundamental skills of reading, writing, and numeracy, basic literacy grounds the ideals of microcredit plus services by

its recognition that this stock of knowledge and skills is essential to produce economic value (Ledgerwood and White 2006; Smith and Thurman 2007).

Considered distinctly within the context of microcredit plus services and the curriculum developed to enable borrowers to better utilize the financial capital available to them in the form of micro-loans, numeracy has been further qualified in basic business education to mathematical literacy, defined by Celia Hoyles and colleagues (2002, p. 3) as "the application of a range of mathematical concepts integrated with a detailed understanding of the particular workplace context," following their investigation of the requirements for mathematical skills and understanding in the workplace. They concluded that mathematical literacy is replacing basic numeracy as the minimum mathematical competency required to successfully compete in the marketplace, and that "There is a need to distinguish between numeracy, mathematics skills and mathematical literacy" (p. 4).

Financial literacy, in contrast, reflects a far greater breadth of inquiry and research than does mathematical literacy when considered within the realm of microfinance. Monique Cohen and Candace Nelson's commissioned workshop paper titled *Financial Literacy: A Step for Clients towards Financial Inclusion* (2011, p. 3) was commissioned by the 2011 Global Microcredit Summit in specific response to the shift reflected in micro-lending wherein "financial inclusion and consumer protection [are recognized] as integral to achieving financial stability and integrity." While the definitions for financial literacy vary greatly, and most distinctly between developed country perspectives and those held as relevant by developing countries or emerging markets, a widely held and broadly applicable definition can be derived from the U.S. Government Accountability Office (GAO), offered as:

> [Financial literacy is] the ability to make informed judgments and to take effective actions regarding the current and future use and management of money. It

> includes the ability to understand financial choices, plan for the future, spend wisely, and manage the challenges associated with life events. (U.S. GAO 2011)

When examining the curriculum content for common components of either mathematical or financial literacy, the broadest definitions of these terms should be applied as it is the assigned empowerment of this emergent competency that will contribute most to the borrowers' accumulation of human capital. Cohen and Nelson (2011) explain the objective of financial literacy is financial inclusion, wherein the outcome is reflected in client-centric programming, better access to services, better products and services, and better utilization of the loans made available. Applied directly, borrowers exposed to effective financial literacy curriculum should be more knowledgeable about the way finances are relevant to their lives. This, in turn, may then result in increased savings, more informed choices of financial services available, and the critical selection of financial products (bank accounts, savings products, loan options, etc.) most appropriate for their own situations.

2.2.1.2 Entrepreneurial Activity

A microfinance borrower is by probability either an existing or aspiring small business owner or microenterprise entrepreneur (International Finance Corporation 2013; Roodman and Qureshi 2006; Worldwatch Institute 2013). As such, one of the premises upon which microcredit plus service offerings are grounded is the idea that most micro-borrowers will use the financial capital they secure in the form of microcredit loans for investment in a small enterprise. The nature and scope of these microenterprises varies greatly by region and geography, and may encompass a broad range of product and service offerings reflective of traditional economic practices in the surrounding area or an emerging opportunity as a result of globalization. While the outputs of these microenterprises are as vast as the economic communities which will ultimately consume

them, the inputs of production of these products and services reflects a fairly standard set of factors both physical (raw materials, supply factors, etc.) and experiential (basic accountancy, profit modeling, etc.). One factor that has an extraordinary effect on the viability and success potential of the enterprise is the principal's level of business acumen or experience in running a self-sustaining operation.

The importance of this skill set on the attainment of both quantitative and qualitative measures of success appears to be reflected in the curriculum developed and used by microfinance lending institutions of all three operational categories of lenders (nongovernmental organizations, non-bank financial institutions, and banks). In response to the increasing likelihood that microfinance institutions would, in an effort to develop the human capital of micro-entrepreneurs in conjunction with the extension of financial capital, include some form of operational business training with microloans, Dean Karlan and Martin Valdivia (2011) studied the impact of business education on microfinance clients and institutions in Peru. Specifically, the study considered the entrepreneurial training materials and practices used with a randomized control trial group of women micro-borrowers and compared them to other entrepreneurship training used around the world by other "credit with education" (2011, p. 510) models.

Karlan and Valdiva's (2011) study is particularly important to the research analyzed here in that it provided the model by which researchers to follow would consider entrepreneurship training and practical skills development initiatives bundled with microcredit plus services. Although the findings of the original study revealed "little to no evidence of changes in key outcomes such as business revenue, profits, or employment" (pp. 519-523) as a result of participation in entrepreneurship training sessions, the research nonetheless observed business knowledge improvements leading to further studies of control groups in the field. One possible

explanation could center on the high context nature of micro-entrepreneurship; others on the absence of assessment tools capable of collecting data within these multiple contexts. Studies to follow the Karlan and Valdiva research more discretely considered content, points of business competency, and the skills development components necessary to foster an interactive learning environment utilizing adult learning techniques to teach entrepreneurs what they need to compete in a changing economic environment. With this evaluative model in place and a corresponding benchmark of business training materials developed by internationally recognized microfinance institutions such as FINCA and Freedom from Hunger available to researchers, the study of entrepreneurship training advanced with several notable studies. Many of these studies either compared themselves to or sought to contrast specifically with the original Karlan and Valdiva study (Arrivillage, Salcedo, and Pérez 2014; Bjorvatn and Tungodden 2010; Klinger and Schündeln 2011), providing further evidence of the importance of the initial work in this curriculum content area.

Many of the investigations into business education and entrepreneurship training leverage empirical studies which support the idea that microfinance can improve business outcomes (Aghion and Morduch 2005; Collins et al. 2008; Islam 2007) and likewise that business development education improves microenterprise performance and micro-entrepreneur empowerment (Cook et al. 2001; Edgcomb 2002; Dumas 2001). Without reliance on this underlying premise, it would be difficult to objectively consider the content delivered in these educational programs or to assess the skill development, planning, and personal preparation entrepreneurs are expected to achieve in order to compete in an increasingly complex and sophisticated global economy. While these programs continue to vary greatly in duration, subject matter, and teaching methods, the most commonly evidenced content tends to fall under three

functional headings: business management, to include such elements as record keeping, costing and pricing, and operational tactics; supply chain management, which may include keeping stock, materials inventory, and cooperative or collaborative partnerships with other small businesses; and personal effectiveness, or understanding the personal qualities and behaviors necessary to start and operate a business.

2.2.1.3 Marketing Practice

Business education curriculum content specific to marketing and sales emerged later in the practice of including business education with microloans and appears to be linked much more closely with the globalization of markets and the ensuing pressures of commercialism. While arguably a sub-category of entrepreneurial activity in that it addresses a specific functional area of an enterprise's operations, curriculum content directed toward marketing and sales practices appears much less frequently in the research although enterprise sustainability is admittedly dependent on it.

The limited literature on the structured content of marketing practice education in microfinance curriculum seems inconsistent with the inclusion of it in programming. Blair and Malm (2002) identify marketing and selling as unique curriculum content in their analysis of thirteen business training curricula available to the microfinance industry in the late 1990s and early 2000s, finding that every commercially available training package analyzed included a marketing and selling content area. Only pricing analysis and budgeting content appeared with the same frequency as marketing and selling in the packages considered. Karlan and Valdiva's (2011) benchmark for business education training materials is also revealing in this context, as it identifies marketing as a unique topic of instruction albeit within the frame of teaching entrepreneurship. Curriculum content in marketing practice is broadly described as the process of

identifying customers, developing promotional strategies, understanding the marketplace, and assessing the presence and strength of competitors.

One potential explanation for the limited research conducted to examine marketing practice curriculum content in microfinance may be that market development and deployment strategies often fall under the category of technical assistance and training rather than business education (Ledgerwood and White 2006). Not to be confused with technical assistance programs offered by international organizations so that the internal processes of MFIs can be improved in areas such as risk management or information systems, technical assistance and training extended to micro-borrowers is typically centered on the tactical skills required by the micro-entrepreneur to successfully create and deliver a good or service appropriate for the marketplace.

Curricula inclusive of marketing and sales intentionally develop the practice of creating appropriate conditions for customers to purchase the microenterprise produced product or service (Malhotra, Chen and Crisculol 2007). Recognizing that marketing includes all business activities involved in the flow of goods and services from the point of initial production until they reach the final consumer, skills in marketing are needed by those who own and run micro-enterprises whether they provide a physical product or perform a service (Chebair 2005; Ledgerwood and White 2006). Microenterprises are unsustainable unless they get paying customers; therefore, the effectiveness of business education programs appears inextricably linked to the provision of this content as a central program component.

2.2.2 Instruction

Those who are charged with the task of providing basic business education instruction to micro-borrowers are variously known by the titles of facilitators, teachers, trainers, instructors,

educators or program leaders. These individuals are typically those having the greatest degree of direct contact with borrowers and, as such, are best positioned to assess the external environmental conditions affecting the micro-entrepreneur. In many cases, facilitators spend extended periods of time or are permanently stationed far afield from either the global headquarters or even the regional management offices of the microfinance institution and in doing so fill multiple roles within the organization. The local trainer may be the office manager, the recruiter, the collector, and even the loan officer. Often they are volunteers, and frequently they have emerged from the local community having successfully participated in past micro-lending arrangements. When evident, these locally emergent teachers are uniquely positioned and regarded as one in the community to whom others look up, holding a voice of authority and credibility in all facets of lending matters.

The delivery of basic business education in microfinance is more than simply providing the requisite information and hoping that the audience may glean from it what they need. This is true in any educational context, but even more true in the arena of microfinance where many, if not most, of the borrowing clients are textually and numerically illiterate, have no experience either starting or running a business, and may have extenuating circumstances exerting unknown pressures on family, health, safety, and the general ability to thrive in the current situation. David Roodman and Uzma Qureshi (2006, pp. 31-33) suggest an essential factor of success for business education programs is when collectively the lending institution and local facilitator create an "enabling environment" wherein positive feedback loops aid in the recruitment of trainers and borrowers through which both fully realize value in the structured knowledge transfer of business skills. Trainers, therefore, must themselves be trained in the various ways learners learn,

and prove most effective when provided with the tools necessary to facilitate learning and deliver content.

2.2.2.1 Instructors

The instructors of business education in microfinance lending programs face the extraordinary task of not only holding multiple roles within the organization (trainer, lender, collector, advisor, etc.) but also of filling multiple roles within the scope of education as part of the microcredit plus solution offered to the community (Chebair 2005). They are, initially, a facilitator responsible for helping students understand the material using whatever techniques necessary to transfer the skills deemed critical for long-term and sustainable success. Second, they are the teacher, tasked with the responsibility of presenting a core of information, occasionally of abstract meaning but frequently of limited exposure, in order to fulfill the mission of the lending organization and often the expectations of the donor community from whom funding has originated (Ledgerwood, Earne and Nelson 2009). And third, the trainer is also the expert, the one to whom expectant and inexperienced borrowers look for guidance and direction (Blair and Malm 2002). It is no wonder "finding and keeping good trainers is a huge challenge for most microenterprise programs" (p. 10), and that a best practices approach to training delivery has been so elusive for the microfinance industry.

Several international agencies and established microfinance institutions have developed structured 'train the trainer' programs which have contributed to the legitimacy of facilitators as an essential component in microloan programming. One particular program noted with high regard in the industry is that offered by ACCION International in which instructors and those who manage field education programs learn how to facilitate experiential and adult learning principles to "maximize learning and add value to the borrower" (Accion 2014). Other programs

designed to provide professional development to instructors are available from the World Bank, International Finance Corporation, Asian Development Bank Institute, USAID, and the Peace Corps (Preparing for Work 2014). There are, however, limitations to these programs and their effectiveness. It is important to note that not all trainers have access to professional development programming, not all lenders demonstrate an expressed value in trainer development, and often trainers are chosen not for their skills as educators to respond to the needs of the students but for their connection with the objectives of the lender. Different populations of borrowers will inevitably respond differently to different types of trainers (Bjorvatn and Tungodden 2010; Chebair 2005). Evidence suggests, however, that trainers are selected and assigned not based upon their abilities to connect with borrowers as students but instead upon their adoption of the lenders' objectives as the priority of the educational program.

2.2.2.2 Pedagogy

Despite the increasing likelihood that a micro-borrower will either voluntarily or by mandated condition of a loan take part in some form of business education, there is no broad body of research into the pedagogical practices of trainers responsible for the delivery of this curriculum content to borrowers as students. The models of pedagogy that have emerged, particularly since 2006, integrating education and microfinance and which have been evaluated in various studies are most often focused on health education or life skills rather than business education or entrepreneurship skills (Arrivillaga, Salcedo and Pérez 2014). Certain pedagogical practices in microfinance can be discerned, however, from the literature by examining studies conducted to report on the impact of business education on microfinance clients (Bjorvatn and Tungodden 2010; Karlan and Valdiva 2011; Klinger and Schündeln 2011). In these studies and by

investigation of those upon which these were based, patterns have emerged with regard to the pattern, duration, frequency, and methods employed in business education in microfinance.

Blair and Malm's *A Guide to Curricula* (2002) also provides a useful framework to explore the role of trainers in microenterprise development, suggesting most curricula and programs have "explicit philosophies about the role of the trainer in facilitating learning or delivering content to students" (p. 10). The implied challenge of this framework is reflected in the broad set of objectives held by lending organizations; for example, a lender aspiring for social impact would use different curricula and expect a different pedagogical practice than one purely seeking a commercial return on investment. If a program chooses a curriculum that is compatible with one desired teaching style based upon a particular outcome, this naturally translates into an equally prescribed set of pedagogical practices driven not by the needs of the student but by the objectives of the lending organization. While not specifically identified as a unique point of inquiry in studies comparing client-centric micro-lending programs with commercially-driven practices (Barua and Sane 2014; Frisancho, Valdiva and Karlan 2008; Perez, Gonzalez and Aaronson 2011) one can easily interpret pedagogy as an area of microcredit plus service delivery in which programs should assess borrowers' needs first, then determine the type of trainer who could best achieve mutual benefit for borrower and lender, and finally choose (or develop) a compatible curriculum suitable for all invested stakeholders. It is important to note this trend is not apparent in the literature nor does it anecdotally appear as a dominant practice in the industry.

2.2.3 Evaluation

The evaluation of business education delivered as a component of microfinance as a multi-tiered and multi-dimensional development strategy is hampered by the same competing and overlapping conditions which limit the assessment efficacy of any development strategy. The absence of supranational oversight, inconsistently applied assessment criteria, divergent programmatic and pedagogical objectives for economic versus social growth and persistently unstable or unreliable education infrastructure in targeted countries of focus all contribute to a diminished capacity to evaluate microcredit plus education programs over time (Clemens et al. 2007). This is not to say that the delivery of basic business education in microfinance is without merit or measurable success; on the contrary, substantial data exists supporting both the attainment of social objectives and economic efficiency of microcredit plus programs both in the short- and long-run when business education is delivered as a standard programmatic component (Ahlin, Lin and Maio 2011; Annim 2012; Sigalla and Carney 2012). What is contested most frequently in the literature are the dominant narratives and underlying premises of the organizations participating in the provision of education as a microcredit plus service and whether their definitions of success support or marginalize the industry's original mission.

Broad-based assessment of the overall performance of microfinance institutions has been highly critical in recent years, with many studies suggesting that not only do microfinance lending programs fail to achieve the miraculous poverty reduction goals reported or advertised, but in certain situations the outcomes have actually resulted in a negative impact for both the borrowers and their communities (Hulme and Arun 2011; Hulme and Maitrot 2014; Kinetz 2012; Kumar 2012). In what has been described as innocently as "mission drift" (Ledgerwood, Earne

and Nelson 2013, p. 17) or as critically as “the [industry’s] loss of a moral compass” (Hulme and Maitrot 2014, p. 6) microfinance as a development strategy is under scrutiny from many vantage points and the reported results are indeed troubling. Widely reflected performance indicators most commonly reported by all categories of microfinance institutions reflect a concerning trend toward commercialization, the inclusion of ancillary financial services (credit cards, insurance, etc.), higher interest rates, more aggressive collection techniques, and a shift from the inclusion of so-called “plus” social impact programs to exclusively offering financial instruments capable of making an economic return (Bédécarrats 2011; Ledgerwood, Earne and Nelson 2013; Rosenberg 2009; Zacharias 2008).

When examining the evaluation of business education delivered in microfinance, assessment methods should be considered as they apply specifically to the educational outcomes. The difficulty emerges when educational outcomes are either linked to or reported as social impact and thereby impeded by the same limitations. Brau and Woller (2004) suggest the difficulty and cost inherent in assessing social impact are such that most MFIs do not even try to assess social impact. This is also true of business education outcomes. While several studies have attempted to create evaluative models for assessing the inclusion of non-financial services with micro-loans, few have specifically identified business education in microfinance as the defining parameter. David Hulme’s article (2005, p. 5) suggests an impact assessment model by use of impact chain analysis, wherein he argues defined “links” would prove helpful in making the distinction between cause and effect in educational delivery. This model has been questioned by other researchers who instead have proposed empirical analysis of the correlations between borrower-level factors such as participation in business education programming and prior expectations (Custers 2011; Duvendack et al. 2011; Schicks 2014). Others still hold to the Karlan

and Valdiva (2011) framework wherein participation and performance are measured jointly by incentivized questions designed to ensure the participant/student puts genuine effort into his or her responses (see, for instance, Bjorvatn and Tungodden 2010).

Considered collectively, these programs and models for the evaluation of business education as delivered in microfinance provide the opportunity to study new linkages between the design of curriculum, methods of pedagogy, and invested participation of facilitators and participants alike. The approach of combining business education with the assessment of a lending institution's social impact is neither appropriate nor informative to efforts to improve human capital formation simultaneously with financial capital. Only by developing methods to understand the impact of business education on borrowers as a uniquely defined and separately measured outcome can the practice be informed by and ideally improve as a result of experiential and empirical consideration rather than anecdotal and case-specific reflection.

2.3 DEVELOPMENT EDUCATION THEORY

Comparative, international, and development education research continues to be criticized for the absence of a dominant theoretical paradigm by which studies into complex and varied global education systems may be considered. Despite this perceived weakness, it has been argued that the very absence of theoretical mandate is not a limitation but instead strength of this academic field, allowing multiple disciplinary perspectives to inform both the design and interpretation of studies intended to consider dissimilar educational systems (Jacob and Cheng 2005). As a unique category within the field of educational practice and research, development education seeks to "create a synergistic atmosphere of cooperation and sharing of knowledge, skills, and

technology" (p. 233) while "maintaining cultural elements that are essential for their respective beliefs, traditions, and customs" (p. 233).

Drawing upon foundational work in the field of comparative, international, and development education, Jacob and Cheng (2005) offer a method by which to consider the field based largely upon Rolland Paulston's (1992) paradigm mapping model and Morrow and Torres' (1995) framework for the analysis of social theory. Given the parallels in both design and practice between development education and basic business education in microfinance, it can be argued that developmental education modeling and mapping may therefore be applied between these disciplines to provide both context and structure to a research agenda into the design and delivery of education as a microcredit plus service.

While the dominant models of development education in practice do not specifically address basic business education delivered in microfinance as a traditional delivery mechanism, scholarship within this specific field of educational research would suggest that this investigation would benefit from consideration of these perspectives. The availability and design of basic business education programming in microfinance affects a borrower's development of financial and social capital in a variety of ways, many of which align with the pressing goals of development education. Issues of curricular relevance, requirements of participation, and program constraints impact a borrower's decision on whether to agree to the terms of a microloan and, if so, what ancillary services to engage, much like international oversight and funding conditions impact development education policy and practice in emerging markets. The development education research considered here will allow the conceptual framing of the relationship between the decisions of microfinance lending institutions to determine the parameters of what, when, and how basic business education will be delivered in microfinance,

and the response of borrowers to engage as students by drawing upon the apparent parallels in these fields of educational research.

Michael Crossley and Keith Watson's (2003) model, supplemental to that offered by Jacob and Cheng, provides a useful framework within which to consider basic business education as a component of development education, where they define as essential a multi-disciplinary and diverse approach to international and comparative education in development applications. With specific focus on research methods, several studies in comparative and development education by Clive Harber (2002; 2006) and Keith Watson (1999) likewise proved valuable in framing consideration of the often disparate experiences of lenders and borrowers in these situations. The criteria which position individuals as potential micro-borrowers necessarily define them as members of a population for whom development education is intended to serve. As noted throughout the literature, though, the experiences of borrowers do not always align with the intended purpose of basic business education as defined by lenders, just as the outcomes of development education often reflect the purposes of practitioners, policy makers, and international agencies rather than the constituencies served (Bray 2007).

2.3.1 Definition of Purpose

Microfinance institutions (MFIs) are businesses, charged with conducting operations in a way that allows them to function efficiently, cover costs, earn returns, attract lending capital, and ideally scale up in order to offer microloans to a wider audience in regions and communities in need. Regardless of the origins of the lending capital or the stated measures of success of the organization, MFIs are institutionally sustainable only when financially self-sufficient or at least operationally self-sufficient, indicating that they generate returns at least adequate to cover daily

operations. This mandate for commercial success may seem at odds with the essential reason for which many MFIs came into existence in the first place, which is to have a positive economic and social impact on borrowers and their communities. This potentially conflicting mission of financial and social agendas in microfinance is not unlike that evidenced in development education (Crossley and Watson 2003; Bray, Adamson and Mason 2007) whereby global agendas and international development cooperation at times seems incongruous with the needs of individuals and communities it was designed to assist.

For those in a position of affecting the content, execution, and evaluation of basic business education in microfinance, consideration of the challenges faced by those examining the content, execution, and evaluation of development education may provide a parallel insight. Those delivering the development programming, whether education as a component of micro-lending or as a resource deployed as a public good, have a responsibility to see that the provider's (lender's) actions do not have a negative impact on the development of poorer countries, especially when the intent is to achieve "good" (Bown 2006). A second responsibility could be suggested that development programming ensures that opportunities for health, knowledge and prosperity are equally open to all, so that poverty is reduced for all women and men, in minority communities as well as in majority ones. In order for this to happen, development education theory would suggest only by an essential understanding of the issues underlying the practical (operational) needs currently unmet can programs exist in a sustainable way which accomplish the purposes of all stakeholders involved.

2.3.2 Evidence of impact

The parallels between basic business education in microfinance and development education programming continue in that both have been collectively considered as a "key policy and programme intervention for poverty reduction and 'bottom-up' local economic and social development" (Bateman 2011, p. 1). Likewise, both have been widely criticized for failing to deliver the economic and social returns originally promised while degrading into a mechanism by which supranational institutions dictate content and report success by a self-serving assessment model. Some researchers argue the potential for economic development through the expansion of human capital once thought possible in microfinance as well as development education has been replaced by dependency and socio-economic reproduction favoring the wealthy and further marginalizing the poor (Harber 2006).

The emergent proliferation of basic business education programming in microfinance has provided once disqualified poor borrowers the opportunity to both secure a microloan and learn practical skills in entrepreneurship, financial literacy, and marketing to make use of these loans. Development education theory can inform research into this area of study by drawing upon "a diversity of research approaches" and "highlighting the ongoing significance of cultural and contextual sensitivity" (Crossley 2008, p. 363) equally necessary in these objectively similar methods for achieving human capital formation in poverty reduction programming.

2.4 CONCEPTUAL FRAMEWORK – CRITICAL THEORY

This research study seeks to understand the relationship between the curricular components of basic business education delivered in microfinance and the learning outcomes realized by participants in these programs. As the preceding literature review suggests, multiple influences impact the content, delivery and evaluation of this specific type of education, and these concepts were essential in the determination of the conceptual framework for this study. The inclusion of basic business education with microfinance lending is intended to elevate the outcomes realized by micro-borrowers by focusing on human capital formation cooperatively with the extension of financial capital. In order to determine the effectiveness of these programs, the breadth of research considered in the literature review indicates that these programs need to be considered using a multidisciplinary approach whereby intent may be considered alongside methods of delivery, and interpreted definitions of success may exist in multiple realities. It is important for leaders in microfinance lending to understand the impact of varied influences in relation to the development of educational programs to be delivered as a component of loans, and to appreciate the ways in which the actors themselves affect both inputs and outcomes.

The choice of critical theory as a conceptual framework is grounded in James Paul's (2005) definition of "social theory that is concurrently self-reflexive, practical, normative, and explanatory. A critical researcher attempts to uncover the dynamics of power and ideology of institutions, texts, or relationships and promotes awareness and emancipation" (p. 329). The application of critical theory to research in basic business education delivered in microfinance, therefore, rests squarely on this praxis of critique and improvement, or the idea that critical theory will allow for the interpretation of practices and results which may appear to be negative yet allow for suggestions for positive change as a result.

It is this transformative positioning of critical theory that would seem of greatest appeal to development researchers in education, to include those conducting inquiry in the delivery of basic business education in a selected context. Donna Mertens (2015) offers that transformative researchers (i.e., critical researchers) "consciously and explicitly position themselves side by side with the less powerful in a joint effort to bring about social transformation" (2015, p. 21). The application for those seeking to inform development policy and practice (to include microfinance programming) with research grounded in a critical theory transformative paradigm is that essential characteristics of research in this frame should lead deliberatively to political and social action. Critical theory-guided research seeks to understand how and why inequities exist, and whether these inequities are reflected in the way programs designed to aid the marginalized are designed and executed.

In her consideration of paradigm shifts in comparative education, Elizabeth Holmes (1984) seems to argue for a critical theory paradigm in development education by stating that the aims of education may be child-, society-, or knowledge-centered, but in all cases education should "benefit society by promoting economic growth, by sustaining democratic forms of government, and by helping to maintain peace" (p. 597). Kellner (2002; 2008) likewise positions critical theory as a valid social theory paradigm specifically within the realm of globalization. He explains that:

> the critical theory of the Frankfurt School continues to provide theoretical and political resources to draw upon to create theories and politics adequate to the contemporary era, an era of upheaval, unpredictability, utopian possibilities, authoritarian horrors, the resurgence of the radical right, and as yet unforeseen crises and openings for social transformation. (Kellner 2008, p. 1)

Placed within this research agenda, critical theory as explained by Morrow and Torres (1995, p. 21) clearly applies to an examination of basic business education in microfinance by forcing a research design which "stresses the multidimensionality of power relations and the role

of agency and social movements in social change." If the inclusion of education with micro-lending is increasingly deemed as essential for the formation of human capital, and more lenders than ever before are extending the opportunity for micro-borrowers to take part in educational programming (Aghion and Morduch 2005; Khandker 2005; Maes and Foose 2006; Sievers and Vandenberg 2007), it is reasonable to assign a conceptual framework such as critical theory to flesh out the concepts of multidimensionality, power relations, and agency in the way these programs are constructed and evaluated. James Copestake and colleagues (2010) use critical theory to design and interpret evidence of the impact of microcredit on the incomes of the poor, as do Robert Lensink, Roy Mersland and Vu Thi Hong Nhung (2011) through their investigation of the effectiveness of microfinance institutions to offer anything but financial services.

The value of critical theory in consideration of business education in microfinance is its employment of social and cultural criticism to reveal and challenge sources of inequity or oppression, as well as determine the methods by which data may be collected and results interpreted. Both Jeffrey Sachs (2005) and Ananya Roy (2010) in their specific examinations of microfinance as a development strategy employ critical theory as the lens by which they conduct a social and cultural criticism of microfinance as a failed development strategy due, in large part, to the absence of awareness on the part of microfinance institutions and the international agencies which guide their practice of what the marketplace genuinely needs and where the corruption of power has eroded the original intent of so many organizations. Christopher Coyne (2013) in his text *Doing Bad By Doing Good: Why Humanitarian Action Fails,* while not specifically critiquing microfinance programming, instead considers all humanitarian action through a critical theory frame arguing that at times we do the most harm when we are seeking to

do good if the policy and practice are not guided by the contemporary and historical realities of the affected group.

Education in its many forms is frequently associated with development, and likewise as an indicator of the opportunities to create human capital, albeit in pursuit of further economic growth. The scholarship of critical theory, with its concern over the status and prospects of marginalized groups, represents an important thread in this line of inquiry. By using critical theory as a lens by which to consider both programmatic design and intended outcomes, microfinance practitioners may be able to better inform policy makers of how best to apply critically determined processes in resistance to programs which do not best serve the needs of the targeted population, and in support of those in a position to positively influence outcomes.

2.5 CONCLUSION

Research on the delivery of basic business education as a program component of microfinance has evolved from generalized conceptions attempting to define what can or should be imbedded as ancillary services to improve the efficacy of micro-loans, to multidisciplinary critiques over the corrupted intent of lenders to simply sell more to those who can afford the least. While there is little research on the specific outcomes of basic business education in development of necessary skills sets to achieve a defined level of entrepreneurial competency, research can provide guidance on what competencies should be expected among micro-borrowers both in terms of what is necessary to compete in an increasingly globalized marketplace and what is needed to overcome inequities, imbalances, or oppression which has disenfranchised these individuals and communities from participation in economic opportunities. By viewing the

literature through the lens of models and methods designed to objectively report on specifically defined outcomes and to then understand the unintended consequences of many lending programs, it is interesting to observe the multiplicity of actors, intentions, program components, measurement criteria, and assessment reporting of microfinance as a confirmed development phenomena.

3.0 METHODOLOGY

In order to investigate the commonalities found in the curriculum content, instructional practices, and evaluative measures used in basic business education programming delivered in microfinance this study employs a sequential mixed methods design. This chapter discusses the process used to accomplish the research using these methods.

3.1 INTRODUCTION

This study focused upon the design, execution, and evaluation of basic business education conducted in a specific and highly contextualized setting, namely as a component of microcredit plus services offered to borrowers by microfinance institutions. Falling within the tradition of qualitative research, the methods used are appropriate to the structure of this type of study as they are "designed to provide an in-depth description of a specific program, practice, or setting" (Mertens 2015, p. 236). Many factors led to the determination of this method of inquiry, most compellingly that qualitative research offers a wide range of tactical methods, subject selection strategies, interpretive positions, and possible conclusions, all consistent with the critical theory frame by which the collected data was ultimately considered and interpreted.

Qualitative methods are arguably best applied to this study for practical reasons as well, in that the research questions described seem to suggest the need for a pragmatic and interpretive

stance. Michael Q. Patton (2002) identifies types of research questions for which qualitative methods are most appropriate, including among them when the focus of the research is on the process, implementation, or development of a program, and when the intent of research is to understand the underlying theories of a given program as they inform actions leading to desired outcomes. The basic business education programs investigated here required research grounded in the same humanistic values upon which the programs themselves were founded, thereby mandating a structure providing for personal contact and situational interpretation which would be difficult to achieve with quantitative methods.

Norman Denzin and Yvonna Lincoln (2011) describe qualitative research as a "situated activity that locates the observer in the world" (p. 3). By application of methods designed to assign some order to phenomena which exist in a natural setting, and to interpret that phenomena "in terms of the meanings people bring to them" (p. 4), qualitative research applied by a transformative critical theorist frame allowed for the discovery of influences at work in how basic business education is delivered and whether the outcomes genuinely achieve desired goals for lenders and borrowers alike. The intent of this research was to objectively consider individual elements of microfinance, specifically basic business education delivered in microcredit plus arrangements, as the multidimensional conditions they are and for the broadly diverse audiences they serve. The qualitative research methods used are philosophically post-positivist in that they allow for multiple realities and assume the data collected is necessarily affected both by time and context. As the researcher, my singular focus was on the application of justified evaluative methods which supported the theoretical paradigm used for this study. By necessity, the data collected needed to provide for rich descriptions which emphasized the importance of interpretation in both collected content and subject interviews. While I offer some quantitative

data specifically as it relates to rates of occurrence of particularly considered elements of basic business education curriculum and pedagogy, the majority of this study was concerned with analysis and interpretation of program content, practice, and evaluation.

The following sections of this chapter detail the specific characteristics of this study in order to fully develop the research design, applied data collection methods, process of data analysis, researcher bias, and the limitations of this research.

3.2 RESEARCH QUESTIONS

To address the existence of commonalities in basic business education curriculum delivered through microfinance this study identifies three research questions in support of the central problem statement. The problem to be informed by this research and its findings is that there is a need to better understand how basic business education conducted as a microcredit plus service is designed, delivered and measured. By focusing upon these components in a deliberate research initiative, the potential exists to understand how any commonalities which may exist could contribute to the development of industry best practices and if those practices may produce more intentional outcomes of human and social capital accumulation.

The three research questions are as follows:

Research Question 1 – What commonalities exist in the basic business education curriculum content designed and used by microfinance institutions within the practice known as microcredit plus? Not since the Blair and Malm study in 2002 has there been a thorough comparative examination of the curriculum content offered by microfinance lending institutions. While a number of studies were considered in the review of literature which identified specific

categories of instructional content, no recent research has considered each of the defined functional areas to include content in financial literacy, entrepreneurial activity, and marketing practice. The emergence of a data set to support interpretive conclusions in this area offers an important grounding point from which to consider the research questions to follow. By examining instructional materials, syllabi, and program descriptions, this study identifies and describes the curricular content commonly found in the curriculum used by microfinance lenders for borrowers in these programs.

Research Question 2 – What common practices exist in the recruitment, training, evaluation and pedagogy of field instructors responsible for the delivery of basic business education curriculum delivered as a microcredit plus service? Few reviewed studies considered the role of the instructor in educational programming offered as a component of microfinance lending practices, with a very limited set considering the practices of instructors and how they are assigned. Several studies of note in this area were Eliana Chebair's (2005) analysis of ACCION's business training program for borrowers in Chile; Veronica Frisancho, Dean Karlan, and Martin Valdiva's (2008) research with FINCA borrowers in Peru; and Kjetil Bjorvatn and Bertil Tungodden's study with PRIDE Tanzania (2010).

Beyond exploring if instructor preparation programs exist, this component of the inquiry was designed to investigate how educators directly contribute to effective educational practices in the field. Study within the context of this research question relied heavily upon the personal reflections of instructional professionals within the field of microfinance, specifically Directors of Trainers who hold responsibility for the recruitment of field-assigned instructors of basic business education, and subsequently their professional development and evaluation. These reflections were solicited and collected by means of a semi-structured interview script (Appendix

A) designed to elicit responses specific to the experiences of educators as an essential and inseparable component of curriculum delivery. Interviews were conducted both in person as well as remotely by telephone or web conference in order to capture sufficiently rich data across a spectrum of lending institutions. By developing a more broadly considered understanding of the criticality of instructional practice and pedagogy on the outcomes of educational programming in microfinance, an aspirational outcome of this research is that lenders may adopt a more structured process of professional development for these essential stakeholders wherein they are empowered to adapt field practice to the conditions they experience firsthand.

Research Question 3 – In what ways do the evaluation and reporting practices of microfinance institutions align with the successful accumulation of human capital through basic business education which has been specifically designed to further economic capital formation? Microfinance lenders are required in many cases by law and in all cases by stakeholders to report on a variety of outcomes derived from the direct application of lending practices. These reporting structures take the form of annual reports, financial performance indicators, and industry association publications wherein specific measures of success are defined and interpreted. In situations where microfinance lenders are reporting successful outcomes, the final element of this inquiry explored assessment and the measurement criteria in order to understand if or how reports of success may provide direction and evaluation models for other similarly designed programs. Of particular interest was the alignment of reported success within or across a variety of measurement criteria and the educational practices discovered in Research Question 2 (described above). For example, was there a correlation between a lending institution's reported measure of repayment rates and the presence of a formal and rigorously deployed "train the trainer" program? Can incremental borrowing after an initial loan repayment be attributed to

educational experiences? While this particular study was not intended to be exhaustive across the full spectrum of global microfinance lenders, data collected through the previously described semi-structured interviews proved extremely valuable as the interview data allowed for multiple constructions of success as defined by various participants in the microcredit plus services program which could then be compared extraneously to published measures of success.

3.3 METHODOLOGICAL APPROACH

Two forms of qualitative research methods were selected and will be described here along with their respective application and rationale for selection in this study. Given the intent to analyze relationships, both content analysis and semi-structured interview methods were utilized.

3.3.1 Content Analysis – Justification of Method

Content analysis is defined as a "research technique for making replicable and valid inferences from texts or other meaningful matter to the contexts of their use" (Krippendorff 2012, p. 24). In practice, content analysis is both a method and a strategy in that the selection of the 'meaningful matter' must reflect both a systematic and objective process in order to provide the factual basis, insight, and understanding intended by this qualitative research practice. As a leading expert in the field of content analysis, Krippendorff has written extensively on the application of this method to research in the social sciences, calling attention to a number of beneficial attributes available in content analyses which were particularly relevant to this study (1980, 2004, 2012).

First, content analysis was unobtrusive to the program, process, or participants involved in basic business education delivery in microfinance lending. This is clearly important to both the integrity of the research process and validity of the data as the matter to be examined was necessarily provided in textual and electronic formats separated from those by whom it was designed, through whom it was delivered, and for whom it was provided. This separation likewise provides for access to the documentation longitudinally, allowing for secondary or even tertiary analysis as additional research questions emerge from the initial study. Secondly and closely related to the first attribute, content analysis allowed for highly unstructured matter to be considered as data regardless of the varying and inconsistent forms by which it was collected and presented (Holdford 2008). The curriculum content, program descriptions, professional development training processes and outcomes reported by the subject microfinance institutions varied greatly in their structure and composition, requiring the researcher to create appropriate models of assessment in order to find commonalities among the information provided by the subjects.

A third benefit of utilizing content analysis as a research method was that content analysis is "context sensitive" (Krippendorff 2012, p. 46), suggesting it as a particularly impactful method intentionally chosen for its application to critical theory and the necessity to consider context in the interpretation of both agency and relevance. Content analysis, by its process of unitizing the static data within the fluid environments and conditions within which they are deployed, allowed the researcher to discover the ways in which various elements in the data relate to and shift away from each other. The potential to develop this type of connection between the data and its source proved especially insightful.

The final attribute of content analysis which supported its application to this research design was that this form of qualitative research is well-suited to the collection and organization of large amounts of data. While the subject population used here is modest by most standards, the potential for the detailed analysis of specific points of content matter, pedagogy, and evaluation criteria provided a more applicable and ultimately valuable interpretation of the collected data set.

While each of these above noted attributes compellingly supports the application of content analysis for this study, this method was not without limitation. While all research is subject to the biases of the researcher to some degree, content analysis is seen as being particularly susceptible to researcher subjectivity in that the very topics to be considered may reflect preconceptions of outcomes which would necessarily bias the research results. Both David Holdford (2008) and Hsiu-Fang Hseih and Sarah Shannon (2005) urge researchers intent on using content analysis to be forthcoming about this potential for bias to the study's readers. Hseih and Shannon take the argument further to explain that while initially a limitation, this complexity of content analysis may actually result in a more objectively designed research method if the researcher allows the method to inform his or her theoretical perspective. Discussed earlier, this research was intended to investigate the practice of designing and delivering basic business education in microfinance as considered through a critical theorist frame; therefore, it can be argued that this choice of method may in fact have expanded the preconceptions held by this researcher and those who affect the conditions by which these programs are offered to borrowers in need of human and social capital accumulation so urgently required.

A set of microfinance institutions was determined which met the purposeful and criterion-based sampling criteria (described thoroughly in Section 3.4.1) defined as currently and consistently providing instructor-led basic business education. These organizations were classified into three defined categories (NPO/NGO; NBFI; For-Profit) and reflected secular, faith-based, and profit-driven institutional principles. Lists of potential candidate organizations were compiled by inclusion on one (or more) lists of industry organizations such as Microfinance Information Exchange (MIXMarket), FIELD Program of Aspen Institute, the Association for Enterprise Opportunity, Consultative Group to Assist the Poor (CGAP), and Microfinance Gateway. While it cannot be presumed that all possible microfinance organizations appeared on at least one of these lists, it is reasonable to assume inclusion herein constituted an initial step in purposeful screening. Only those MFIs which were self-described as having a focused emphasis on business education, business training, or entrepreneurship skills development were contacted.

From this group of candidate microfinance organizations purposefully selected as being active microfinance institutions with a publically noted emphasis on the inclusion of education with a financial product, a criterion-based sampling was used to determine the final population set. This set intentionally contained representation from all three classifications of microfinance organizations noted earlier. The final potential population set contained approximately 90 microfinance institutions, from which 15 sets of curriculum were solicited for inclusion in this study.

3.3.2 Content Analysis – Application

Scholars widely quoted in the application of content analysis methods largely agree on the necessity for a researcher to follow a series of sequential steps organized to guide the collection

of data from its inception to ultimate analysis. Most broadly cited in the literature on content analysis is the Krippendorff (2012) six-step method of content analysis. Other scholars propose both fewer (McMillan 2000) and more steps (Busch et al. 2012) to the content analysis process, yet all seem to concur that a directed and procedurally-driven design both enhance the quality of the research practice and contribute to more meaningful conclusions.

I applied the Krippendorff method (2012) to this study, as it provided for both the breadth of inquiry and the application of findings to the parallel procedures suggested for this mixed methods research design. Specifically, the Krippendorff method entailed the following six phases for an effectively designed content analysis study: (1) Unitizing; (2) Sampling; (3) Recording; (4) Reducing; (5) Inferring; and (6) Narrating. Krippendorff advises that these phases may, in practice, be considered as two sets of components and it is by this organization they are described here.

Data Making – The first four steps comprised the creation of computable data from raw or unstructured texts. Encompassing the phases of unitizing, sampling, recording, and reducing, these preliminary steps essentially defined the "data making" (Krippendorff 2012, p. 83) in that they guided what was to be observed and how the observations would be organized and assembled. In this model, unitizing is the systematic distinguishing of texts which were of interest to the study, with responsibility on the researcher to confirm that the sources selected were, in fact, appropriate and substantial. Sampling moved this unitizing step further by limiting the sources to be considered while not reducing the number so substantially as to invalidate application to the larger unit of study. While multiple sampling methods are available in qualitative studies such as the one utilized here, it will later be explained that neither a true probability (or random) sampling nor purely convenience sampling was employed, but instead

the sampling method which may be classified as purposeful (Patton 1990) and criterion-based (LeCompte and Preissle 1993) selection.

The final steps in the data making phase of content analysis were recording or coding the text selected for analysis and the reduction of those selections down into manageable data sets appropriate for interpretation and reporting. Krippendorff (2012, p. 85) refers to these two steps as the "reduction of diversity of text into what matters." Within the bounds of this study, this recording and reducing was essential to the assembly of raw data as it appeared in a wide variety of documents, reports, promotional materials, lesson plans, employee handbooks, etc., as the sources from which the content was collected.

Answering the Research Question – The final two stages of the Krippendorff model involve the shift from the collection and interpretation of chosen content to what these texts mean or imply. This step of inference allows the researcher to both consider the intentional points of inquiry as defined by the data making steps described above as well as the unintended or unexpected phenomena which may be revealed in the data. These inferences, as described by Krippendorff, essentially created the pattern by which the researcher will present evidence to support a claim or warrant revealed by the data. These evidentiary claims or warrants are then reflected in the final step, that of narrating. Here, the researcher answers the research question(s) by "making the results comprehensible to others" (85). It was critical in this phase to apply the traditions or practices deemed acceptable to this particular field of inquiry and conceptual framework so that the readers of this analysis both recognize the validity of the data and can make reasonable applications of the findings to issues relevant in this field.

3.3.3 Semi-structured Subject Interviews – Justification of Method

While the essence of qualitative research necessitates methods which are inductive and "grounded" (Maxwell 2005, p. 80), not all studies can or should include within their structure direct contact with subjects in the defined contextual setting. Mertens (2015, p. 382) suggests that qualitative researchers "almost always include interviewing as an important method of data collection," yet it was the purposeful inclusion of this method that would provide the rich interpretive data of experiences which would prove critical to this study.

Those microfinance organizations which met the sampling criteria described for the analysis of curriculum content also constituted the population set from which the interview subjects were recruited and with whom the interviews were conducted. Those microfinance institutions which provide samples of curricular content for analysis were asked to provide the contact information of instructional professionals within their organization, specifically Directors of Trainers, Regional Training Managers, Directors of Educational Programming, or similar titles who hold responsibility for the coordination of field-led instruction and instructors of basic business education, and subsequently their professional development and evaluation. Only those organizations which provided copies of curriculum sufficiently detailed to allow for analysis were initially contacted for interviews; however, it was certainly possible that not all organizations would agree to interviews. If additional interview data is deemed necessary to provide a sufficient data set of analysis, those MFIs which provided limited or incomplete sets were then contacted for the specific purpose of soliciting additional interview candidates. A total of 20-30 hours of transcribed interview data has been recommended for this study.

It is challenging to measure practice, pedagogy, and outcomes associated with education in any context, as evidenced by the myriad of evaluation instruments and divergent views on

such topics as assessment, standards, and institutional capacity (Carnoy, Elmore and Siskin 2003). This is compounded within the context of basic business education delivered in microfinance, and as such there have been few studies that have attempted to link borrower or trainer experiences to what was intended by lender-sponsored educational programs (Blair and Malm 2002). Perhaps the difficulty rests with the simple premise that outcomes of basic business education conditionally delivered through microfinance are too abstract or complex to evaluate; perhaps the objectives of the lender weigh too heavily upon the borrowers and trainers to allow for an unbiased and legitimate evaluation; perhaps still there remains an inherent disconnect between what constitutes reasonable outcomes for the borrower, trainer, or lender. This is not to suggest that such outcomes-based assessment is unattainable. On the contrary, regardless of the rationale for the limited analysis to date of basic business educational experiences within lender-sponsored programs the benefits of gaining such an understanding would be widely beneficial and perhaps critical to allowing such programs to be both effective and relevant to all stakeholders.

3.3.4 Semi-structured Subject Interviews – Application

This phase of the proposed research method was developed in consideration of the literature on the effects of basic business education, the importance of those trainings to contain curriculum and pedagogical practices relevant to local content, customs, educational traditions, and business practices, and with a critical theory consideration of globalization and the resulting tensions between those in need of such training programs and those in a position to offer them. Methods were specifically sought to understand how instructors in basic business education programs define their experiences. The interview protocol was developed in response to themes identified

in the content analysis phases of data making, and the semi-structured interview script was designed to elicit a comprehensive overview of respondents' experiences from participation in basic business education.

Specific effort was made to discover significant themes in these interviews that could be explored in post-study discussions. These follow-up interviews would focus on the same themes and seek elaboration of respondents' interpretations or constructed meanings of various components of the basic business education experience (Rubin and Rubin 2011). Discovery of these significant themes was essential to this research protocol, as it could be anticipated these specific areas of dialogue would provide meaningful insight to such curricular and pedagogical factors as theories of learning and motivation, meaning making, client-led focus, and criterion used for defining and measuring success.

The fundamental premise to this line of inquiry was that there is neither an average microfinance borrower nor basic business educator in the field of microcredit plus service delivery; no degree of content analysis will discover an average set of microfinance basic business education curriculum, trainers, resource requirements, or evaluative measures. The needs of the motivated poor, even the extremely poor, are not universally defined; therefore, the services offered by microfinance lenders are necessarily fluid, dynamic, and ideally responsive to shifting demands and constantly changing conditions experienced by their varied participants who experience the program through highly contextualized senses of reality. The semi-structured interviews of the instructors of basic business education delivered in microfinance specifically inform the research as they are designed to gain understanding through the development of good interview questions reflecting creativity and insight, "rather than a mechanical conversion of the research questions into an interview guide" (Maxwell 2005, p. 92). Given these interviews were

conducted with human subjects, Institutional Review Board (IRB) approval was secured through the University of Pittsburgh (IRB Approval #PRO15010306).

Although somewhat anecdotal in that it was not tracked or scored in any way, I was consistently impressed by the openness and candor with which interview subjects desired to share information when they perceived its purpose to potentially bring practice improvement to the industry. It required a great deal of interviewer discipline to maintain the necessary objectivity when engaged in these heartfelt discussions, which to be ethically and empirically grounded needed to maintain a certain pattern, flow, and distance. Interview subjects were offered the opportunity to receive a summary of the final report when the research was concluded, and in most cases expressed great interest in doing so.

3.4 RESEARCH DESIGN

3.4.1 Content Analysis: Data Making

This phase of the research examined points of commonality present in basic business education curriculum delivered as a microcredit plus service by microfinance lenders. By unitizing the curricula developed and delivered by microfinance institutions of various operational categories, content could be compared in an effort to define common practice in the three specific content concentrations: financial literacy, entrepreneurial activity, and marketing practice.

It was not reasonable to presume that all basic business education curricula could be analyzed or even that it was possible to assemble all programmatic content in use now or used previously by microfinance lenders. It was necessary, therefore, to apply reasonable sampling

criteria in order to limit the number of curriculum to be compared so that the study could return meaningful data that was both efficiently collected and credibly derived. Sampling is particularly problematic in qualitative research in that it implies a certain representation of the population sampled. The method used for this inquiry reflects neither a true probability (or random) sampling nor purely convenience sampling, but instead may be classified as purposeful (Patton 1990) and criterion-based (LeCompte and Preissle 1993) selection. While acknowledged as limiting, this strategy of deliberately selecting organizations, settings, and participants was nonetheless critical for this study in that the information necessary for analysis simply was not available from other sources and the study's design thus adequately achieves the objective of representativeness of the population. A second benefit of purposeful selection was that, despite the intentional inclusion of certain members of the population, it was still possible to achieve a reflection of heterogeneity with defined criterion-based sampling. By defining the dimensions of variation in the population most relevant to this study and "systematically selecting individuals or settings that represent the most important possible variations of these dimensions" (Maxwell 2005, p. 89), a typical data set emerged from which conclusions could be appropriately and adequately drawn.

The criteria for selection within this component of the investigation began with the availability of curriculum from lenders self-defined as currently and consistently providing basic business education as either a required component of, or a supplemental and optional program with, the execution of a micro-loan. These lenders have been classified as for-profit or not-for-profit, may be public or private, and may reflect either secular or faith-based institutional principles. It was not the intent of this inquiry to offer a comparative analysis of types of lenders and the educational practices found within a specific category; instead, the purpose of this

investigation was to inform the discourse of what content is commonly found within the basic business education programs widely available within the microfinance industry and to suggest if broad points of commonality actually exist. It was acknowledged that common practice does not automatically infer best practice here or in any other context of inquiry; therefore, it is not the intent of this study to suggest an absolute set of best practices assured to produce a particular outcome. Instead, by determination of common practices and the link between practice and reported measures of success, subsequent studies may be informed by the data collected here in an effort to determine if best practices are even possible within such a highly contextualized environment and what, if possible, they may be.

A second criterion by which the proposed sample set was determined includes educational programming delivered with the intervention of a trainer or assigned agent of the lender whose role is to directly engage with the borrower for the purpose of transferring knowledge about basic business education concepts to include financial literacy, entrepreneurial activity, or marketing practice. Curriculum which does not entail any of these content categories was not be included, nor was programming by which the delivery method is self-directed without instructional intervention. The target sample for this component of the research study was set at 15 unique curriculum programs from sources available in both the public and private domain. Based upon a preliminary scan of the industry, approximately 90 micro-lenders met these purposeful sampling criteria and were contacted with a request to examine the curriculum content of their programs for the sole purpose of this study.

The final two steps of data making in content analysis, recording and reducing, were accomplished by the creation of a content analysis recording form that allowed for the coding of curriculum content as it appeared in the materials provided by subject lending institutions. By

use of this tool, the prevalence of regularly appearing subject matter was tracked using defined and exclusive categories which were determined based upon the literature available for those curricular content areas. The form contained a list of specific terms used to describe particular thematic areas, and allowed for the collection of terms which did not fit into one of the defined categories yet appeared with sufficient frequency to warrant inclusion in the final narrative. After the curricula were fully deconstructed for content composition, the data was then reduced into useable information which was used to inform the stated research questions.

3.4.2 Content Analysis: Answering the Research Question

It is in the inferring and narrating phases of content analysis that this study's indicators of quality and researcher subjectivity were most fully revealed. Here, dominant themes emerged and allowed for interpretations of what the analyzed content might mean in practice, specifically as considered through the lens of critical theory as a conceptual frame. To answer the research questions posed to warrant this study, it was helpful to apply examples and direct evidence from the content collected and analyzed. The intent of this study, specifically designed using qualitative research methods, was that the sources of data could be reconsidered and reframed many times throughout the interpretative process, reflecting shifting constructions and contexts in this multidimensional and highly variable field.

The final component of the content analysis provided in narrative form evidentiary claims and warrants which responded deliberately to the research question(s). In this case, evidence was collected which answered two of the three posed questions, specifically: What commonalities exist in the basic business education curriculum content designed and used by microfinance institutions within the practice known as microcredit plus?, and, In what ways do the evaluation

and reporting practices of microfinance institutions reflect the successful accumulation of human capital as well as the acquisition of knowledge specifically designed to further economic capital formation? Interpretive claims supported by the content analysis process and applied scholarship in this field of study provided for both summative and formative resultant data; proposed action grounded in critical theory. The intent of this narrative was to argue for a core set of industry standard content reflecting curriculum and delivery methods derived from existing practice as well as content grounded in educational theory and appropriate instructional pedagogy.

3.4.3 Semi-structured Interviews: Instruments and Limitations

3.4.3.1 Style and Context

The semi-structured interviews were designed to address one of the posed research questions, specifically: What common practices exist in the recruitment, training, evaluation and pedagogy of field instructors responsible for the delivery of basic business education curriculum delivered as a microcredit plus service? In order to effectively utilize a semi-structured interview in a manner that offered both value and appropriate application to this inquiry, specific attention was assigned to the reciprocal process inherent in this form of qualitative inquiry. Anne Galletta (2013, p. 75) urges researchers in this field to embrace a certain “reflexivity” wherein the researcher must position oneself as an essential instrument of the data-collection method. By intentionally crafting effective prompts, preparing for the necessity to rephrase questions without changing meaning, and making adaptive changes to the interview situation as needed while engaged with the subject, the researcher could preemptively anticipate inevitable dilemmas in this highly personal process and understand the procedures needed to achieve and retain the integrity of the collected data.

It was also essential for the researcher to understand how and when to allow the subject to expand upon a particular content area, and even more importantly to appreciate when and when not to interrupt an interviewee as he or she was making meaning of these highly contextualized themes. In order to navigate this potentially complex space, the interview script drew upon guidance from feminist theorist Patti Lather (1986) wherein she defines the necessary reciprocity between researcher and subject as "the give and take, a mutual negotiation of meaning and power" (p. 267). Likewise, the interview technique applied was largely informed by the previously noted Galletta text (2013) as well as by definition provided by Thomas Schwandt (1997) in which he describes the interview as a correlating qualitative method wherein both the researcher and respondent must acknowledge they are shaped by existing contexts and situations. In order to avoid bias in either the development of the interview script or the interview event itself, Schwandt urges researchers to "view the interview as a form of discourse between speakers or as a linguistic event in which the meanings of questions and responses are contextually grounded and jointly constructed by interviewer and respondent" (p. 79).

Specific to the actual execution of the interview process, Galletta describes three distinct interview segments which this researcher employed as a method by which to achieve the full scope of research goals defined here. The first segment of the interview was designed to establish a comfortable space between the respondent and the interviewer and to ensure a broad understanding of purpose, context, and intent of the more specific questions to follow. Particular attention was paid to the subject's use of language in describing specific topical areas of interest, as well as how he or she interpreted questions as they were initially posed. In this opening segment, the primary objective was to achieve a degree of comfort both with the structure and content of the interview and to establish initial rapport between the interviewer and the

respondent. The second, or central segment of the interview process included "questions of greater specificity" (2013, p. 49) during which questions intentionally drew out the respondents' interpretive positions on key points defined to inform the central research questions. Techniques involved looping back to previous responses, and urging further clarification or nuance within particular lines of inquiry.

The final segment of the interview process was, in many ways, hinged on the question "What else would you like to share that we haven't discussed already?" Subjects were provided with the opportunity to either clarify or expand upon previously collected narrative and to genuinely understand the essential role they have played in the development of this research initiative. With a sincere and naturally engaged method though which respondents were led to a level of genuine participation in the interview process, the data collected revealed deep meaning and contextual relevance made possible only by such an interview methodology.

3.4.3.2 Process

The method of subject interviews began by contact with responding participant microfinance institutions by email to provide a brief introduction to this research project and to request voluntary participation in a 60-90 minute interview with the Director of Trainers either in person, by phone or via web conference. All confirming correspondence at this point in the research was conducted by email, and subjects were provided with an informed consent form signed prior to commencement of the interview (Appendix B). Both the interview subjects and the participant organizations were instructed they could terminate the interview at any time as per the detail of the informed consent form. Confidentiality matters were also discussed at this time, with subjects made aware of all steps to maintain full privacy of themselves as individuals, their organizations, and contacts from their field experiences.

The interview data from the interviews were digitally recorded, transcribed, and interpreted using the Galletta method to identify significant themes (2013). Particular attention was paid to how respondents used language, how they defined significant words and concepts that they used to describe their experience, and how they ascribed meaning to their basic business education experiences. Following analysis of an initial round of interviews, future interview subjects were purposefully selected in order to continue maximization of heterogeneity of the sampling pool while remaining within the defined bounds of the research population.

An essential limitation of this study was that the objective was not to discover absolute truth. It was expected that many of the findings would reflect individual and institutional constructions of both tangible and intangible components ranging from what content *should* be included in basic business education curriculum to what constitutes a successful outcome in the classroom delivery of and participation in basic business education. A semi-structured interview protocol proved particularly useful in this context in that these highly contextualized concepts were more fully developed by the participants themselves than by preconceived and fully structured interview questions which would necessarily limit the expanse of potential responses.

Another limitation to be noted in the study is that of time, particularly as it relates to current economic conditions and the global development climate within which investments such as microfinance and microcredit plus service programming occur. International initiatives to address poverty and extend development services to the world's poorest citizens are in a constant state of flux, influenced by a multitude of factors ranging from foreign aid fatigue to regional conflicts siphoning off available resources and bandwidth. The data presented clearly denotes the relative conditions of the global economy as it has bearing on microfinance investment and

borrower access, and every effort was made to position this snapshot within an appropriate historical and conditional context.

The research has one additional limitation, yet one with the potential to significantly influence the eventual interpretation of data collected; that is, the previously noted absence of neutrality or unbiased objectivity in both framing and interpreting the collected data. While it is crucial to accurately establish what was and was not the intent of this study in an effort to frame both the methods and objectives of the research as well as clearly articulate what will and will not be considered as findings, the awareness of this researcher of the interconnectivity of outcomes with practice naturally introduces a certain subjectivity which must be addressed. At the broadest point, the intent of this research was not to determine the inherent benefit or damage caused by international development efforts such as microfinance. While the debate surrounding this highly charged concept is both meaningful and necessary, I did not intend to suggest that microfinance should or should not continue to expand or even exist; I intended only to present information found to exist in the industry's current state and consider the commonalities which may therein exist. Likewise, I did not suggest offering data on the challenges MFIs face in the delivery of microcredit plus programs, nor the difficult experiences borrowers and lenders have endured throughout the history of implementation of micro-loan practices. As presented earlier, multiple realities may exist within this consideration and are likely influenced significantly by one's perceptions of globalization and the inequity of economic development resulting in variably defined winners and losers. It is impossible to consider microfinance in general and microcredit plus in particular apart from the issue of globalization, but in doing so one must also acknowledge that the discourse will then necessarily occur within multiple contexts and by

application of widely disparate definitions of such terms as success, progress, sustainability and social equity.

3.5 SUMMARY OF METHODS

This study utilizes a qualitative research design informed by a critical theory tradition. As its purpose, the research sought to understand the relationship between the curricular components of basic business education delivered in microfinance and the learning outcomes realized by participants in these programs. The inclusion of basic business education with microfinance lending is intended to elevate the outcomes realized by micro-borrowers by focusing on human capital formation cooperatively with the extension of financial capital. In order to determine the effectiveness of these programs, the breadth of research considered in the literature review and reflected in the research methods indicates that these programs need to be considered using a multidisciplinary approach whereby intent may be considered alongside methods of delivery, and interpreted definitions of success may exist in multiple realities. It is important for leaders in microfinance lending to understand the impact of varied influences in relation to the development of educational programs to be delivered as a component of loans, and to appreciate the ways in which the actors themselves affect both inputs and outcomes.

The use of a mixed methods approach applying both content analysis and subject interviews was intended to provide for a deliberative and purposeful research design. The strengths of these methods and the interpretive outcomes for which they provide offer a significant opportunity to inform basic business education in microfinance, where realized

contributions could include greater assessment potential leading to more successful lender and borrower experiences.

3.6 OVERVIEW OF FINDINGS

This study specifically investigated the content and delivery of basic business education in 15 different microfinance organizations in order to understand the presence or absence of commonalities among the ways these materials are designed, disseminated, and reported. After discussion of how the data sets were gathered (Section 3.7), sections will be dedicated to each unique stage of the research methodology. The first stage began with the analysis of curriculum content (Section 3.7.1) based upon the detailed instructional materials provided by 15 microfinance lenders of varying classifications and currently used as the basis for field instruction of clients and borrowers. The content of these curricula were reduced into thematic categories to allow for interpretation, the groupings of which then supported the identification of consistent content across the data set. Qualitative document analysis provided the structure for this stage, as it was necessary to apply an interpretive lens to subtle language variation driven by a variety of external factors ranging from market maturity to content authorship. These findings included the designation of broad categories and specific content areas, as well as indication of frequency of occurrence of topical areas of focus. Many distinct terms were found in use among the curriculum sets. These terms have been included in order to provide the reader with an understanding of the language used in instruction and the various ways specific business content areas might be described.

The second stage of analysis (Section 3.7.2) included the synthesis and interpretation of semi-structured interviews conducted either in face-to-face meeting formats or by telephone, all of which followed the scripted protocol, were digitally audiotaped, transcribed into data text files, and analyzed for consistent themes and critical points of understanding. Interview subjects were at the time of the interview active in the specific practice of developing, designing, customizing, implementing, monitoring or conducting basic business education in a microfinance lending or group savings environment. This method allowed for the collection of reflective data sets from practitioners themselves, providing for highly contextualized and richly descriptive language wherein the subjects constructed meaning and applied frames of understanding to the practice of delivering education in this narrowly defined field. The analysis of this data provided compelling insights into areas of practitioner focus and prioritization, and began to reveal consistent areas of challenge realized throughout the microfinance community.

The third stage of these findings (Section 3.7.4) included a comparative consideration of the ways in which microfinance organizations outwardly and publically represent measures of the organization's performance. This final section is intended to identify both consistencies and inconsistencies in the ways microfinance organizations appear to construct the meaning of success. As this data was analyzed, alignment between the prevalence of specific content areas in the curriculum, the practice of instruction, and the measures by which the microfinance organizations report performance data to the public revealed conclusions about the contrasting synergy and antagonism between institutional priorities and borrower needs. Overall, the findings of this research are largely descriptive and somewhat anecdotal, although they do provide a grounded common sense observation of the practices and patterns of basic business education delivered through microfinance.

3.7 DATA COLLECTION

3.7.1 Curricula Content Analysis

The set of microfinance institutions determined to meet the purposeful and criterion-based sampling criteria defined earlier, were found to currently and consistently provide instructor-led basic business education as either a required component of, or a supplemental and optional program with, the execution of a micro-loan or participation in a group savings program. These organizations represented the following institutional classifications: for-profit or not-for-profit; NPO or NGO; public or private; domestically- or internationally-focused; and may reflect secular, faith-based, or profit-driven institutional principles. It is important to remind the reader it was not the intent of this inquiry to offer a comparative analysis of types of lenders and the educational practices found within a specific category; instead, the purpose of this investigation was to inform the discourse of what content is commonly found within the basic business education programs widely available within the microfinance industry regardless of institutional classification.

Lists of potential candidate organizations were derived from the compilation of a master database populated by inclusion on one (or more) of several broadly-regarded industry organizations and watchdog group rosters of active microfinance institutions including Microfinance Information Exchange (MIXMarket), FIELD Program of Aspen Institute, the Association for Enterprise Opportunity, MicroRate, Consultative Group to Assist the Poor (CGAP), Microfinance Gateway, Microcredit Summit Campaign, and the Opportunity Finance Network. While it is not presumed that all possible microfinance organizations appear on at least one of these lists, it is reasonable to assume inclusion herein constitutes an initial step in

purposeful screening. From this master list, a more directed sub-group of microfinance institutions was determined based upon the organization's self-reporting as having a focused emphasis on business education, business training, or entrepreneurship skills development. This designation was determined by language and commentary included on the organization's website, in organizational publications, within promotional materials, or as self-description on association rosters. Examples of this language would include "business training helps clients understand the value of saving and record-keeping, giving to church and community, and running an ethical business," and "our mission is to create sustainable prosperity for low wealth individuals by aligning capital, knowledge and advocacy to advance business ownership and community development in the areas we serve."

From this directed sub-group of candidate microfinance organizations purposefully selected as being active microfinance institutions with a publically noted emphasis on the inclusion of education with a financial product, a further criterion-based sampling was applied to determine the final population set. This set intentionally contains representation from all three classifications of microfinance organizations (non-profit/nongovernmental organizations; non-banking financial institutions; and for-profit commercial entities) as well as reflection of the other classification criteria such as faith-based or secular, domestic or international, and regionally-focused or global entities. This final potential population set contained approximately 90 microfinance institutions which were contacted in order to secure the designated 15 sets of curriculum deemed "systematically represent(ative) of the most important possible variations of these dimensions" (Maxwell 2005, p. 89) in order to appropriately and adequately draw conclusions. Curricula were collected between 1 January and 8 May 2015 and confirmed as being "currently in use" for field-led instruction.

In order to systematically analyze each set of curriculum, all collected curricula were reviewed using a Content Analysis Recording Form (Appendix C). This process entailed searching for thematic patterns and attributes within the instructional materials with particular focus on fundamental content, methods of instruction, lender-mandated content areas, and situational customizations if it was apparent from the documentation provided. This information was reduced to a tabular format which is reported in Appendix E and analyzed in Section 4.2, reflecting commonalities of directed content areas specifically in the topical areas of financial literacy, entrepreneurial skills development, and marketing practice in a given field of focus. Less commonly occurring are content-imbedded situational customizations such as a variety of case study examples in differing community contexts or learning exercises utilizing culturally adapted methods of repetition or memorization. These latter topics appear more frequently in interview transcripts with those responsible for the delivery of the instructional materials, the analysis of which is more extensively discussed in Section 4.3.

3.7.2 Semi-structured Interviews

The basic business education programs investigated here required research methods grounded in the same humanistic values upon which the programs themselves were founded, thereby mandating a structure providing for personal contact and situational interpretation which would be difficult to achieve with purely quantitative methods. By necessity, the data collected needed to provide for rich descriptions which emphasize the importance of interpretation; therefore, semi-structured subject interviews were utilized as the vehicle for developing these conversational relationships allowing for more contextualized discussion of meanings and experiences.

Those microfinance organizations which met the purposeful and criterion-based sampling criteria for the analysis of curriculum content also constituted the population set from which the interview subjects were recruited and with whom the interviews were ultimately conducted. Those microfinance institutions which provided samples of curricular content for analysis were contacted again by email or telephone (based upon the initial method of contact) and asked if they would agree to provide the contact information of instructional professionals within their organization, specifically Directors of Trainers, Regional Training Managers, Directors of Educational Programming, or similar titles who hold responsibility for the coordination of field-led instruction and instructors of basic business education, and subsequently their professional development and evaluation. All organizations which provided copies of curriculum sufficiently detailed to allow for analysis also arranged interviews; however, not all collected curricula was either detailed or complete enough to allow for inclusion in this study. Those providers of limited or incomplete sets were instead contacted for the specific purpose of soliciting additional interview candidates. Ultimately, an additional three interview subjects were recruited for the interview process, resulting in a total of 18 interviews yielding approximately 23 hours of transcripts. Six of these interviews were conducted in person, with the remaining 12 conducted by telephone. All interviews occurred between 3 March and 8 May 2015, and lasted between 60 and 90 minutes each.

The determination of how many participants was a significant enough number to provide for useable findings was based largely upon guidance from Irving Seidman (2006) who suggests the basis for determining a population “large enough” (p. 55) should be guided by: (1) sufficiency, indicating the potential range of possible experiences achieved by the targeted population; and (2) saturation, at which the point has been achieved whereby no substantive

additional information is being added by the inclusion of more subjects. Based upon these two criteria, I concluded the study benchmark was reached with the subject population and quantity of data collected in these interviews.

Each participant was contacted to schedule the date, time and method of the interview, deferring to an in-person interview if it was practical for the subject and if a convenient time and location could be identified. If in-person interviews were not logistically feasible, telephone interviews were conducted using the same structure and using the same semi-structured interview script (Appendix A). All interviews, both in-person and by telephone, were digitally recorded. The purpose of the interview was to investigate how educators directly contribute to effective educational practices in the field. The semi-structured pattern used in this method allowed the subjects to reflect and reveal to a greater degree how their experiences as educators, or as the directors of trainers, contribute to the basic business education experience of borrowers. The interview provided a means by which those responsible for the delivery of the educational content under analysis would contribute to the discourse, providing the context within which they fulfill this essential and inseparable component of curriculum instruction.

The semi-structured interview approach proved a highly effective method for conducting the interview as it allowed me to prompt the participant, rephrase questions, and at times alter the pattern of questions according to the interview situation. The subsequent conversational tone of the interview produced, as will be more fully explained in Section 4.3, what Galletta refers to as "approximating reciprocity" (2013, p. 76) wherein subjects were engaged to clarify, make meaning, and critically reflect on specific areas of instruction and pedagogy rather than simply explain to me what they do.

3.7.3 Informed Consent and Confidentiality

The individual subject interview component of this study required approval from the University of Pittsburgh IRB as it involves Social Research of Human Subjects. IRB approval was granted on 3 March 2015. The research protocol, method of data collection, maintenance of records, assurance of confidentiality, and selection of research participants was subject to IRB review and audit, with all elements of the research method meeting or exceeding IRB requirements for subject protection. An informed consent document also met IRB guidelines (Appendix B) and was secured from all interview participants regardless if the interview was conducted by telephone or in person.

Because subjects were asked to reveal candid and potentially both favorable and unfavorable information about their workplace, working conditions, organizational attitude, and responsiveness to client/borrower needs, confidentiality was an essential component of the interview process. While all interviews were digitally recorded and transcribed into text files for analysis, recordings did not contain the subject's name or other personal information, nor indications of the subject's place of employment. In all cases, pseudonyms were used for both the name of the microfinance organization as well as for the interview participant in order to fully protect the identity of the subject. Signed consent forms were secured prior to initiation of the interview process and subjects were reminded of their voluntary and confidential participation before and after the interview itself. A professional transcriptionist performed the transcription service, after which the audio files were reviewed against the text files provided in order to confirm accuracy and aid in the determination of any "inaudible" notations.

3.7.4 Self-reporting Performance Measures

In order to build upon the findings of the curriculum content analysis and the semi-structured interviews, I conducted an analysis of the way in which the microfinance organizations considered for this study define and report their performance measures. The intent of this analysis was to understand what these organizations choose to report to a broader audience in order to demonstrate effectiveness, efficiency, or achievement of stated measures to accomplish the mission of the organization. A similar Content Analysis Recording Form was developed to facilitate this process (Appendix D) wherein consistent themes, language, reporting structures, industry benchmarks, and client-engagement tracking data were collected for tabulation and comparison. It was of particular interest to determine if these organizations, purposefully selected based upon their publically stated commitment to the educational development of their clients and borrowers, reported in any way on educational outcomes.

The reporting documents used in this component of the research were all published and distributed directly by the microfinance institution. This is relevant as it reveals the content chosen by the organization itself as most important or demonstrative to the organization's outward communication of mission and accomplishment; in other words, how they begin to construct their meaning of success. While there are industry guidelines and requirements by the Financial Accounting Standards Board (FASB) and the International Financial Reporting Standards (IFRS) for financial data which must be reported by registered non-profit organizations in annual operating reports, no consistent guidance could be located or determined from any industry organization on what information should be reported to the public for the purpose of gauging the human capital efficacy of a microfinance institution.

The analyzed documents take the form of annual reports, donor solicitation materials, promotional materials and brochures, websites, and industry association publications wherein individual microfinance institutions are permitted to post descriptive information about their organization. Again, while this particular study was not intended to be exhaustive across the full spectrum of global microfinance lenders, data collected through the previously described curriculum content analysis and semi-structured interviews compared to the ways in which MFIs describe themselves in market-facing published materials proved extremely valuable. Specifically, it allowed for multiple constructions of success as defined by various participants which could then be compared extraneously to published measures of success.

4.0 ANALYSIS OF FINDINGS

Basic business education is a broad term which encompasses any number of methods used to teach the fundamentals of business practices. These methods can range from formal education and degree programs to classical apprenticeship learning to cooperative education. International organizations as a whole increasingly use business education as a tool of development, and many focus specifically on entrepreneurial skill emergence as critical to sustainable community development processes. Considered deliberately within the realm of development and even more directly within the field of microfinance, the implications of basic business education encompass far more than the acquisition of knowledge capital through the learning of processes of decision making; the practical applications of numeracy and accountancy; and business start-up and operational procedures. While arguably critical to financial capital acquisition and retention, basic business education in microfinance has the potential to impact social capital formation and human capital valuation as it may benefit the larger community for an extended time.

Each set of curriculum submitted for analysis was considered uniquely for content as it related to a defined set of common elements. The intent was to objectively review basic business education curricula currently in use by microfinance institutions both domestically and abroad, in micro-lending as well as group savings programs, by which clients or borrowers participated in an instructor-led program with specific business education content as the primary subject area of

focus. Fifteen sets of curricula were analyzed from fifteen different organizations reflecting a broad cross-section of institutional classifications.

In order to protect the confidentiality of the interview subjects who work within these microfinance institutions, it was necessary to conceal the identity of the organization as well as the identity of the interview subject. In order to provide a means by which to organize the findings, each participating organization was randomly assigned the name of a type of tree. Table 4.1 reflects the institutional classifications of the organizations which provided curriculum, and the following "MFI Descriptions" section offers additional detail about the institutions.

4.1 MFI DESCRIPTIONS

The following profiles reflect the microfinance organizations which provided copies of curricula, course overviews, instructional materials, and/or syllabi to a degree sufficient to conduct an analysis of the content and programmatic components of the basic business education curriculum used by that institution. These profiles, identified by the random assignment of the name of a tree in order to protect the identities of both the organization and any individuals employed there who participated in the study, are intended to provide an encapsulated summary of institutional classification and broad categories of borrower profiles.

- *Birch.* With particular focus on political refugees and migrant communities, *Birch* provides small business and microenterprise lending exclusively in a specific US South-Western state, where a majority of borrowers are classified as low or very low income. Registered as an independent, non-profit 501(c)(3), *Birch* offers both free and fee-based training programs for borrowers.

Table 4.1. Microfinance Curriculum Sources

Organization Name	Classification of Lender	Primary Geographic Focus	Financial Focus
Birch	Non-Profit; Section 501 (c) (3)	US Domestic	Micro- and small business lending; Women and Political Refugee focused
Cedar	Non-Banking Financial Institution	US Domestic	Community Development; Persons of Color and Women
Chestnut	Non-Profit; Section 501 (c) (3)	International; Non-specific	Group Savings; Faith-based
Cottonwood	For-Profit / Commercial	International; Non-specific	Micro-lending; MFI lending
Elm	For-Profit / Commercial	International; Non-specific	Micro-lending; MFI lending
Hickory	Non-Profit; Section 501 (c) (3)	International; Non-specific	Micro-lending and Group Savings; Faith-based
Magnolia	Government Funded Agency	International; Non-specific	Broadly focused Development Aid and Resources
Mahogany	Non-Governmental Organization	International; South America	Micro-lending; Group Savings; Women focused
Maple	NGO; Non-Profit	International; Asia-Pacific	Micro-lending; Bottom of Pyramid
Oak	NGO; Non-Profit	International; Non-specific	Micro-lending; Group Savings; Micro-insurance
Pine	Government Funded Agency	US Domestic	Community & Economic Development
Spruce	Non-Profit; Section 501 (c) (3); Certified NBFI	US Domestic	Micro- and small business lending; Women focused
Sycamore	NGO; Non-Profit, with taxable subsidiaries	International; Non-specific	Micro-lending; Group Savings; Bottom of Pyramid
Walnut	NGO; Non-Profit	International; Non-specific	Micro-lending and Group Savings; Faith-based; Child-focused
Willow	NGO; Non-Profit	International; Central America	Micro-lending and micro-consignment; Bottom of Pyramid

Government agency = funding provided largely or exclusively by governments; non-profit organization (NPO) = registered as tax-exempt in the United States; nongovernmental organization (NGO) = also non-profit, but recognized as broader with int'l footprint; non-banking financial institution (NBFI) = tax-exempt; all profits fund additional lending programs; and for-profit commercial = publically traded.

- *Cedar*. *Cedar* is classified as a private, independent, community development Non-Banking Financial Institution (NBFI). Its mission is to serve previously un-bankable individuals in communities in a specific US Eastern state with loans, training, and technical assistance, with particular emphasis on marginalized communities historically affected by poverty and discrimination. *Cedar* averages annual loan distributions in excess of US$20 million, with an overwhelming majority of recipients designated as low income, people of color, and women. While loan recipients are not required to attend financial training as a condition for application, priority is assigned to applicants who have completed the training output documents.
- *Chestnut*. *Chestnut* is a non-profit, 501(c)(3) religious organization focused on equipping networks of churches to develop church-centered savings groups in over 100 countries. In order to positively affect a spiritual and economic transformation in low-income communities, the organization trains program initiators to deliver field-level training designed to alleviate poverty through addressing spiritual, financial, and social challenges of the chronically poor. Through partner denominations and ministry organizations, *Chestnut* equips church leaders to form church-centered savings groups in their own communities.
- *Cottonwood*. An international, publically-traded, commercial for-profit financial institution, *Cottonwood* was an early entrant into the micro-enterprise marketplace with innovative microfinance instruments and processes. It was the first of its class to establish a dedicated microfinance division of the corporation, and currently provides loans to field MFIs in 50 countries, supporting nearly 4 million micro-borrowers. Training and technical assistance provided by *Cottonwood* is largely limited to effective rate calculations, descriptions of lending models, and instruction of financial instrument terms.
- *Elm*. As a lender to MFIs, banks, corporations, governments, development agencies, non-profit organizations, investors, service providers and direct borrowers, *Elm* serves the microfinance industry as an international, commercial, for-profit publically traded financial institution. All microfinance activity is managed through a unique division, within which situational-specific training is provided by the institution in high-profile and broad-impact settings. In many situations, *Elm* utilizes a modular, fee-based curriculum provided by a for-profit curriculum development company.
- *Hickory*. *Hickory* is registered as a 501(c)(3) religious, Christian, faith-based non-profit serving communities in over 15 countries with more than 500,000 active clients. *Hickory* is consistently ranked as one of the top MFI's by industry organizations based upon factors such as transparency and ratio of distributed funds to donations. The stated mission of the organization is to proclaim and live the Gospel through discipleship, biblical-based business training, savings services, and small or micro-loans in the world's most underserved communities.
- *Magnolia*. While not specifically a provider of loan capital in any circumstance, *Magnolia* is one of the most extensively engaged providers of microenterprise and basic business education training throughout the developing world. By responding to requests by local lenders and partners who wish to initiate micro-lending and sound business practices in their communities, *Magnolia* works with municipalities, regional governments, and local development organizations to increase microenterprise profitability as a US government funded agency.

- *Mahogany. Mahogany* is an internationally registered non-governmental organization (NGO) operating exclusively in a specific country in South America. Loans are extended exclusively to women in particularly impoverished areas, with over US$5 million loans currently outstanding. The emphasis of training, which is a required condition of all loans, is on social discipline, equity, respect, financial responsibility, and shared values among the community.
- *Maple.* An internationally registered and licensed non-profit MFI operating in a specific Southeast Asian nation, *Maple* offers micro-loans in values ranging from US$50-US$10,000 supported by both financial and technical assistance training.. Training and technical assistance programming is directed toward topics of savings, budgeting, debt management, ways to increase daily income, decreased expenses, and cash flow projections.
- *Oak.* Registered in the U.S. as a 501(c)(3) which serves all regardless of race, religion, ethnicity or gender, *Oak* provides microloans, savings programs and micro-insurance to over 3 million active clients in more than 25 countries. Nearly all loans go to women in some of the most impoverished regions in the world. Training is delivered exclusively by field-assigned loan officers, who have access to unique training modules which can be customized for market conditions and community needs. Primary areas of instruction include savings, budgeting, debt management, basic business operations, and insurance.
- *Pine. Pine* is a government-funded agency committed to promoting, informing, supporting and improving small and micro-businesses in the United States and its territories by providing educational assistance to enterprises seeking a Small Business Administration (SBA) loan. Agency goals include long-term economic impact and crisis response. While not a direct lender, this agency is considered a critical education and technical assistance supplement to the SBA.
- *Spruce. Spruce* is classified as a non-profit, community development Non-Banking Financial Institution (NBFI). Its mission is to provide microloan funding and self-employment training in a specific Western US state to aid in the economic empowerment of women. Microloans are extended in values up to US$25,000, and basic business and financial development training is offered on a fee-based schedule. Clients are typically classified as un-bankable by traditional commercial means due either to a lack of collateral or absence of experience.
- *Sycamore.* With an outstanding loans portfolio in excess of US$20 million, *Sycamore* is an independent, non-profit 501(c)(3) with taxable subsidiaries in designated countries worldwide. *Sycamore* is dedicated to promoting economic development by providing impoverished and developing peoples the financial tools of small business loans, training and related financial instruments to work their way out of poverty.
- *Walnut.* Classified as an international Non-Governmental Organization (NGO) with U.S. registration as a 501(c)(3), *Walnut* is a multi-dimensional charity creating sustainable solutions to the root causes of poverty. Micro-lending and basic business education / financial education and training is accomplished by a specifically designated division of the NGO in order to keep separate the efforts of disaster relief and child advocacy from economic development. Annually, the micro-lending division of *Walnut* disburses over US$1 million in more than 30 countries, with focus

on empowering business creation, savings habits, and improved market practices to foster economic well-being.

- *Willow*. *Willow* is dually registered as a 501(c)(3) non-profit with a separately registered training subsidiary classified as a Limited Liability Corporation (LLC). Profits realized by the LLC are channeled primarily to the non-profit as well as used to fund consultants and trainers who deliver instruction in the field. *Willow* supports emerging market entrepreneurship through access to needed resources on an as-market-needed basis. All engagements are supported with either technical assistance or training. Annually, *Willow* averages nearly US$ 100,000 in loans to micro-entrepreneurs in Africa and Central America.

4.2 FINDINGS: CURRICULUM CONTENT

4.2.1 Analysis of Curricula

Through the analysis of all collected curricula, 51 unique content areas were discovered, falling into nine separate categories of micro-content within the three major macro-content subject areas. In order to be considered for the purpose of this study, content must have occurred within at least two curricula, although those curricula could certainly reflect very different or quite similar types of lending organizations. In two instances, content was reflected in all 15 curricula considered – Writing a Business Plan and Considering/Understanding the Competition. Four content areas were common among 14 of the 15 (93 percent) curricula: these topics included Setting Realistic Goals, Budgeting, Managing Debt, and Record Keeping.

One finding which will be discussed in detail in Chapter 5 was the absence of content uniquely specific to the individual lender. For example, it was expected that faith-based lenders would require the inclusion of content with regard to Scripture, or community development lenders would require instruction in the value of participatory governance. While these inclinations were certainly recognized in the language and pattern of recommended instruction

for the set of curricula analyzed, specific *content* was not distinctly apparent or did not occur in the minimum number (2) of curricula to warrant inclusion in this analysis.

It is not the intent of this study to rate, rank, or otherwise qualify the curricula submitted for analysis. The objective of this research was to identify common themes and recurring content of the curriculum and thereby begin to develop a core set of information deemed necessary by lenders of various classifications for borrowers who participate in a microloan or group savings program. Using the Content Analysis Recording Form, the following broad categories were discovered, providing the macro-level of topical content within which specific points of content could be organized. These macro-content categories were identified as: Financial Literacy; Entrepreneurship; and Marketing. Appendix E presents in tabular form the three macro-content areas and subsequently the nine most commonly occurring specific micro-content areas found within the 15 curricula. (Three micro-content categories were defined within each of the three macro-content areas.) The Curricula Macro-Content Areas – Overall Rates of Occurrence in Figure 4.1 shows the overall breakdown of rates of occurrence by percentage within each macro-content area, along with corresponding micro-content rates of occurrence.

4.2.1.1 Financial Literacy

Referring to the most basic knowledge and understanding of financial matters both personal and within a business context, Financial Literacy suggests instruction in the areas of basic numeracy, basic accountancy, investing, saving, planning and the essential values of money. With regard to the development of human and social capital, the absence of these core competencies would greatly limit economic participation by citizens in the commerce stream as well as increase the threat of financial insecurity due to an absence of opportunities wherein basic business skills are a baseline expectation.

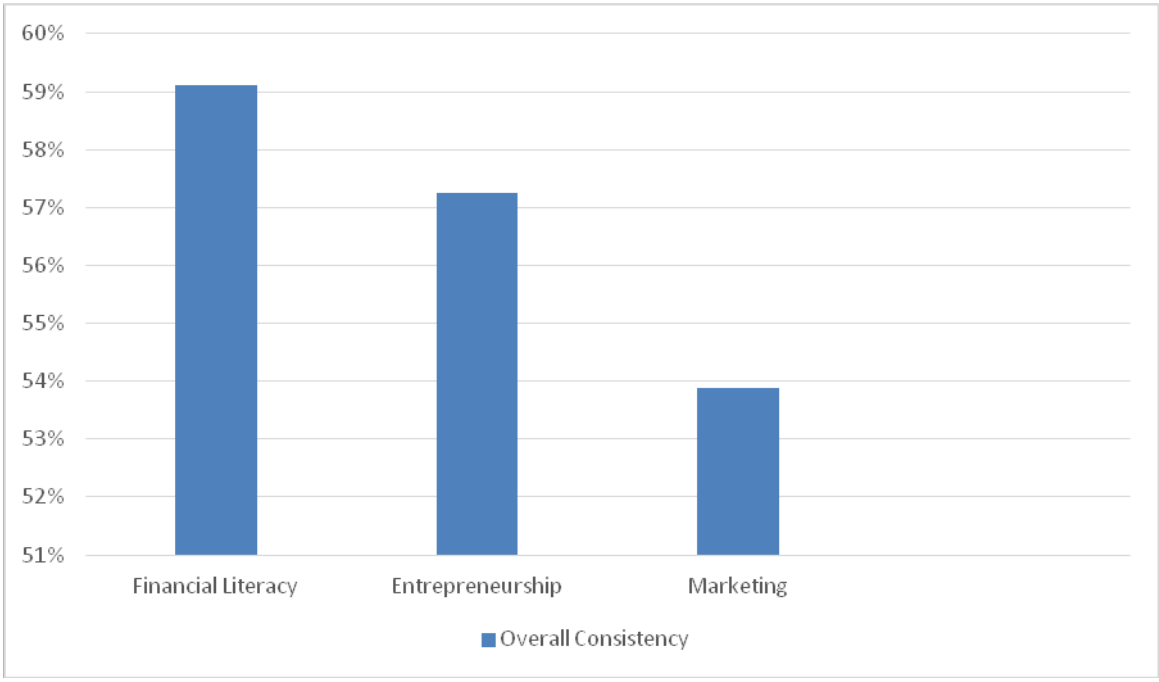

Figure 4.1. Curricula Macro-Content Areas – Overall Rates of Occurrence

Within the Financial Literacy macro-content category, three further micro-content subsets arose based upon the frequency of their occurrence within the 15 sets of curriculum considered allowing for an even more granular level of analysis. The specific rates of occurrence for each topic is detailed in Appendix E, with subsets grouped into the following categories: Fundamentals; Competencies; and Planning. Among these sets are the essential areas of financial understanding critical not only for individuals hopeful of the potential to one day become an entrepreneur, but also for active and informed participation in the local economy. Among all areas of macro-content, there was the highest occurrence of homogeneity within the Financial Literacy category, with 59.11 percent of all curriculum containing a common set of content in this area, and an even higher level of consistency (67.33 percent) within the Financial Literacy-Competencies micro-content subset. This breakdown of Micro-Content Categories of Financial

Literacy is represented in Figure 4.2 showing the variation of content consistency within the three emergent subsets of financial literacy curriculum.

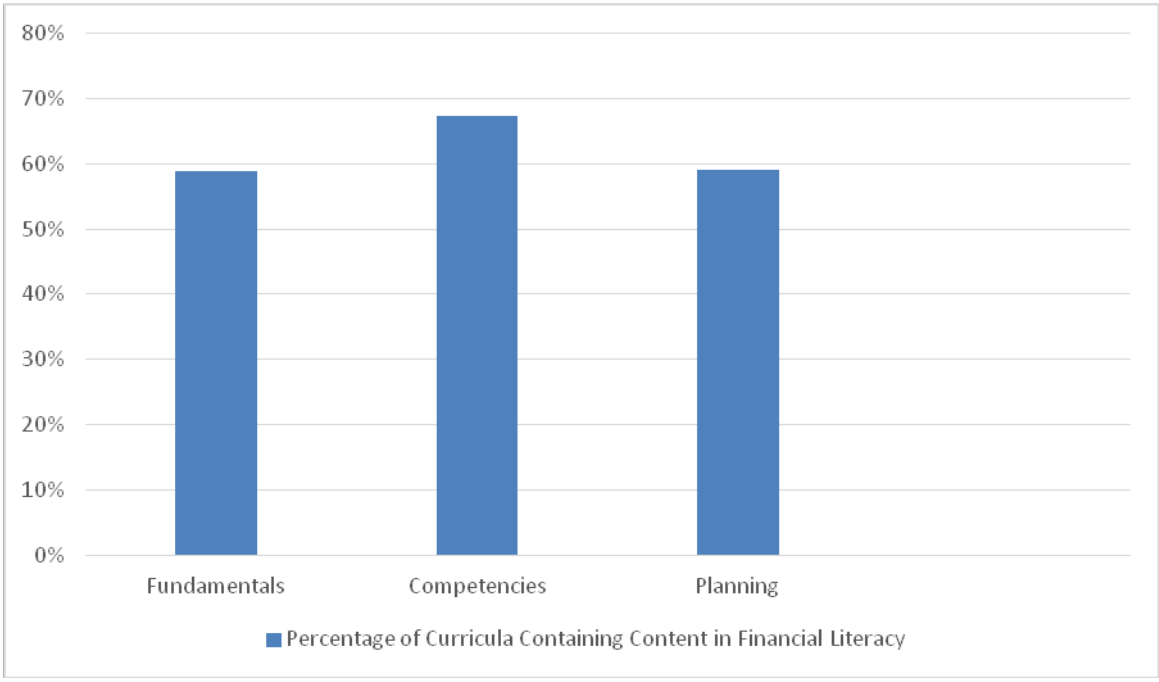

Figure 4.2. Micro-Content Categories of Financial Literacy

The Financial Literacy macro-content category also contains four of the six most frequently occurring specific areas of material instruction, all of which were found in 14 of the 15 sets considered, reflecting a 93 percent rate of occurrence (see Appendix E for specific rates of occurrence). These areas include: setting realistic goals, budgeting, managing debt, and record keeping. What this suggests is that overall, regardless of the classification or dominant institutional intent of the microfinance organization, there is recognition that a core set of curricular content is essential as a foundation for all basic business education delivered within microfinance programming. What we find next is that, with increasing levels of sophistication,

there is a trend toward lower levels of consistency within each progressive macro-content category as the complexity of the topics increases.

4.2.1.2 Entrepreneurial Skills and Activities

Most micro-lending occurs when an aspiring entrepreneur seeks out financial assistance to either initiate or grow a small or micro-business in his or her community. Often, these projects reflect traditional enterprises where the principal knows and understands the nature of the work to be performed but lacks the working capital to pursue the enterprise as a primary or supplemental means of income-generation. Other times, projects are reflective of new or innovative ideas which have the potential to impact not only the entrepreneur but also the surrounding community with increased opportunities for economic development, flows of trade, or even employment. In any case, the essential element of the micro-loan is the micro-entrepreneur and his or her capacity to start, grow, and sustain a viable enterprise.

The macro-content area defined as Entrepreneurship, like Financial Literacy discussed earlier, was found to also contain three distinct micro-content areas which provided for a finer level of curricular analysis. Overall, Entrepreneurship reflects the second-highest degree of consistency among all macro-content areas, with 57.25 percent of all curriculum containing a common set of content in this area. An instructional area of particular note in this category includes one of only two topics found within all 15 sets (100 percent) of curricula analyzed – Writing a Business Plan. Figure 4.3 reflects the three Micro-Content Categories within the macro-content area of Entrepreneurship, which have been identified as Preparation, Skills, and Activities distinguished within the content category of Entrepreneurship. Appendix E reflects the specific breakdown of occurrence of these micro-content categories within the curriculum sets considered.

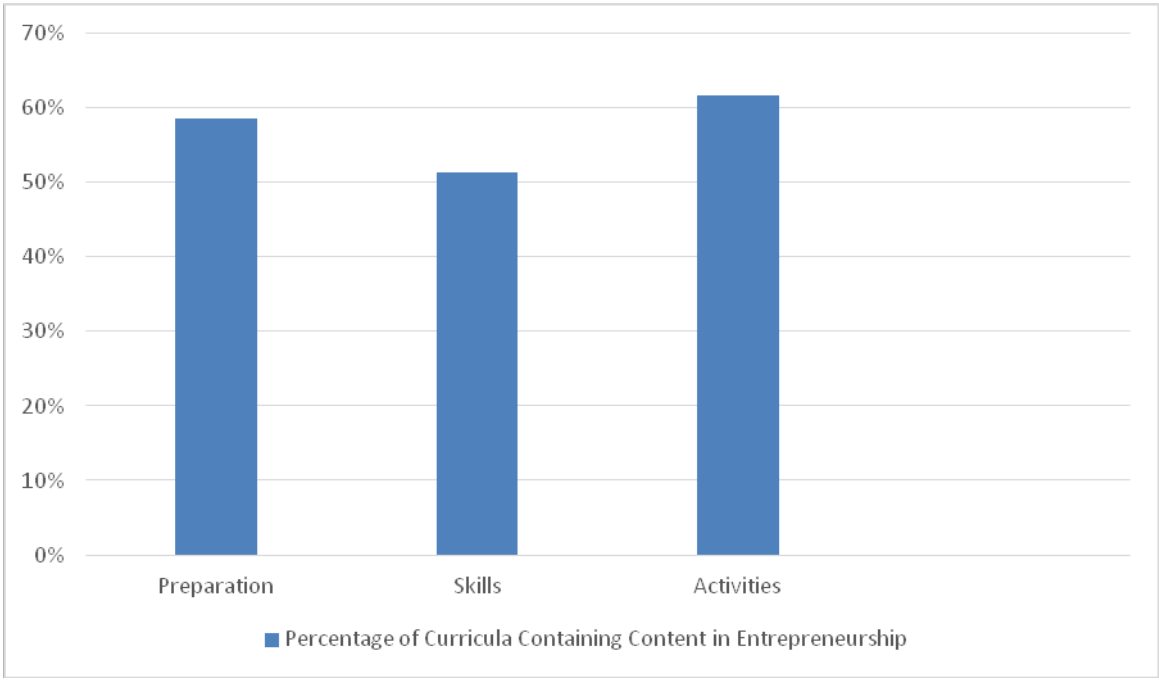

Figure 4.3. Micro-Content Categories of Entrepreneurship

Without the statistical impact of Writing a Business Plan as a distinct content area in this macro-content category, the homogeneity of content in Entrepreneurship would reflect a much smaller percentage, with some content areas (the practice of Discounting, and where to turn for Legal Concerns, for example) shared by only two providers. One particularly interesting area of consistency, however, is the shared occurrence among 13 of the 15 of content reflecting "Inspiration" or "Realizing a Dream" as a distinct area of instruction. It would appear as though there is acknowledgement from most lenders who embed training with loans that it is important to facilitate the process of taking an idea and converting it into tangible and actionable content while few focus on the embedded practices of legal registration and the efficacy of discounting.

4.2.1.3 Marketing

The third and final area of macro-content identified as most frequently occurring in the curriculum analyzed falls within the specific business discipline of Marketing. While the first two macro-content areas, Financial Literacy and Entrepreneurship, can be considered broad areas of foundational knowledge applicable to a virtually limitless variety of potential enterprises, instruction within the context of Marketing is, by definition, highly specific to a distinct set of tasks which are invariably unique to a proposed business. This begins to explain why the macro-content category of Marketing reflects the lowest degree of commonality among the three defined areas, a full 10 percent fewer than those sharing content in the area of Financial Literacy.

Despite this, Marketing does still contain the second and final content area shared by all 15 sets (100 percent) of curricula – Considering and Understanding the Competition. Much like the previously discussed Writing a Business Plan (also present in 100 percent of the curricula considered), it would suggest that lenders find it particularly important to ensure that borrowers both acknowledge and understand the presence and impact of competitive pressures on the viability of a micro-enterprise. This would be a decidedly outward-facing area of content and one which would require potential borrowers to weigh factors beyond their own competencies and to answer tactical questions such as: Do customers want an alternative solution? Will they buy a substitute? And, how much are they willing to pay?

As with the previous macro-content categories, Marketing content has been further divided into three recurring micro-content areas: Market Knowledge, Practice, and Growth Strategies. Figure 4.4 reflects the occurrence of Micro-Content Categories of Marketing found within the 15 sets of curricula considered.

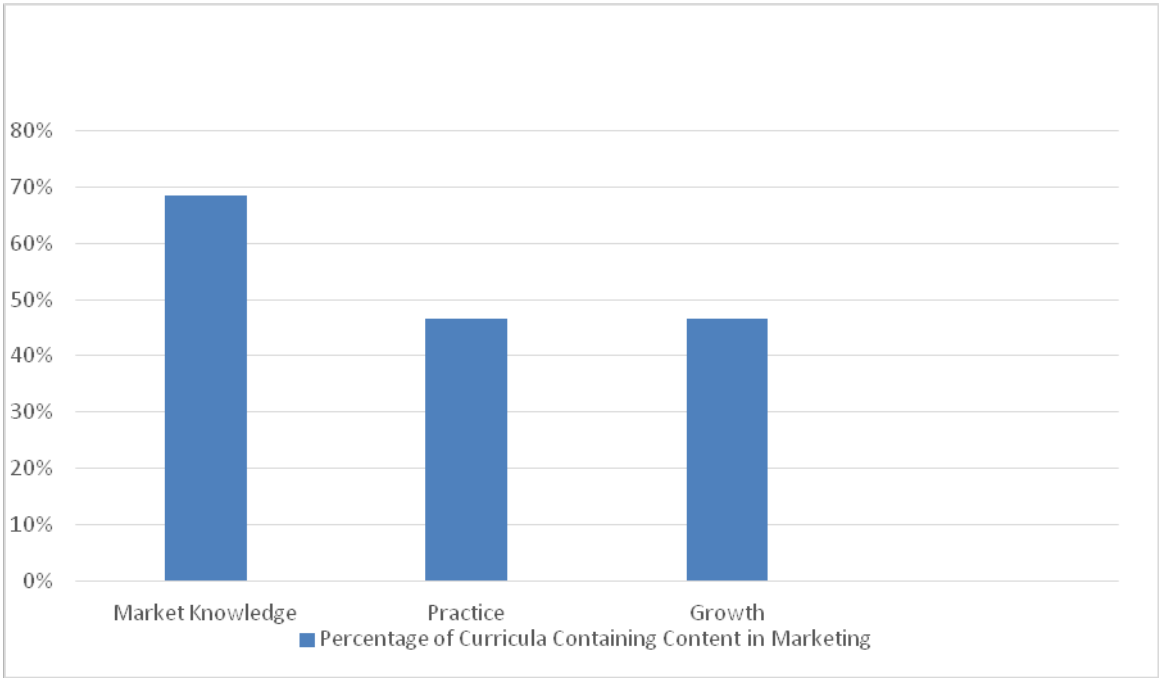

Figure 4.4. Micro-Content Categories of Marketing

Of all micro-content areas, Market Knowledge had the single highest level of commonality among the curriculum considered (68.33 percent), despite no single content topic in this area encompassing all 15 (or even 14) sets analyzed. There appears to be a shared sense of expectation that potential borrowers should be knowledgeable about the marketplace into which they hope to enter and compete, and that instruction should be specific to guide these clients into a structured way of understanding what that entails and how it should be factored into the overall plan for the enterprise.

4.3 FINDINGS: SEMI-STRUCTURED INTERVIEWS OF PRACTITIONERS

While curricular content is an inseparable component of the instructional material set used by microfinance institutions to deliver basic business education to their clients and borrowers, this study sought to investigate not only the content but also the ways in which that content was delivered and by whom. In order to collect this information, semi-structured interviews were conducted over a period of approximately 10 weeks during which 18 interview subjects participated yielding nearly 23 hours of interview data. In all cases, every effort was made to ensure ways in which the interview would be productive both for the participant and for the researcher. While this may sound duplicitous, it is critically important to understand that active participants in the microfinance industry almost categorically care deeply about the organization they represent, the mission they aspire to accomplish, and the people they serve.

4.3.1 Description of the Interviews

The semi-structured interview script containing 16 questions was used as the framework for all interviews. While comprised of open-ended questions allowing for the participant to traverse various routes in responding to the questions, the strength of a semi-structured interview is that it allows the researcher to anticipate the pathway a particular respondent is following and to then make needed adjustments in order to maintain a necessary focus on the fundamental research topic. This included, at times, knowing when and when not to interrupt the subject when he or she was responding to a question, and also to know when a question needed to be rephrased or clarified to solicit an appropriate response. While patterns clearly developed quite quickly in the process, it was essential to keep this awareness of consistent themes in check as I did not want to

allow my anticipation of what would *likely* be said to cloud my sensitivity to what was actually *being* said.

As noted in Chapter 3, scholarship in the field of semi-structured interview techniques, and particularly the concepts of research-participant reciprocity, have drawn upon Lather's (1986) methods of "give and take, a mutual negotiation of meaning and power" (p. 267) in the use of interviews as a qualitative research method (see Section 4.3.2). This "give and take" was quite apparent in the 18 semi-structured interviews conducted for this study. Each discourse contained both question and answer segments as well as longer narrative dialogue wherein the subjects felt compelled to provide context to the response they were about to provide rather than simply answering the question.

This interactive engagement with the participants during which they were both enabled and encouraged to critically reflect on points of practice as personally observed or experienced in their own construction of events contributed most to the use of critical theory as the interpretive lens by which this particular segment of the research has been guided. Critical theory implies that a particular interpretation or understanding of knowledge is wholly grounded in the human experience, and that the tension between individuals and the societies in which they operate, and between agency and restrictive boundaries which limit them, will strongly inform the ways in which interview subjects both interpret and internalize their own experiences. It was important to position the interview within a broader social system reflecting very complex structures, histories, and relationships. Poverty, marginalization, absence of agency and voice and power are all highly complex and highly contextualized circumstances; it is impossible, therefore, to apply a low context method of inquiry seeking responses solely about the methods by which education

in a microfinance setting is delivered without also providing subjects the method by which they can articulate broader connections as they understand them.

4.3.1.1 Subjects

Three additional MFI organizations were solicited for the specific purpose of securing an interview subject to supplement those original 15 which also provided curricula in order to achieve a sufficient volume of interview data needed for analysis (Mertens 2015). In keeping with the confidentiality protocol described earlier, the three organizations added in supplement to the original 15 were also assigned the names of types of trees and are described here:

- *Hawthorn.* A non-profit, 501(c)(3) community development organization, *Hawthorn* provides basic business education and entrepreneurship training targeting minorities low-income individuals, women and the chronically unemployed. Although they do not provide loans directly, *Hawthorn* serves as both the application processor and training provider for non-profit micro-lenders in a specific Northeast metropolitan region.
- *Hemlock. Hemlock* is a for-profit business enterprise which customizes and delivers curricula, certifies trainers of basic business education programming and sells both standardized and custom-designed curricula. Stated emphasis is to build capacity of existing MFIs, which include for-profit providers, international development agencies, corporations, foundations, and NGOs.
- *Mulberry.* Considered an "Association of Churches," *Mulberry* is classified as a 170 (b)(i)(A)(i) non-profit organization. The organization's focus is on relief, development, and peace in the name of Christ with offices in nearly 50 countries worldwide. Micro-loans are viewed as a vital component of the development portfolio and are supported by business and entrepreneurship training.

4.3.2 Analysis

During the interviews I found it helpful to take notes in addition to digitally recording the session. In all cases, I asked permission of the subject as a courtesy even though Informed Consent was already secured. These notes provided an immediate reflection and directly

contributed to the organization of the data as it often pointed to core ideas helpful in the subsequent labeling process. Simple coding methodology was used wherein I created color-coded notecards to document patterns of language, stories, images, or examples which emerged across various interviews as well as within a given individual interview. The purpose was largely descriptive, with codes ranging from "multiple roles" implying the responsibilities of the instructor within the organization, to "overcoming shame" as a commonly recurring response from instructors as both a definition of borrower success as well as an obstacle or limitation to learning.

In the search for commonalities, I sought to both capture meaning as well as document recurring themes in order to satisfy the research question. While the number of codes which emerged grew throughout my analysis, not all were applicable to the research question. The selected codes were included due to their applicability to the relationship between the trainer and the borrower, curricular adaptation and modification made in the field, pedagogical impact on curriculum delivery, and definitions of success with the role basic business education holds in this formation. These became categories or thematic clusters within and between which relationships would be explored as conclusions were developed from these findings.

4.3.2.1 Trainer – Borrower Relationships

As in all educational settings, the relationship between the instructor and the student in microfinance is an essential element in determining outcomes. This relationship is defined by a variety of factors including the preparedness of students to participate in basic business educational programming and the demands on instructors to provide services beyond teaching or group facilitation. The trainer-borrower relationship can hold the highest contextual significance

of the instructional delivery process as it creates the foundation upon which trust, receptiveness, reciprocity, and engagement must necessarily exist.

Several categories emerged which were grouped within this thematic cluster. Specifically, subject responses to these questions informed this set of findings:

- Is basic business education required as a component to qualifying for a loan?
- How prepared are your students to take part in the education you provide?
- Describe your role as the one who delivers basic business education to microfinance clients or borrowers?
- How would you define your relationship with the borrower community you and your organization serve?

Of the 18 subjects interviewed, just over one-third indicated that participation in basic business education was a requirement to securing a loan. This suggests that in two-thirds of the lending organizations considered, participation in a basic business education program is wholly voluntary, albeit encouraged. This self-directed decision to participate even though not a requirement indicates agency on the part of the borrower and recognition that there is assigned value in the development of human capital.

The natural progression within this category of inquiry was then to explore if students were perceived by the trainers to be adequately prepared for the training they received. Exactly one-third of subjects interviewed considered their borrowers or group savings participants to be sufficiently prepared, two even suggesting that their borrowers were prepared to a great extent, and possessing the fundamental skills necessary to achieve a high level of value from the training they were about to receive. With further questioning, these skills emerged as being basic numeracy, basic literacy, a core understanding of the value of money, and the necessity to achieve a profit in order to repay a loan. In contrast, no respondent suggested that students were not at all prepared or that a measureable number of participants were unable to complete the

training due to a lack of fundamental skills, and only one response was interpreted as the average client having very few of the skills needed to participate at a basic level.

Within this category, a recurring theme emerged in nearly two-thirds of the interviews: *Shame*. When asked if students were prepared to take part in basic business education, subjects frequently recounted that even though clients had the foundation skills necessary to benefit from the training, often the most difficult obstacle to overcome was the overwhelming feeling of "inadequacy," "embarrassment," or "shame" of needing this type of assistance. One trainer noted, "Before we can teach them anything, we need to help them understand the shift from dependency to dignity." Another reflected, "It's about creating an affirming environment where they have permission to fail. Of course we don't want them to fail, but if they have its not an indication they always will." And another, "These people are facing huge problems far beyond what most of us can even believe. We know we can't solve every problem, but if we create a servant-leadership environment we begin to empower people to imagine solving a problem on their own."

The final two questions informing this thematic category were quite similar and yet attempted to produce data offering two different perspectives: one defining the role of the subject as the one either delivering basic business education or responsible for those who do; and, one asking for perspective on the role of both the instructor and the lending organization as perceived by the community they serve. No respondents indicated their role was exclusively that of a trainer or facilitator (distinction to follow), although all but two responses (16 of 18) identified this as their primary role. Figure 4.5 reflects Educator Self-Descriptions of Role, indicating the language most often used to describe the typical relationship between the basic business education educator and the borrower, with noted descriptors included.

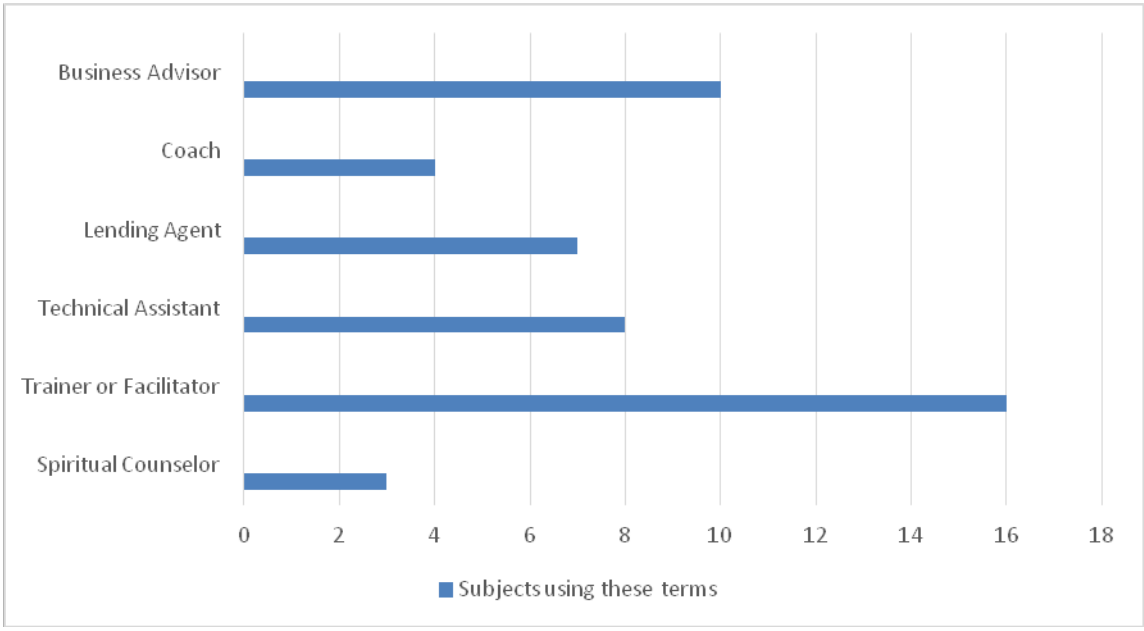

Figure 4.5. Educator Self-Descriptions of Role

The concept of "facilitator" was one I chose to pursue for further questioning as subjects seemed to have strong feelings about the implication of calling field educators "facilitators" rather than "trainers" or "teachers." Representing an organization responsible for the certification of instructors for a broad range of microfinance organizations both for-profit and not-for-profit, one interviewee noted, "It is critical for those teaching in the field to understand their role is to facilitate, not lecture. That doesn't work with these clients. We over-sensitize the trainers to this point from a training perspective. It speaks to the principles of building trust." Another quotation which speaks to this differentiation of facilitation versus education is as follows: "While it's difficult to trace reasons a borrower or potential client doesn't stick with a training program, we do know if they lack confidence in our ability to connect with them, they don't stay. That's why we approach all of our programs as facilitators, not lecturers. It's shared learning."

This idea of shared learning was also reflected in the last question informing this category of analysis, that of defining the relationship of both the educator and the lending organization

with the community. While only rarely did an individual educator define him- or herself as only serving in that role, likewise it was highly unusual for a lending organization to be viewed as purely one delivering financial instruments and the basic business education to enable micro-entrepreneurs. Categories of engagement beyond lending and training included impact in the areas of home, health, nutrition, community-building, church strengthening, ministry, and economic development.

The nature of the relationship between the educator and the micro-borrower, client, or student has a significant impact on the efficacy of the curriculum delivered in basic business education. Responsiveness to this relationship led to the next category of analysis: curricular adaptation and modification made in the field.

4.3.2.2 Curricular Adaptation

Most of the curriculum used by the organizations interviewed was developed and written in-house, with a significant number using a pre-designed set with specific modifications based upon the organization and its typical client base. Figure 4.6 reflects Curricular Origins, with the "Other" category indicating such variety as "Outsourced from a vendor with specific content," and "Modified extensively from a previously-designed set of modules," to "Built in-house from readily available material out in the world."

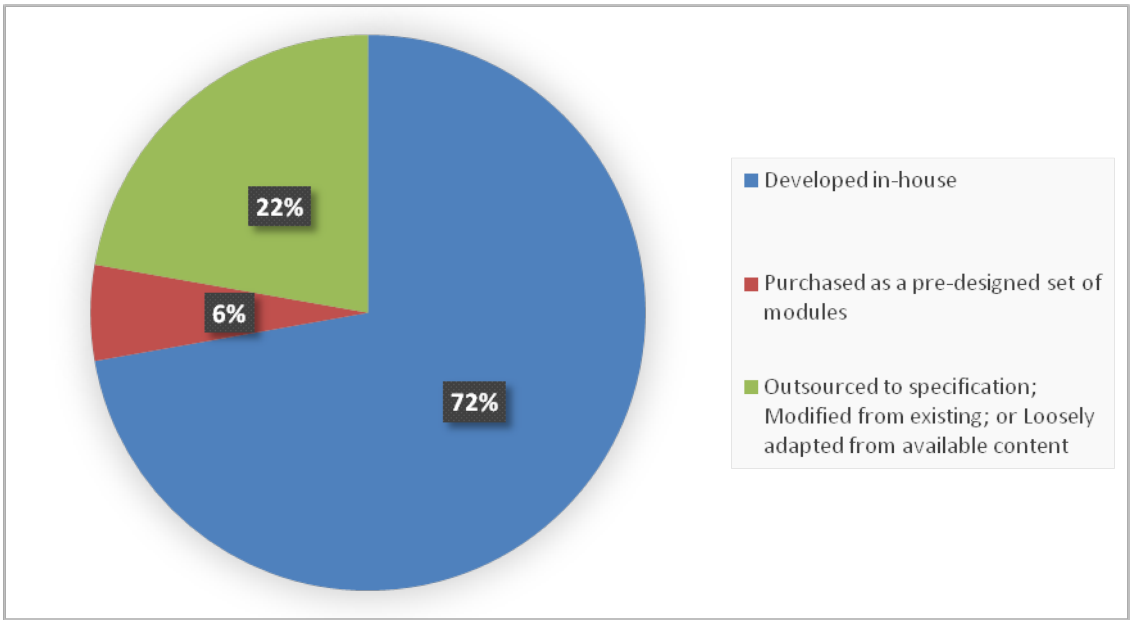

Figure 4.6. Curricular Origins

Given this high percentage of curriculum developed in-house to the specifications of the lender and to meet expectations of unique borrower communities, it was not surprising to also find that in 100 percent of all organizations interviewed, subjects confirmed that field educators of basic business education were both permitted and encouraged to make changes in the curriculum in order for it to be more effective for their students. Of the changes most often made in the field, the types of examples used was the most often noted modification, with language, type and amount of homework, and length of sessions mentioned by at least half of all respondents. Figure 4.7 shows Commonly Occurring Curricular Modifications, or specifically the breakdown by type of curricular adaptation most often reflected, where many respondents indicated one or more regular adjustments.

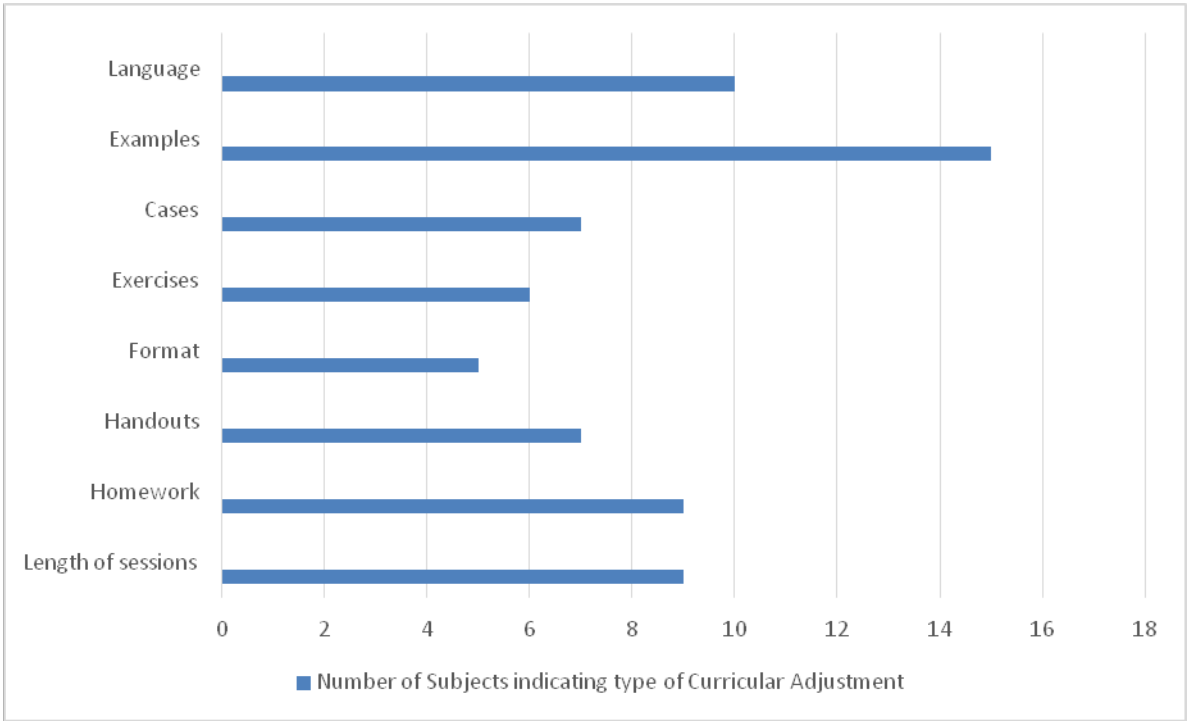

Figure 4.7. Commonly Occurring Curricular Modifications

Adaptations to examples used in instruction or facilitation were particularly reflective of the communities in which the training took place and appear designed to allow the student to engage at a higher level with a given activity. An instructor from one of the largest lending organizations interviewed pointed out a specific page in the curriculum where it directs facilitators to "use locally known products, ingredients, and places of commerce" when customizing examples to demonstrate cost of goods sold and how to calculate profit versus revenue. Despite this flexibility in making field-driven modifications, it was also a recurring theme to have subjects reveal that adaptation in the field should come only after a new educator has gained some experience with the curriculum first. For example, one comment revealed, "We tell new trainers to stick to the script for the first two or three times. Then, after that, they can feel free to contextualize."

With the expectation that trainers make the necessary adjustments in the field to allow for the highest degree of borrower engagement, I considered how pedagogy and instructional development played a role in how basic business education was delivered in the field.

4.3.2.3 Pedagogy

A number of components influenced the findings of the interviews within the thematic content area of pedagogy, with some driven from the questions themselves and others resulting from relationships which emerged from previously considered categories. For example, the questions of "How were you trained as an educator?" and "How important is teaching practice to student learning?" were crucial elements, but consideration of the previously reported findings such as the duality (or more) of roles filled for the borrower community by the designated trainer and the expectation that curricular modification be made in the field both also speak to teaching practice and educator development.

All subjects interviewed indicated they were trained as educators, although only five had a formal degree in education. Of note is that of these five organizations, the two which are classified as commercial/for-profit are represented, one additional is a government-sponsored agency, and the final represents a for-profit curriculum development organization. All other interviewees revealed widely varied educational backgrounds ranging from pastoral training and theology to financial analysis and accounting. Many considered themselves experts in a particular field (market analysis and social issues, for example), while others seemed to gravitate to a particular lender due to knowledge of or affinity for a particular global region or ethnic sub-group.

The training as an educator, then, reflects not a formal collegiate-level of preparation but instead institutional or industry-sponsored professional development for those responsible for the delivery of "affiliated-instruction," meaning instruction linked with a particular financial instrument or loan. These professional development sessions revealed a remarkable degree of variation from the subjects, suggesting this is a practice inconsistently applied throughout the industry and largely absent any degree of commonality. Only one-third of subjects (6 of 18) indicated they received (or coordinated) professional development training for their field-assigned educators of basic business education "continuously" or "very frequently, as much as monthly," and in all cases these were the largest organizations interviewed in numbers of loans extended, borrowers trained, and offices staffed worldwide. All interview subjects indicated they received some degree of professional development training, although two-thirds (12 of 18) used language to suggest they received training rarely or infrequently (defined by coding as less than one time per year).

Several subjects shared that trainers were trained when they were first assigned to field-positions and then training would recur when new financial products were available or changes were required in the loan process. Several interviewees also revealed they viewed the absence of professional development as one of the most frustrating parts of their assignment, with one specifically noting "I know I could be more effective, but I just don't know what to try that has worked somewhere else." Despite this note of frustration, there was near universal indication that trainers felt supported, valued, and encouraged by their organizations, and that their role was viewed as essential to the mission of the institution. Three specific questions in particular support this finding, to include the importance of teaching practice to borrower learning, the importance of effectively delivered education to a borrower's ability to succeed, and the importance of the

educational process to a lender's success. Figure 4.8 reflects the Role of Pedagogy and Educational Experience as indicated by the responses of the 18 subjects interviewed, with the language used by subjects coded into the categories of minor importance, important, or essential.

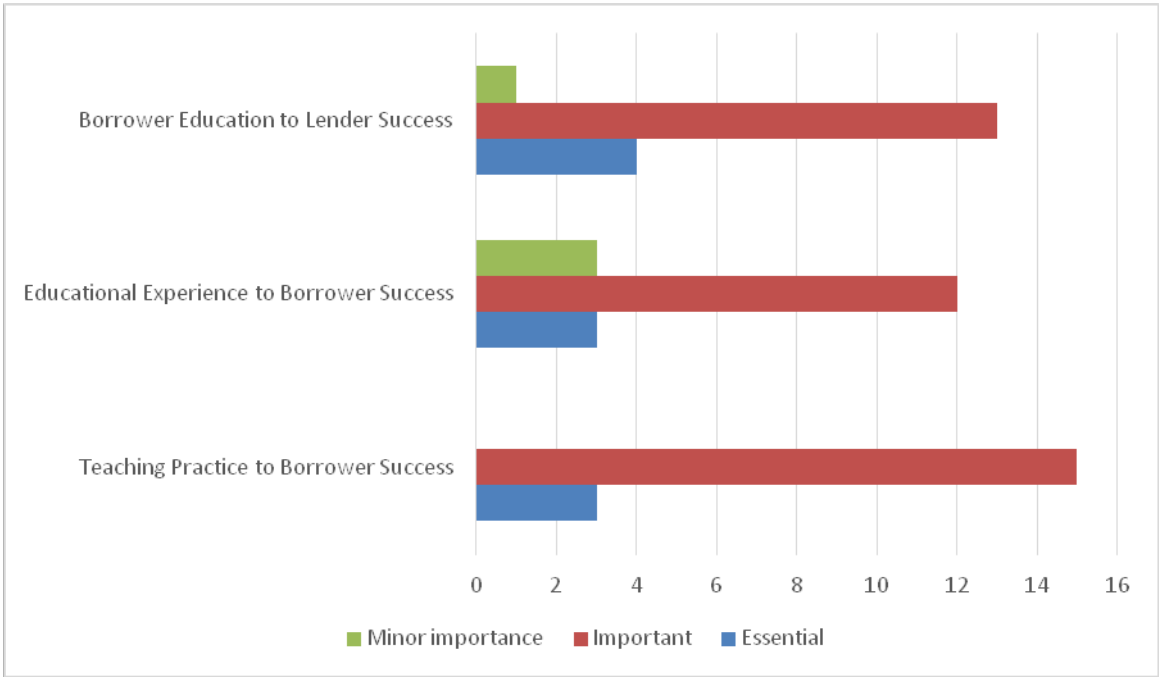

Figure 4.8. Role of Pedagogy and Educational Experience

4.3.2.4 Definitions of Success

The final category considered from data collected in the semi-structured interviews was the complex topic of constructed meanings of success. Findings within this theme were informed by these two essential questions:

- How do you define borrower success?
- What constitutes success for your lending institution?

The language used by subjects in response to these questions varied greatly and it was clear this concept was found to be particularly thought-provoking. Several subjects responded to the initial question with an immediate "That's a great question," indicating this wasn't a topic about which they gave regular thought despite the fact it was arguably the defining mission of the organization. These questions prompted the most lengthy and difficult narrative to code as it seemed to vary distinctly from lender to lender and, in fact, seemed substantially subject to individual interpretation.

Rarely did an interviewee indicate a single definition of borrower success but instead described an outcome or condition which would be the result of many unique points of progress and achievement. Some, on the other hand, seemed to deflect the question entirely, responding with comments such as, "We need to allow the borrower to define success for themselves." Despite this complexity and variety of responses, several thematic coding categories did emerge, including Financial Success, Behavioral Changes, and Impact on Family or Community. Some of the more descriptive language in each of these categories of borrower success is provided here:

<u>Financial Success</u>

> *"The ability of the borrower to get the financing the business needs."*
>
> *"The borrower is able to successfully payoff a loan … and attain a level of financial sustainability …."*
>
> *"Borrowers are able to use their loans wisely and repay them successfully …."*
>
> *"Financial stability."*
>
> *"They understand that a loan is an investment, it generates a profit, and then they return the loan."*
>
> *"The timely repayment of a loan."*

Behavioral Changes

> *"They become a more informed consumer and attain a level of sustainability due, in part, to the services provided by the lending company."*
>
> *"We ultimately define success in terms of behavior change. We want our clients to employ their financial access and business education to improve their well-being."*
>
> *"If a borrower understands the risks and makes sure they learn how to use what they have to generate a profit, they are prepared to take out a more substantial loan in the future."*
>
> *"Our theory of change is that as borrowers' behavior changes as a result of the education, they will better manage their businesses and be wiser borrowers."*

Impact on Family or Community

> *"Borrowers are able to care for themselves and their families. They pay on time and are able to send their kids to school."*
>
> *"Increased access to capital by traditional means."*
>
> *"Increased household resilience, leading to a better life for children."*
>
> *"Creates jobs."*

The variety and nuance of language provided in response to this specific question about defining borrowers' success suggests external as well as internal pressures. Varying constructions of success likely reflect institutional and funder mandated measures as well as one's personal interpretation of this response.

In contrast to personal definitions of success, when asked to describe how they define success for the micro-lending organization for which they work and from which the micro-loans originate, the language provided was much more direct and substantially more quantitative in nature. Here, the dominant coding categories emerged as: Financially and Programmatically Sustainable; Repayment Rates; and Financial Portfolio Quality. It was with much less frequency that respondents referred to qualitative measures when responding to this question, although they

did occur with regularity from subjects representing faith-based and “bottom of pyramid” focused organizations.

It should be noted that several organizations did, in fact, have highly developed and quite specific indicators of success which were readily shared in the interview and supported by analyzed documentation or self-reporting measures. For example, one organization clearly defines its success as meeting criteria in three specific areas, each of which was specifically recounted during the interview. These criteria include: having Christ-Centeredness, measured by engagement with local churches; Quality, measured by loan repayment rates and the highest possible ranking on Charity Navigator; and Growth, measured by clients served, total donations, and active donors. This degree of combined quantitative and qualitative success specificity was unusual, however, with most organizations adopting a more interpretive stance.

Perhaps the most compelling finding of this thematic category is the absence of a clearly stated definition by any interview subject as it relates to outcomes or competencies achieved as a result of participation in basic business education programming. As stated earlier, several organizations implied measures of success which could be interpreted to mean a combined outcome, the result of achievement in several categories of which one would most likely be education. No interviewee offered in his or her constructed definition of success specific language as it related to the specific attainment of particular business skills, aptitudes, or proficiencies despite a high degree of commonality in educational content and the means by which it is delivered.

4.4 FINDINGS: REPORTED MEASURES OF SUCCESS

Each organization considered for this study publishes on at least an annual basis documentation which formally reports its activities, impact, points of engagement, and other meaningful data. This information is used by creditors, auditing organizations, donors, borrowers, boards of directors, and other interested parties to understand the scale and scope of the MFI under review, the MFI's mission, values, and desired points of impact, and critical measures of success chosen by the organization as reflective of its performance. Most often, these reports take the form of an organization's Annual Report, although not all are required to provide financial data in this specific format.

Even those organizations which publish an Annual Report supplement this more formal document with a Statement to Donors or similar type of external report which details the activities of the lender in narrative form separate from the financial disclosures. These documents may exist in hard copy, on the organization's website, in promotional marketing materials, or in the descriptive capsules MFI's are at liberty to post in industry organization databases as a way to differentiate themselves from other possible lenders.

These external documents and financial reports were collected from each of the 15 organizations which provided sets of curriculum for analysis, as well as from the three additional organizations which only provided subject interviews. Using the Content Analysis Recording Form developed for this purpose, all measures reflected in these varied forms of documentation were recorded in order to compile a set of the measures most commonly used by this set of microfinance institutions. In cases where it was not immediately clear what was being reported, steps were taken to understand the data presented in order to classify the reported point of success in a commonly occurring category. In order to be considered for inclusion on this list as

commonly reported measures, a reported measure of success needed to be present in the documentation of least two organizations. Only the most current year's Annual Report was analyzed, as were the most currently available donor solicitation materials, marketing materials, Statement to Donors or similar report, and organization's website.

The categories reflected in Figure 4.9 Commonly Self-Reported Measures emerged as the most frequently occurring ways in which the microfinance organizations considered portray themselves to the public. While this study was not intended to be exhaustive across the full spectrum of global microfinance lenders, the self-reported measures of success noted here, when compared to definitions of success revealed in the semi-structured interviews, may allow for even further constructions of success as defined by various participants which can then be critically considered.

4.5 CONCLUSION OF FINDINGS

This chapter presented the data collected for study by the three primary means described as "Methods" in the preceding chapter and fully developed here in terms of actual execution. These methods, Curricular Content Analysis, Semi-Structured Subject Interviews, and Self-Reporting Performance Measures Analysis, were employed to provide a body of data which was considered for the research questions pursuing Commonalities in Basic Business Education Delivered in Microfinance. The three methods engaged three distinct yet interrelated components of the educational process, namely curricular content, pedagogy, and outcomes.

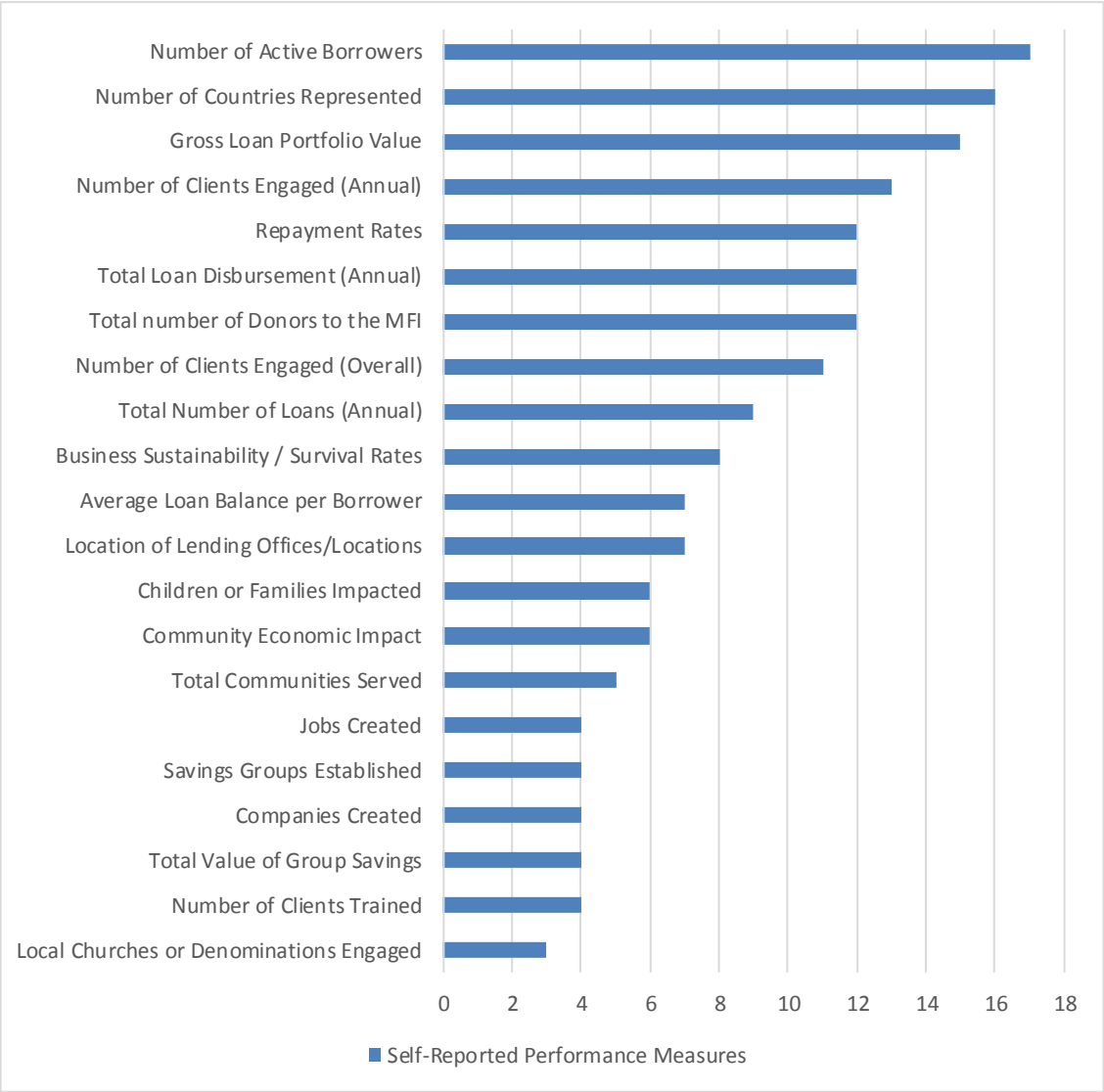

Figure 4.9. Commonly Self-Reported Measures

Each of these components and the methods used to collect and present data specific to that element allowed for analysis within a particular area of inquiry, which in turn provided for a more detailed presentation of that data. Using these individual elements of study, it is now possible to consider ways in which this segmented data may be used to draw conclusions and suggest ways in which the industry may benefit from an understanding of these commonalities and the connected inference they represent. In the concluding chapter to follow, I use a critical

theory conceptual framework as the basis for synthesizing and interpreting the research findings. It is these relationships between thematic categories found within each considered area of research which promises the most potential benefit to practitioners in the microfinance industry and, by extension, to the clients, borrowers, and students who participate in the various programs.

5.0 CONCLUSION

In order to develop conclusions to the research question regarding the commonalities in basic business education delivered in microfinance, I offer an interpretative analysis of the data collected from curricular samples, practitioner subject interviews, and externally published documents wherein microfinance organizations describe their own measures of performance. By comparing and aligning these three elements of the basic business education process, a more thorough understanding of commonly occurring programming elements emerges and, with that, an enlightened assessment of the ways in which microfinance organizations of various classifications deliver this service.

Presentation of these conclusions begins with a brief review of the problem statement and research question, the methods used to collect data, and a broad summary of results. These results will then, by use of a theoretical lens grounded in critical theory and applied to concepts in both development education and entrepreneurship, be connected to existing research in this field. The desired outcomes of this research, by use of comparative and interpretative analysis, are more clearly understood informal parameters within which participants in the microfinance industry navigate, consistencies or inconsistencies noted within, and suggestions for modifications in practice which would potentially result in a higher degree of human and social capital formation in addition to economic and financial capital. The limits of this research and suggested areas of future research are offered in the final sections.

5.1 PROBLEM STATEMENT

There is no clear consensus in the research community regarding the effectiveness of micro-lending or microenterprise development as a long-term development strategy for poverty eradication or sustainable improvements in standards of living for the world's poorest citizens. Advocates point to a clear and measurable relationship between entrepreneurship and development (e.g., Bosma and Levie 2010), and to microfinance's positive role in efforts to deliver upon the U.N. Millennium Development Goals (MDGs) in areas of extreme poverty (Sievers and Vandenberg 2007). Critics, on the other hand, claim the outcomes of microfinance over time have actually resulted in a negative impact for both the borrowers and their communities (Hulme and Arun 2012; Hulme and Maitrot 2014; Kinetz 2012; Kumar 2012) due, in large part, to the trend toward commercialization, the inclusion of ancillary financial services (credit cards, insurance, etc.), and a shift of focus from social impact programs to financial instruments designed to provide economic return.

It is, however, indisputable that the microfinance industry has an enormous economic impact on developing and developed countries alike. Largely because there is no definitive supra-national organization of which all micro-lenders and organizers of group savings programs must belong or to which they must report annual activities, estimates of activity within the microfinance industry vary greatly. The more authoritative sources suggest total industry participants in excess of 10,000 lenders or savings groups, lending to nearly $8 billion USD to over 200 million working poor borrowers annually (Microfinance 2014). The sheer scope, then, of microfinance as a tool of development led to the fundamental research question which guided this study. Specifically, what commonalities exist in basic business education delivered through microfinance?

Inquiry into this research question was driven by interest in the nexus of development education and economic impact, by pedagogical practice and reported measures of performance, and by the parallel development of human capital along with financial or economic capital formation. While it would be unreasonable to presume the results of this study would contribute substantially to the debate on the overall effectiveness of microfinance as a development strategy, it is possible these results may inform practice among those industry participants who regard the inclusion of basic business education as an essential component to success in the micro-lending or group savings process.

5.2 SUMMARY OF METHODS

In order to fully consider the process by which basic business education is delivered in microfinance, three distinct components were uniquely considered: curricular content, practitioner pedagogy, and externally reported measures of performance. Curricula were analyzed by use of a content analysis procedure to compare the instructional materials currently used by 15 different micro-lending or group savings organizations of various industry classifications, areas of focus, and institutional priorities. Following this content analysis, these same organizations were engaged to conduct subject interviews with educational practitioners who either deliver the instructional content in the field, or hold responsibility for those who do. In total, subjects represented 18 different microfinance organizations yielding approximately 23 hours of interview data.

The final method entailed assembly of documents published by the microfinance institutions and directed to an audience external to the organization. These documents took the

form of annual reports, marketing materials, donor solicitations, etc., along with self-reported capsules submitted to industry organizations such as MIXMarket and CGAP. Here, the intent was to identify common forms of self-reported performance across the population set of institutions considered, in an effort to determine the most common ways in which MFIs of various classifications self-select relevant measures of success.

5.3 SUMMARY OF RESULTS

In Chapter 1, the stated hypothesis and prediction of anticipated results in advance of any data collection expected to reveal multiple operational as well as programmatic components limiting identification of consistent curriculum, teaching practice or patterns of effective delivery and reporting. It was proposed that without these points of commonality programs may experience multiple and disparate definitions of success held by borrowers, lenders, and contributors to these programs and institutions. This absence of commonalities may be limiting advances in practice which could benefit microfinance borrowers, lenders, and contributors defined as those from whom the financial capital to loan and offer supplemental services originates.

As will be discussed in the following sections, the hypothesis was not supported by the data nor the anticipated results realized in this study. While far from being a disappointing result, instead this adds to the discourse in microfinance and the delivery of basic business education programming by pointing out that certain commonalities do in fact exist, particularly in curricular content areas and to a lesser but not inconsequential extent in educator pedagogy.

5.3.1 Curricula Content Analysis

The curricula content analysis produced results which may be helpful to organizations in their internal assessment of content areas of focus and individual topics of instruction, although this finding must be clarified to some degree. As individual MFIs were engaged and the process evolved through which they provided for inclusion in this study copies of curriculum, individual training modules, or detailed program overviews, it became clear that the curriculum used by these organizations is influenced extensively by a wide range of factors both internal and external to the organization. In some cases, the delivery of basic business education represented the single most important non-financial service offered by the institution and the provision of financial services seemed secondary to fulfillment of this mission; in other cases, business education seemed to take on a much more complimentary role to the core financial purpose of the lender and was, therefore, less extensively developed and more informally presented. Those organizations which self-define as having a focus on the individual and the community were most likely to incorporate intentionally designed and delivered educational programming. Those with more commercial interests were less likely to do so.

What appeared to drive the choice of curricular content most were institutional mission and the overall statement of objectives of the organization. While only those MFIs which clearly defined basic business education as a fundamental component of the organization's strategic deliverables and programming were included in this study, even those varied in terms of the priority basic business education seemed to hold as evidenced in practice. Given this particularly broad range of objectives and mission, it's important to note that it does not seem reasonable to define best practices in MFI curriculum or even to suggest that a best practice approach is feasible. Instead, it can be argued that the sheer identification of commonalities may direct

practitioners to methods reflective of varied market conditions across the micro-lending spectrum which may then be adapted to specific lending conditions and participants. As such, the following areas of content reveal not what *should* be included in basic business education delivered in microfinance but instead the common components which *are* included by lenders who outwardly portray their organizations as having a commitment to education as part of their complete microfinance portfolio.

Three consistent macro-content categories (Financial Literacy, Entrepreneurship and Marketing) along with nine micro-content categories were identified in the curricula analyzed, encompassing 51 different specific topics identified as occurring in at least two of the programs considered. The most commonly occurring macro-content was found within the category of Financial Literacy, which includes such topics as basic numeracy, accountancy, and planning for savings, and even more specifically within the micro-content area of Financial Literacy defined as Competencies. Within this category, three of the most frequently recurring topics appear, notably “record-keeping,” “managing debt,” and “budgeting,” all of which can be described as essential skills needed by an aspiring micro-entrepreneur to achieve even the most basic level of sustainability in a business practice.

It could be suggested here that regardless of the mission and strategic objectives of the MFI delivering the basic business education, there is widespread agreement that borrowers require training in basic concepts of financial literacy. In every set of curricula considered, these topics were presented first and consistently reinforced in subsequent lessons. Interestingly, though, the two micro-content areas found in all 15 sets (100 percent) of curricula were not identified as being a concept covered in the realm of Financial Literacy, but instead were found one each in the macro-content areas of Entrepreneurship and Marketing. These two universally

appearing content areas were “Writing a Business Plan” and “Considering Competition” (see Appendix E).

Interpretation of these only two consistent micro-content topics would suggest a level of external consideration and assessment is perceived to be necessary on the part of borrowers in all conditions in order to fully grasp both the risk and the potentiality of success in a proposed microenterprise. In the case of writing a business plan, curricular content analysis revealed very specific and highly directed instruction ranging from how it should be written and what it should contain, to recommended length and exact formatting which should be followed. Here, despite the universality of the topic, instructional examples of how the finished product should appear varied a great deal, once again clearly reflecting the mission and strategic objectives of the organization.

There was far more curricular consistency, however, within the content area of considering the competition despite the variety of language used to convey this topic. In some instances, borrowers were encouraged to identify who potential customers may be, even going so far as to create a list of either specific individuals, groups, neighborhoods, or other affiliations most likely to purchase a specifically proposed good or service. Obviously, this approach was most appropriate for the most “micro” of the microenterprises targeted for instruction, but it speaks to the deliberate ways in which lenders urge borrowers to have a clearly defined deliverable before moving forward in the lending process.

Following identification of potential buyers, students were then directed to consider from whom these buyers are currently purchasing this good or service, what they are paying for it, and why they may want to switch to another provider. In virtually all curriculum analyzed, there was a clear progression through what is considered to be the classic 4-Ps of marketing (product,

place, price, and promotion) to guide borrowers through a framework of how they will differentiate their offering in the marketplace from other options currently available. The consistency of this micro-content across all curricula analyzed is particularly relevant, in that it can be deduced that one of the fundamental points of basic business education is that it's not enough to simply demonstrate skill or even competency in bringing a particular good or service into the market. Arguably, what's needed in order to achieve a level of sustainable business success is identification and maximization of some point of differentiation and satisfying either an un-served or under-served need. This is unquestionably a more complex and sophisticated concept than that of, for example, numeric literacy, suggesting the population served by this set of MFIs exists in a more competitive and potentially more globalized environment.

5.3.2 Analysis of Practitioner Pedagogy

The subject interviews produced enlightened and highly descriptive data as it relates to the ways in which practitioners deliver basic business education in microfinance settings, to whom it is delivered, and with the objective to achieve what outcome. In all cases but one (17 out of 18), the subjects fulfill multiple roles within the organization and are not exclusively designated as educators or trainers. Most often, in addition to having responsibility as the educator, these individuals serve as a business adviser or one who provides specific technical assistance to borrowers. This suggests a degree of personal involvement with specific microenterprises well beyond a peripheral knowledge of the business which would be derived in an instructional setting, and thus a relationship with the borrower/client at a deeper practical level.

Those who find themselves as instructors of basic business education rarely are career educators, with only five having a formal degree in education. More often those responsible for

the delivery of basic business education describe themselves as specialists in a particular area or competency, who have assumed the role of trainer in addition to other responsibilities. Instructors are both empowered and expected to make curricular adaptations as needed in the field in order to effectively engage with the borrower population, although a recurring theme indicated they are urged as "new" trainers to use the curriculum as it exists for several times before making such adjustments.

Perhaps the most revealing finding from the subject interviews centered on the presence or absence of professional development, or so-called "train the trainer" programming. While an overwhelming majority of subjects indicated that their teaching practice and the educational experience realized by their students were crucial to borrower and ultimately lender success, few acknowledged that professional development occurred on a regular basis and even fewer (only two) indicated that a systemic practice of instructional skills development was defined and executed by the lending organization. This is not to suggest, however, that instructors feel underappreciated or that their contribution to the strategic objectives of the organization is viewed as minimal; on the contrary, subjects conveyed sentiments strongly suggesting that their role was viewed as "essential," "critical," and "a key determinant of success for the organization" as well as "utterly inseparable" from the success of the borrower.

5.3.3 Self-reported Performance Measures

The final method employed to better understand the commonalities of basic business education delivered in microfinance dealt with a comparative analysis of the ways in which the organizations selected for review in this study choose to communicate measures of institutional performance to an external audience. The intent was to use this comparison as a way of

considering how MFIs define institutional success and to determine if there was an alignment between definition, curricular content, and practitioner pedagogy. The documents used for this comparative evaluation were secured from the organizations directly, or accessed by readily available means such as web content or promotional materials. In all cases, the content considered was determined by the organization and not subject to any industry-wide format of required statistical or performance reporting.

The most consistently appearing performance measure offered by lending organizations was Number of Active Borrowers, followed by indication of the Countries in which the organization has on-going involvement, followed still by Gross Loan Portfolio Value. It would appear by these data that the most important self-reported measure of performance for microfinance organizations addresses size and scope of the institution rather than the method or means by which services are delivered. Unfortunately, it may prove difficult to draw definitive conclusions from these findings, as admittedly there may be practical reasons for more readily publishing these types of measures rather than reflecting an intentional choice to highlight some particular outcomes versus others. For example, quantitative data such as number of active borrowers and total outstanding gross loan portfolio value are relatively simple to define, consistently tracked, and updated continuously in order to meet financial expectations and auditing requirements. Likewise, it may be mandated from individual donors or donor agencies to specifically account for what can be quantitatively measured as it provides for a more deliberate tracking of expenditures which may then be used to solicit more funds. Quantitative measures such as these require no further assessment tools, nor process by which the data would be collected and interpreted in fulfillment of specific objectives. They are, quite simply, easy to track, easy to report, and easy for an external audience to compare and understand.

Interpreted measures of performance using a combination of both quantitative and qualitative data were reported less frequently and in fewer ways than purely quantitative measures. These data sets included Families or Children Impacted, Communities Served, or in particular relevance to this study, Clients Trained. While somewhat more complex to track and requiring a uniquely contrived method by which to collect and record the evidentiary data, these measures are still relatively well-defined and not subject to a great deal of interpretation either in collection or reporting. As such, they appear with notable regularity in organizational self-reporting throughout all categories.

Wholly absent from self-reported performance measures were any indications of attainment of educational outcomes or demonstrated competencies by borrowers who participated in the basic business education programs offered by the MFI. One could speculate that this absence of any impact analysis is the result of a corresponding absence in baseline reporting of individual skills and foundational knowledge. Another potential limitation may be a lack of consistent access to borrowers both before and after the training in order to develop any outcomes-based assessment tool. It was not within the scope of this study to determine why this information is not readily reported by the very lending institutions which identify themselves as including business education as an essential component of their portfolio of services, but it has been identified as a topic of future research in this area.

5.4 DISCUSSION

In order to effectively frame reasonable outcomes from this research, it is necessary to shift from analyzing the data within defined thematic patterns and categories of content to synthesizing

these patterns and categories in ways which are both iterative and cumulative. By interpreting meaning between and within the individual areas of data collection and analysis, I intend to respond to the research question by way of theoretical relationships in the areas previously defined, namely: development education and economic impact; pedagogy and reported measures of performance; and the parallel development of human and social capital along with financial or economic capital formation.

Critical theory is an appropriate theoretical framework by which to consider the commonalities of basic business education delivered in microfinance and within the relationships outlined above for a number of reasons, all of which align to the essential structure of critical theory as an evaluative paradigm in the social sciences. While the concept of commonalities may, in and of itself, seem contradictory to a critical theorist examining these findings given critical theory's rejection of reductionism, I argue that commonalities in basic business education in microfinance are neither reductive nor positivist but simply the identified emergence of patterns within a shared educational experience. The variety of curricular content presented, adaptations made and expected in instructional practice, and the complete absence of evaluative measures reflecting individual outcomes or the development of competencies would all seem to support this position.

Another justification for the use of critical theory as a conceptual frame is its inherent multidisciplinarity. A simple unpacking of the research question reveals the breadth of social science disciplines potentially reflected in this study, including but not limited to business and economics, education, sociology, political science, and even to some degree cultural anthropology. Even within these disciplines, concepts such as consumerism, globalization, human and social capital formation, and power structures within what Horkheimer and Adorno

(2002) referred to as the culture industry (which arguably could include financial institutions) are all highly relevant to this study. By seeking to understand how the chronically poor may be better served not by finding a best practices approach to the structure and delivery of basic business education in microfinance but instead by pursuing an institutional structure which enables and empowers all participants to inform content and delivery, practice and process by the unique experiences they may or may not share with others, critical theory remains true to its roots.

A third and final argument for a critical theory consideration of basic business education in microfinance is that the application of critical theory to a complex multidisciplinary and multiphasic process such as this must be both reflective and, perhaps somewhat obviously, critical. To approach these findings not in search for absolute truths but instead with a natural suspicion inquiring why certain practices exist and reflecting upon how they may impact all participants' role in society demonstrates why critical theory plays such an important role in the conceptual consideration of development initiatives. Drawing once again upon Frankfurt School critical theorists Horkheimer and Adorno (2002), they argue that critical theory should indeed be praxis-oriented and not restricted solely to a theoretical exercise. As such, the concepts developed here do, in fact, seek to cross the boundaries of praxis and theory wherein they offer practitioners ideas of what *may* produce positive results however they may be defined, allowing all to benefit not from a positivist position of what should or must be included in basic business education in microfinance but instead what could be individually, socially, and institutionally beneficial in practice. The interpretive discussion to follow is structured along these lines in an effort to develop the intended connections and interrelationships described here.

5.4.1 Development Education and Economic Impact

While it may seem somewhat unconventional to call upon development education theory as a framework against which to consider basic business education in microfinance, I argue it is exactly the absence of a dominant theoretical paradigm within comparative, international, and development education research which allows it to fit. Broadly stated, research in development education considers educational processes as they specifically relate to global poverty and underdevelopment. Often, the focus of development education research rests on commitments to social justice and human rights wherein the outcomes are intended to inform changes needed in what are perceived to be unjust or unequal circumstances on community, national, or international levels. Although much of the literature in development education focuses on formal educational structures within countries, I argue that the delivery of basic business education in microfinance meets all of the qualifying criteria to be considered development education and has just as much substantive impact on the populations considered.

Issues of curricular relevance, requirements of participation, and certain reported outcomes reflecting economic impact are particularly relevant to this application. Much like international oversight and funding conditions impact development education policy and practice in emerging markets, so to do institutional priorities and access to financial services such as micro-loans determine the parameters of what, when, and how basic business education will be delivered in microfinance and to what degree students will be engaged in the process. Likewise, the experiences of borrowers do not always align with the intended purpose of basic business education as defined by lenders, just as the outcomes of development education often reflect the purposes of practitioners, policy makers, and international agencies rather than the constituencies they serve (Bray 2007).

The analysis of curricular content demonstrated most clearly the position of basic business education in microfinance within the realm of development education, although arguably both the subject interviews and consideration of performance measures added to the discourse as well. It was clear from the content areas identified by way of thematic clusters that there exists a potentially conflicting message of social and financial agendas in the curricula not unlike that evidenced in development education. For example, an equal number of curricula included as a fundamental content area the need to plan and prepare for unexpected life events as did how to secure and use business credit wisely. These would appear to inform quite different agendas as one seems to address the needs of individuals and families and the other directly contribute to enterprise sustainability. Development education theory would suggest these are not incongruous messages nor are they diametrically opposed; instead, this reveals exactly the nature of development education in that it should be designed to "ensure that opportunities for health, knowledge and prosperity are equally open to all, so that poverty is reduced for all women and men, in minority communities as well as in majority ones" (Bown 2006, p. 17).

It appears as though instructors of basic business education also grasp this inclusion of basic business education in microfinance as a form of development education, although their assignment of it was from a practitioner perspective rather than from a researcher's point of view. Consider comments such as, "In order for our training to be effective, we must … you know … respect both the time commitment we're asking for and the life situations of our clients. Not everyone has the same goals or defines success in the same ways, but they all want a better life for their families or they wouldn't be here" and "Our mission is to move people out of poverty … period. No matter where they start from, our job is to provide an affirming environment not focused on what they don't know but what they need to know next, and this is

different for everyone." Critical theory in development education urges us to question how an educational system can best extend education to people who are in need of it. These examples reinforce the need to reposition both the opportunities and need for understanding of the different perspectives of marginalized members of society. The extension of basic business education in microfinance has provided once disqualified poor borrowers the opportunity to both secure a microloan and learn practical skills in financial literacy, entrepreneurship, and marketing to make use of these loans. Development education theory can clearly inform research into this area of study.

5.4.2 Pedagogy and Reported Measures of Performance

Individual experiences inextricably define both the starting point of the instructor-borrower relationship and the desired outcomes by which success may be defined. Likewise, the pedagogy and instructional practice of the educator in response to these experiences sets the foundation upon which all following interaction will be conducted and by what measures outcomes will inevitably be determined. In this consideration, I intended to make a series of connections between pedagogy and the measures by which the microfinance organizations report performance data to the public in order to draw some conclusions about the alignment of institutional priorities with borrower needs.

As evidenced by the subject interviews, the delivery of basic business education in microfinance is more than simply providing the requisite information and hoping that students, clients, or borrowers will take from it what they need. While very few interviewees indicated that their clients were frequently textually or numerically illiterate, which was alone a surprising observation, most students generally have no experience either starting or running a business.

Roodman and Qureshi (2006, pp. 31-33) suggest an essential factor of success for business education programs in microfinance lending is when collectively the lending institution and local facilitator create an "enabling environment" wherein positive feedback loops aid in the recruitment of trainers and borrowers through which both fully realize value in the structured knowledge transfer of business skills. Interestingly, this phrase of "feedback loops" appeared in several interviews verbatim, and in other cases was implied by slightly different language. For example, in one interview with a Director of Trainers the interviewee shared, "Our client feedback loops are what make our trainings so valuable to our clients. If the training is not done well, we'll see it in a lot of different ways. We heard the sessions were too long in {name of country}, so we piloted both optional meetings as well as a different format and asked our local managers to gauge impact. The result was a shift from group meetings to individual sessions since it just wasn't feasible in that community to get a group together."

This expectation for adaptive pedagogy was consistently revealed throughout the interviews, measured by coded responses to questions ranging from "Describe your role as the one who delivers basic business education" to "What are the most frequent adjustments or adaptations you are expected to make in the content delivered to your students?" Another revealing finding with regard to pedagogy was the frequency with which trainers described themselves as facilitators rather than teachers or educators, taking great care to explain that a shared learning environment rather than a lecture-driven structure was viewed as essential to borrower success and a positive educational experience for clients.

It is in this area of pedagogy and instructional practice that we may find with future research the greatest need for professional development among trainers, specifically to better understand the various ways learners learn and perhaps to more fully develop the unique

pedagogical components of adult education. As evidenced here, it's clear the trainer is viewed by the borrowers as the expert, and is therefore the one to whom expectant and inexperienced borrowers look for guidance and direction (Blair and Malm 2002). It is no wonder "finding and keeping good trainers is a huge challenge for most microenterprise programs" (p. 10).

I think it appropriate to link pedagogy with reported measures of performance for a number of reasons. First, both elements appear to be limited by an absence of clearly defined and consistently applied objectives by which an organization's efforts can be measured and the analysis of which could produce a given set of commonalities across the industry. While a critical theorist would argue this is precisely why the social sciences are not and cannot be positivist, it does create a gap limiting what practitioners may learn from the experiences of other practitioners in their need to respond adaptively to borrowers. Second, both pedagogy and reported measures of performance are hindered by widely divergent programmatic and pedagogical objectives contributing to a diminished capacity to evaluate microcredit plus education programs over time, not unlike the challenge faced by development aid organizations in their pursuit of the Millennium Development Goals (Clemens et al. 2007). Perhaps one of the contributing reasons the overall performance of microfinance institutions has been so highly criticized in recent years (Ahlin, Lin and Maio 2011; Annim 2012; Sigalla and Carney 2012) is that organizations participating in the provision of basic business education in microfinance find it difficult to report outcomes and, as such, are accused of marginalizing the industry's original mission. Third, assessment methods specifically applied to educational outcomes appear to be wholly elusive in this context; therefore, it is highly unlikely for MFIs to report on measures of performance reflecting educational outcomes regardless of the importance education plays in the mission of the organization. Brau and Woller (2004) suggest the difficulty and cost inherent in

assessing the social impact of microfinance are such that most MFIs do not even try to assess social impact.

While the challenge of measuring outcomes lies with its focus on what can be empirically tracked and reported, we must not lose sight of the potential impact of training on the targeted groups and ultimately the changes realized on both behaviors and success. For these reasons alone, the microfinance industry cannot simply avoid assessment because it is vague, dynamic, and complex. These are precisely the reasons it should be measured and for these assessment tools to vary as needed. Business education outcomes must remain a lingering point of consideration for organizations which desire reporting methods reflecting human capital development as well as financial returns.

5.4.3 Human, Social, and Financial Capital Formation

As a conceptual frame within educational research, critical theory involves the skeptical consideration of the prevailing views of society. It compels one to examine policies, practices, and programs which might favor one segment of the population over another, and which fail to take into account the unique impact such influencers may have on the individual. Because the availability and design of basic business education in microfinance affects a borrower's development of human, social and financial capital in a variety of ways, it is an important consideration within the context of this study.

Sachs (2005) suggests the extreme poor lack as many as six major kinds of capital: human (or knowledge) capital; social capital; economic or financial capital; infrastructure; natural capital; and public institutional capital. The delivery of basic business education in microfinance is designed to specifically respond to three: human capital, social capital, and

financial capital. Defining poverty as such in no way suggests that this phenomenon is novel or deliberately linked to contemporary society's materialistic tendencies (Dant 2004); instead, it introduces to the discourse the idea of an interconnectivity between those in need and those in a position to offer that assistance. Dant's focus on agency in the emergence of human and social capital specifically defines access to material objects as what "bridges between the inner psychic life of the individual and the outer social life of the world around" (2004, p. 63) not, I believe, in an effort to be critical of the attempts of the poor to achieve economic stability but instead critical of the motives behind those who are providing the source of the empowerment. I believe the writings of Dant and others would, however, support the idea that the failure of certain MFI's to achieve their originally stated goals may be a result of inconsistencies between mission and practice, whether intentional or purely reactive.

The organizations which provided copies of curriculum for analysis and within which the subjects who agreed to interviews were employed or contracted, seemed to share a consistent set of values which were client-focused and genuinely applied. Even those lenders which were designated as for-profit conveyed a sense of higher purpose beyond simply producing more consumers for the exploitation of the global economic system. Perhaps it is naïve to apply the impressions shared by practitioners who hold the responsibility of delivering basic business education to existing and potential borrowers to their parent organizations. However, I also found it an unfair representation based upon the population set considered here to view the majority of MFIs as greedy, self-serving exploiters of the poor. Without exception, those who agreed to interviews spoke much more frequently about providing the chronically poor with the social, human, and financial capital they need to realize a better life for themselves and their families than they did about creating a new set of consumers.

Coyne (2013) in his text *Doing Bad By Doing Good: Why Humanitarian Action Fails*, while not specifically critiquing basic business education in microfinance, considers all humanitarian action through a critical theory frame arguing that at times we do the most harm when we are seeking to do good if the policy and practice are not guided by the contemporary and historical realities of the affected group. Failing to take into account the opportunity to impact social capital while specifically delivering human (knowledge) capital within the defined context of financial capital programming would appear to argue this point quite succinctly. Education in its many forms is frequently associated with development, and by definition creates human capital, albeit often in pursuit of economic growth. By using critical theory as a lens by which to consider the programmatic design, pedagogical practice, and reported outcomes of basic business education in microfinance, practitioners may be able to better inform policy makers of how best to apply critically determined processes in resistance to programs which do not best serve the needs of the targeted population, and in support of those in a position to positively influence societal outcomes.

Another lens by which to consider the parallel objectives of human, social and financial capital formation is by understanding the limits of MFIs to focus on the individual in lieu of achieving small business development or microenterprise growth in order to satisfy donors. While the trainings are, by design, delivered in forums targeting individuals or small groups, the materials covered in macro-content and micro-content areas clearly center on enterprise growth and economic development. This phenomenon, while troubling when considered by a humanist perspective, may be informed by what is known as the paradox of power in philanthropy. Considering the works of scholars such as J. Gregory Dees (2012), Omri Elisha (2008), and Anne Vestergaard (2013) the paradox of power in philanthropy suggests the potential that

humanitarian organizations are sacrificing a focus on the institution's original mission and discounting its expertise in a particular area of development specifically in order to attract more donors or respond to the demands for accountability from existing donors. Another construct of this idea would suggest that there exists a trend in philanthropy whereby success is gauged not by outcomes but by the donor community's expectations of goal attainment, whether realistic or not. In any case, this influence of the paradox of power most certainly exists in the microfinance industry and should be a consideration in the determination of any outcomes-based assessment initiatives.

5.5 LIMITATIONS OF THE RESEARCH

In order for this study to have validity and application for the audiences to which it is intended, it is critical to discuss several significant limitations of the research. These limitations are described not to undermine the significance of the findings, but instead to provide a realistic frame within which the results were collected and which reasonably address the potential of broader application within the microfinance industry.

The first limitation deals specifically with the sampling of organizations which participated in this research, both with the provision of curriculum for content analysis as well as the subject interviews of educational practitioners. This study contains a relatively small number of participating organizations, especially when considered within the breadth of institutions which participate in any way in microfinance. While every effort was made to engage a sample which reflected sufficient diversity across categories of lenders, it would be unreasonable to

suggest that the data collected from this group is wholly representative of the microfinance industry, especially on a global basis.

It was determined early in the discussion of research methods that 15 sets of curricula and at least 20 hours of interview data from practitioners would be sufficient to reflect a reasonable assignment of findings, especially if the sample set contained representation from multiple uniquely classified groups of MFIs and the data collected began to reveal both sufficiency and saturation. I am confident that it did. Likewise, I was urged repeatedly to maintain a keen focus on the specific research question under investigation, despite the abundance of material collected in this study and its broad application to questions and issues and challenges far beyond the determination of commonalities. It was often necessary to assign a tag of "for later study" to data collected in all three of the methods described, but it was important to first address the concept of commonalities before setting out on further points of analysis which the data will undoubtedly produce.

A second limitation deals essentially with the self-selecting nature of the participants. Microfinance organizations were initially chosen for contact based upon their reported delivery of educational programming delivered with micro-financing, and these criteria produced a large set of potential organizations. The combined use of criterion-based and purposeful sampling to reduce this number to a manageable set was also supplemented by 'snowball' sampling by which I asked early respondents if they would or could refer me to another organization which also shared a commitment to the delivery of basic business education in microfinance. While this process produced a valid and reasonable population set, it should be noted that there is a degree of familiarity between organizations and that 'snowball' sampling does have the potential to create somewhat homogenous population sets. Again, every effort was made to ensure that a

representative sample of MFIs were included to reflect the variety of identified types of lenders and classifications of organizations, although I think it is important to make this process known.

A third limitation is closely linked to the first two as it directly impacts organizational access and willingness to participate. This limitation is, quite candidly, research fatigue. The microfinance industry is awash in analysis stemming from both internal and external sources of inquiry, and I believe this produced a certain reluctance on the part of some organizations to participate. Several times during points of initial contact, I was asked if this request was in follow-up to another research project for which the respondent had already participated. Also, microfinance is a highly competitive field despite the reported findings of a great deal of collegiality and cooperation between organizations. Despite my efforts to assure subjects of confidentiality of both their personal identities and the identities of their organizations, some elected not to participant simply because they did not wish to share proprietary information about a service which they felt to be a strategic differentiator.

A fourth limitation stems from my own limitations as a researcher, namely language skills. The only organizations engaged in this study were those which could provide curricular content in English and with whom I could conduct an interview in English. While most MFIs report results and attempt to engage donors and supporters with materials printed in English, those which are focused exclusively in a specific country or region often offer their instruction only in a native language. This was particularly true of the vast number of MFIs considered in Southeast Asia and therefore only one such organization is represented in this data set. Given the density of MFIs which operate in countries such as Bangladesh, Pakistan, and India, this does seem a significant restriction to the organizations engaged for the study.

A fifth and final limitation is that of time, particularly as it relates to current economic conditions and the global development climate within which investments such as microfinance and microcredit plus service programming occur. International initiatives to address poverty and extend development services to the world's poorest citizens are in a constant state of flux, influenced by a multitude of factors ranging from foreign aid fatigue to regional conflicts siphoning off available resources and bandwidth. The data presented in this study was collected between January and May 2015, during a time of relative stability in the global economy although not without regional crises. Recent reports of contraction within the microfinance industry were often a topic of discussion with interview subjects; however, all participating organizations indicated no immediate plans for substantial changes in programming, scope, or global reach in the near term making this subject group as stable as possible within a dynamically shifting industry.

To conclude this discussion of research limitations, I must address the concept of researcher bias and subjectivity. As I have noted throughout this report, it was not the intent of this report to argue the efficacy of microfinance as a development strategy, nor to debate the demerits of globalization as purely a means by which to create more consumers. Neither was it the objective of this study to determine the inherent benefits or damages caused by international development efforts regardless of the objectives or methods employed by the organizations delivering the resources. While the debate surrounding microfinance in general and the inclusion of basic business education in particular is both meaningful and necessary, I do not intend to suggest that microfinance should or should not continue to expand or even exist; I intend only to present information found to exist in the industry's current state and to consider the commonalities which may therein exist.

It should be revealed in the interests of full disclosure that I have close personal connections within the microfinance industry, and have participated in a number of international mission experiences where micro-lending was made available to local entrepreneurs and where I helped in the delivery of basic business education, albeit informally. While this activity certainly informed my position on development assistance and cannot be extracted from my views on this topic, I will argue that my awareness of this subject and experience in the field allowed my research methods to be more directed and fruitful without biasing the results. In an effort to be a more effective practitioner and a more efficient donor in the microfinance field I read extensively on the subject, subscribe to numerous newsletters and participate locally with an internationally recognized MFI organization. These points of engagement have provided knowledge of the language used within the field, current trends, and organizational challenges which enabled this research to achieve a degree of specificity which, I believe, would have been difficult to attain otherwise.

5.6 SUGGESTIONS FOR FUTURE RESEARCH

Both the subject interviews and content analysis components of this research yielded a significant amount of data which could be used for further points of analysis within this field. Anecdotal evidence along with several specific subject interview comments indicated that curricular content analysis and pedagogy are not widely pursued areas of research within the microfinance industry and would be ones viewed as highly beneficial to practitioners and administrators alike. Several subjects offered their own ideas for future research, suggesting that

“Next, you should look at why lenders do or don’t offer training,” or “Did you ever think of researching why clients drop out of training programs before they complete the program?”

A more extensive sampling of MFIs would likely produce more broadly assignable results, particularly if the sampling included programs and practitioners offered in languages other than English. Also, a more targeted study looking only at curricular content, or perhaps only content dealing with financial literacy or entrepreneurship would also produce more narrowly defined yet perhaps more applicable results. It may also be interesting to consider the content offered within particular classifications of lenders (non-profits versus NBFIs, for example) rather than across classifications as conducted here, or within segments defined by institutional objectives (faith-based versus community development).

The one area, however, which seems primed for inquiry is a more in-depth study of educators/facilitators and their practice, specifically how and why these instructors who are described as being essential components to the successful delivery of microfinance solutions have come to the positions they hold and what they do specifically to make their practice more effective. I felt as though this study only scratched the surface of this topic and its potential impact on the industry could be quite substantial.

As is often the case with research, it seems as though more questions remain than answers achieved with this study. The following potential categories of inquiry emerged from the data analyzed and could constitute a robust research agenda offering further scholarship in this field of study and practice.

5.6.1 Impact Assessment

The fundamental issue underlying any consideration of a nonfinancial service included with micro-lending is that of impact. Specifically, the question must be raised of how does human and social capital development change the results which would otherwise be realized with the provision of loans alone. The impact of education on behavior in the business environment and the subsequent impact on economic success both personal and for the community is crucial to any assessment of program efficacy and sustainability.

While several studies have attempted to create evaluative models for assessing the inclusion of non-financial services with micro-loans, few have specifically identified business education in microfinance as the defining parameter. David Hulme's article (2005, p. 5) suggests an impact assessment model by use of impact chain analysis, wherein he argues defined "links" would prove helpful in making the distinction between cause and effect in educational delivery. This model has been critiqued by those who propose empirical analysis of the correlations between borrower-level factors such as participation in business education programming and prior expectations. Others still hold to a framework wherein participation and performance are measured jointly by incentivized questions designed to ensure the participant/student puts genuine effort into his or her responses. A comparative analysis of these models would provide valuable outcomes driven information.

Research questions specific to this topic could ask what types of assessment practices are currently in use in the field of microfinance, and what learning objectives, if any, are intentionally measured. Subsequent inquiry could differentiate the existence of learning objectives by type of organization, by location, or by audience, and seek to determine by what means and methods they are developed and deployed. Research into exit examinations could also

prove highly informative in this area, as a potential means by which achievement against objectives may be reported.

5.6.2 Participant Engagement

Just as instructors are an essential and inseparable component of basic business education delivered through microfinance, so too are the student borrowers. As a potential area of further research, directed inquiry into the realm of participant engagement could provide crucial information to lending organizations as they strive to achieve higher levels of responsiveness, borrower performance, and financial sustainability. Stemming from data collected in the semi-structured interviews, the industry apparently lacks a consistent mechanism by which to gauge or assess "missed opportunities." These would include, but not be limited to, research directed toward students who participate in training but never pursue a loan, students who begin but never complete a program, and students who would benefit from advance training if it would or could be offered.

Another potential area of research involves the practice of mandating participation in a training program versus making business education purely voluntary. It would be in this area that scholarship in the field of development education could be particularly helpful, specifically as a research agenda focused on the linkage between mandate and content, mandate and outcomes, and mandate and sustained borrower success in the microenterprise.

The practicality of training is yet another potential topic of research under the category of participant engagement, whereby a consideration of the types of micro-entrepreneurs who could most benefit from basic business education are distinguished from those for whom the benefit is less apparent. While recognizing this as a very slippery slope in terms of pre-determination of

potential, in reality not all micro-entrepreneurs need the same type of instruction and differentiation may, in fact, prove highly beneficial.

5.6.3 Curriculum Selection and Review

While the content of curriculum used to deliver basic business education was one of the primary research questions posed by this study, the degree of commonality identified in the data sets suggest that rather than consider further points of content a more meaningful study would consider how curriculum is chosen and by what process it is reviewed. A degree of contraction was noted in the finding whereby it was determined a significant percentage of organizations develop curriculum in-house. Given this internal determination of both content and method of delivery, a meaningful inquiry into how content is chosen, what content is excluded, and the basis upon which these decisions are made could prove highly beneficial given the number of institutions which employ this practice.

Research into pedagogical practice could also fall within this category of future research, specifically as it relates to the inclusion of techniques specific to adult education and instruction within geographic areas of conflict or insecurity. What content is taught and how it is conveyed are areas significantly impacted by the situational conditions in which they occur, and the microfinance industry could provide a rich forum for the consideration of these topics.

5.6.4 Professional Development

As noted earlier, the final broad category warranting further research as a result of this study involves the professional development practices employed by MFIs to enhance the effectiveness

of trainers in the field. I found a great deal of consistency in the absence of such professional development programs, and interview subjects consistently noted this as one of their greatest frustrations in practice.

Scholarship in the fields of teacher training and pedagogical practice could prove highly informative in the development of a research agenda in this area. Research questions would likely center on such topics as determining what areas of practice should be addressed in professional development programming, and valuing where and how often such trainings do or should take place.

Professional development in education is a broadly considered field, with much scholarship upon which to draw in determining the focus of this research. The specific challenge to be addressed with such a study will be to gain agreement that the instructors of basic business education in microfinance are, in fact, teachers despite the multitude of other roles they fill within the organization.

Apart from these specific categories of future research agendas, other recommendations for future research would entail the use of NVivo or a similar qualitative data organizing program to facilitate the identification of relationships and aid in determining the more subtle nuances of the collected data. While I am confident the coding process I used was effective for the purpose of determining commonalities (which was the clearly stated research purpose of this study), I believe more in depth analysis and richer interpretations could be determined with a more objective and sophisticated program. As noted earlier, far more insight into the design, delivery, and reporting of basic business education in microfinance may be known from the data set collected here, and the use of a more critical program to discover these findings would be most interesting to pursue.

One final recommendation for future research would be to determine the most appropriate forum by which or through which to share this research and to seek participant organizations which have interest in allowing their experience to serve as a more in-depth case study of content and practice. Any effort to achieve a level of understanding which reaches a deeper rather than broader level of understanding would certainly benefit many organizations with the sincere desire to fulfill microfinance's original mission.

5.7 FINAL OBSERVATIONS

My perspectives on the positioning of basic business education in microfinance did not change substantially as a result of this study. I continue to believe education is transformative and experiential education is essential to learning, especially when students have a limited understanding of the conditions within which they may soon be placed. This is true not just in microfinance but in all educational settings, even those in which I proudly play a part as an educator.

I believe my experience in professional market research settings and in conducting semi-structured interviews for scholarly research was unquestionably a benefit to the research process as it allowed me to enter the interviews with a comfort and confidence which hopefully transferred to the subject. As such, I found the interview data particularly interesting and highly revealing, suggesting there is much more to be learned from practitioners who are experiencing this process in real-time and in constantly shifting realities. Too often, it seems, practice is overwhelmed by theory in education, with those who claim to have an understanding of desired outcomes overruling those who have an intimate understanding of the conditions within which

education actually occurs. This is not to suggest there is no merit in formal processes or defined institutional structures; however, if one genuinely accepts a critical theory perspective of education in all settings one cannot adhere to a common set of deliverables which limits adaptation, customization, and experiential learning for students.

I continue to have great passion for development education and the work of effectively delivered development aid by organizations with sound practice and priorities. As a continually improving practitioner in higher education I intend to use both this study and my access to the microfinance field to make further contributions in each of these areas.

APPENDIX A

INTERVIEW PROTOCOL

RESEARCH STUDY TITLE: Commonalities in Basic Business Education Curriculum delivered through Microfinance

PRINCIPAL INVESTIGATOR: Treva A. Clark, Doctoral Candidate
University of Pittsburgh – School of Education
Phone: 717/880-1242, Email: tac41@pitt.edu

Protocol for Subject Interview

1) How would you define basic business education delivered as a component of microfinance lending?
    a. What value does this education hold for participants?
    b. How important is business education to participants' attainment of success?
2) Describe your role as one who aids in the delivery of basic business education.
3) How did you become aware of the position you currently hold?
4) What is your relationship with other stakeholders in the micro-lending process?
    a. Lending agent?
    b. Regulators or oversight agencies?
    c. Borrowers?
    d. Home/parent office administrators?
    e. Field office personnel/educators?
5) In what ways are educators in your organization responsible for their own success?
    a. In what ways do you believe teaching practice affects students' business initiation efforts?
    b. Do you believe yourself to be responsible for student learning? In what ways?
    c. Do you find the curriculum you and your trainers use to be effective for your students' business initiation efforts?
6) Do you feel empowered to deliver the educational content needed by your students?
    a. In what ways is your practice constrained?

    b. In what ways is your practice most thoroughly supported and facilitated?

7) What does borrower success mean for you?
8) What does success mean for your lending institution?
9) How do you define your relationship with the borrower community?
10) How were you trained as an educator?
11) How often do you participate in professional development training sessions?
    a. Where are those sessions conducted?
    b. Are they customized in any way to reflect the conditions in which you and your field educators teach?
12) What are the most frequent adjustments or adaptations trainers are required/expected to make in the content delivered to student borrowers?
13) Do you feel your students are adequately prepared to take part in the education you provide?
14) How important is teaching practice (pedagogy) to student learning?
15) Is there anything else you would like to share that we haven't already discussed?

APPENDIX B

INFORMED CONSENT FORM

CONSENT TO PARTICIPATE AS A RESPONDENT IN A RESEARCH STUDY

TITLE: Commonalities in Basic Business Education Curriculum delivered through Microfinance

PRINCIPAL INVESTIGATOR: Treva A. Clark, Doctoral Candidate
University of Pittsburgh - School of Education
Phone: 717/880-1242, Email: tac41@pitt.edu

Why is this study being done?
The purpose of this study is to identify and define commonalities which may exist in the design, instruction and evaluation of basic business education delivered as a component of microfinance lending.

Who is being asked to take part in this study?
Individuals identified as facilitators, teachers, trainers, instructors, educators or program leaders serving in an educational leadership capacity for microfinance institutions.

What are the procedures of this study?
If you agree to participate in this research study, you will be interviewed by the principal investigator. The interviewer will ask questions about the role of educators who deliver basic business education in microfinance lending. The interview will be conducted in person or by telephone, and will include approximately 15 – 20 questions. You will be asked questions about how trainers are trained, how they engage with borrowers, what you expect borrowers to receive in the training, and how you ultimately define success resulting from the training experience. To help the investigator more accurately capture your views, your responses may be digitally audiotaped.

How will my eligibility for the study be determined?
Microfinance institutions which self-identify as offering basic business education as a programming component of loans were selected for this study. You are being recruited as one within the institution identified in publically available records (websites, annual reports, published conference proceedings, etc.) as having responsibility for training or evaluating educators in your organization.

What are the possible risks and discomforts of this study?
There is little risk involved in this study. The major potential risk is a breach of confidentiality, but the researcher will do everything possible to protect your privacy. To reduce the likelihood of a breach of confidentiality, the principal investigator has been thoroughly trained to maintain your privacy.

Will I benefit from taking part in this study?
You will receive no direct benefit from participating in this study. However, you may learn more about yourself as a result of completing the interview.

Are there any costs to me if I participate in this study, and will I be paid for my participation?
There are no costs to you for participating in this study. There is no compensation for participation in this study.

Will anyone know that I am taking part in this study?
All records pertaining to your involvement in this study are kept strictly confidential and any data that includes your identity will be stored in locked files at all times. On the transcript of your interview, a pseudonym will be assigned to your name and the name of your place of employment. At the end of this study, any records that personally identify you will remain stored in locked files at the University of Pittsburgh and will be kept for a minimum of five years. Your identity will not be revealed in any description or publications of this research. Although I will audiotape the interview, I will not refer to you by name during the taping, and I will retain the tapes only until the completion of the study; I will then destroy them.

In unusual cases, your research records may be released in response to an order from a court of law. It is also possible that authorized representatives from the University of Pittsburgh Research Conduct and Compliance Office, or the University of Pittsburgh IRB, may review your identifiable data for the purpose of monitoring the conduct of this study. Also, if the investigators learn that you or someone with whom you are involved is in serious danger of potential harm, they will need to inform the appropriate agencies, as required by Pennsylvania law.

Is my participation in this study voluntary?
Yes. Your participation in this study is completely voluntary. You may refuse to take part in it, or you may stop participating at any time, even after signing this form. Your decision will not affect your relationship with the University of Pittsburgh, nor will you lose any benefits that you might be eligible for because of your decision.

How can I get more information about this study?
If you have any further questions about this research study, you may contact the investigators listed at the beginning of this consent form. If you have any questions about your rights as a research subject, please contact the Human Subjects Protection Advocate at the University of Pittsburgh IRB Office, 1-866/212-2668.

****

SUBJECT'S CERTIFICATION

- I have read the consent form for this study and any questions I had, including explanation of all terminology, have been answered to my satisfaction.
- I understand that I am encouraged to ask questions about any aspect of this research study during the course of this study, and that those questions will be answered by the researcher listed on the first page of this form.
- I understand that this interview may be digitally audiotaped.
  I agree ____ I do not agree ____ to the digital audiotaping.
- I understand the researcher may be seeking subjects for other studies.
  I agree ____ I do not agree ____ to allow researchers to contact me about the possibility of participating in additional interviews.
- I understand that my participation in this study is voluntary and that I am free to refuse to participate or to withdraw my consent and discontinue my participation in this study at any time without affecting my future care at this institution.
- I agree to participate in this study.
- I will receive an electronic copy of this consent form.

_____ _____
Participant's Signature Date

CERTIFICATION of INFORMED CONSENT
I certify that I have explained the nature and purpose of this research study to the above-named individual(s),

and I have discussed the potential benefits and possible risks of study participation. Any questions the individual(s) have about this study have been answered, and we will always be available to address future questions as they arise.

_____	_____
Printed Name of Person Obtaining Consent	Role in Research Study
_____	_____
Signature of Person Obtaining Consent	Date

APPENDIX C

CONTENT ANALYSIS RECORDING FORM: CURRICULUM

Curriculum Title: _____

Source Organization: _____

Type of Organization (NPO/NGO; NBFI; For-Profit/Commercial): _____

Date Provided: _____

Instructor Led (Y/N): _____ Method of Instruction: _____

Headings, Chapters, or Section Titles:

_____
_____
_____
_____

Lesson Themes:

_____
_____
_____
_____

Exercise Themes:

_____
_____
_____
_____

Apparent Lender-specific content:

_____
_____
_____
_____

Alternatives for situational customization:

_____
_____
_____

APPENDIX D

CONTENT ANALYSIS RECORDING FORM: SELF-REPORTING

Organization Name: _____

Type of Organization (NPO/NGO; NBFI; For-Profit/Commercial): _____

Document Source: _____

Date Collected: _____

Data reported in narrative (not limited to supplements or financial documentation):

_____
_____
_____
_____

Themes or Categories reflected in reporting:

_____
_____
_____
_____

Inclusion of comparative industry benchmarks:

_____
_____
_____
_____

Inclusion of client data, examples, or cases:

_____
_____
_____
_____

Report structures or data format:

_____
_____
_____

APPENDIX E

ANALYSIS OF CURRICULA CONTENT

Table E.1. Analysis of Curricula Content: Financial Literacy

	Pine	Chestnut	Cedar	Willow	Hickory	Walnut	Cottonwood	Oak	Sycamore	Elm	Mahogany	Magnolia	Spruce	Birch	Maple
Content Areas															
Fundamentals															
Components of Production	✓			✓				✓	✓	✓	✓	✓	✓		✓
Currency Valuation		✓			✓			✓				✓			
Numeracy		✓			✓	✓		✓	✓		✓	✓			✓
Separating Accounts		✓	✓	✓	✓	✓	✓	✓	✓		✓	✓			✓
Setting Realistic Goals	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
Value of Resources		✓		✓	✓	✓		✓			✓				✓
Competencies															
Budgeting	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
Breakeven Analysis	✓		✓							✓			✓	✓	
Efficiencies		✓			✓				✓						
Fixed -vs- Variable Costs		✓	✓	✓	✓	✓		✓		✓		✓	✓	✓	✓
Loss Prevention		✓		✓	✓	✓		✓	✓		✓				✓
Managing Debt		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Profits vs. Revenues		✓	✓		✓	✓				✓	✓		✓	✓	✓
Record Keeping	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
Tracking Cash Flow		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Using Credit Wisely	✓	✓			✓	✓	✓	✓	✓		✓	✓			✓
Planning															
Insurance						✓		✓							
Planned Savings		✓	✓	✓	✓	✓		✓	✓		✓		✓	✓	✓
Preparing for the Unexpected		✓		✓	✓	✓		✓	✓	✓	✓	✓			✓

Table E.2. Analysis of Curricula Content: Entrepreneurship

	Pine	Chestnut	Cedar	Willow	Hickory	Walnut	Cottonwood	Oak	Sycamore	Elm	Mahogany	Magnolia	Spruce	Birch	Maple
Content Areas															
Preparation															
Gaining Community Support		✓			✓	✓		✓			✓	✓			✓
Inspiration: Realizing a Dream	✓	✓	✓	✓	✓	✓		✓	✓		✓	✓	✓	✓	✓
Registering the Business	✓		✓									✓	✓	✓	
Soliciting Assistance	✓	✓		✓	✓	✓		✓	✓		✓	✓	✓	✓	✓
Sources of Help	✓	✓	✓		✓	✓	✓			✓	✓		✓	✓	
SWOT Analysis	✓		✓										✓	✓	
Skills															
Business Loans; Selecting Partners	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Discounting		✓						✓							
Financing Short-v-Long Term Costs		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓			✓
Investing in the Business		✓	✓	✓	✓	✓		✓	✓		✓			✓	
Managing Credit		✓	✓	✓	✓	✓	✓	✓	✓		✓	✓			✓
Managing Suppliers	✓	✓		✓	✓			✓	✓			✓			
Negotiation								✓				✓			
Activities															
Legal Concerns	✓													✓	
Networking	✓		✓	✓				✓			✓	✓	✓	✓	
Tracking Business Expenses	✓	✓	✓	✓	✓	✓		✓	✓		✓		✓	✓	✓
Writing a Business Plan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Table E.3. Analysis of Curricula Content: Marketing

	Pine	Chestnut	Cedar	Willow	Hickory	Walnut	Cottonwood	Oak	Sycamore	Elm	Mahogany	Magnolia	Spruce	Birch	Maple
Content Areas															
Market Knowledge															
Defining the Market	✓	✓	✓	✓	✓	✓		✓	✓		✓	✓	✓	✓	✓
Determining Demand		✓		✓	✓	✓		✓	✓		✓	✓	✓	✓	✓
Market Research	✓		✓			✓							✓	✓	
Scan of Conditions		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Practice															
Bidding on Contracts				✓								✓			
Considering Competition	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Four P's of Marketing	✓		✓			✓				✓		✓	✓	✓	
Managing Cyclical Sales		✓		✓	✓			✓	✓		✓				✓
Managing Cyclical Suppliers		✓		✓	✓						✓				
Presentation and Appearances		✓		✓	✓	✓		✓	✓		✓	✓			✓
Writing a Marketing Plan	✓		✓				✓						✓	✓	
Growth															
Adding Value		✓		✓	✓	✓							✓	✓	
Customer Satisfaction		✓		✓	✓	✓		✓	✓		✓	✓	✓	✓	✓
How to increase Sales		✓						✓	✓			✓	✓	✓	✓
Using Social Media	✓		✓										✓	✓	

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