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That evil evil Microcredit Documentary, on Tour

October 8, 2011 in [Development](#), [Microfinance](#) | Tags: [Burson-Marsteller](#), [documentary](#), [Grameen](#), [microcredit](#), [Microfinance](#), [poverty](#), [The Micro Debt](#), [Tom Heinemann](#) | by [philmader](#)

Few documentaries in the past years can claim to have had as much impact on transnational development as [The Micro Debt](#). Tom [Heinemann](#)'s documentary film, produced for Norwegian [public broadcasting](#), has contributed to a wave of critical reasoning about microfinance, but also to the axing of Grameen Bank's founder, Muhammad Yunus. While Heinemann [wasn't](#) out to harm Yunus, the documentary's fallout (as well as the Indian microfinance crisis) was an opportunity for politicians in Bangladesh to remove a weakened Yunus from office.

All in all, [The Micro Debt](#) doesn't shed a good light onto microfinance, and in return has come under fire from the microfinance [community](#), an epistemic community which [doesn't](#) take criticism well. [Grameen Foundation](#) in particular has mounted an organised attack on Heinemann and his film, engaging PR firm [Burson-Marsteller](#) to disseminate counter-claims and draw into question the film's integrity. But [The Micro Debt](#) is becoming increasingly difficult to ignore or deny. It won in the "Television" category at the [Avanca Film Festival](#) in Portugal earlier this year, and may win more awards at the [various other festivals internationally where](#) it has been nominated. And it's going on tour in the USA and Canada this month (see below).



Tom Heinemann: "The Micro Debt- a critical investigation into the dark side of Microcredit" (2010)

The real message of the film is that, after three decades, there is still no concrete evidence that microcredit actually does anything for the poor. Heinemann's main point is that Western donors have been naive in their enthusiasm about microfinance, and his poverty-stricken interviewees testify that

this might even worsen their precarious situation.

A misrepresented film

The film's director Heinemann visited Bangladesh, the Mecca of microfinance, to check up on the successes claimed by [Grameen Bank](#) and other microfinance organisations regarding poverty alleviation. He investigated Grameen's funding from the Norwegian government (where he uncovered financial irregularities amounting to \$100 million) and spoke to numerous academic and practitioner experts. The film also shows him being denied interviews with Muhammad Yunus on several occasions.

The two points of contention on which most of the debate has instead focused, however, are a few interviews in the village of Jobra (where Yunus supposedly made his first microloans in 1976), and the alleged mis-use of Norwegian aid money by Grameen Bank. Jobra village and Grameen Bank are of high [symbolic importance](#) to the microfinance industry, which is why the industry's retort has focused on these aspects. It also serves to distract from the larger issue at hand: the shaky foundations of microfinance.

While the issue of the Norwegian aid money appears to have been settled in Grameen's favour (though ultimately contributing to Yunus' resignation), the issue of Jobra village remains. In Heinemann's version, the village is still mired in poverty, and Sufiya Begum died in destitution in 1998 (to which a woman, identifying as her daughter, testifies). In the Grameen Foundation's version, Sufiya Begum is alive and prosperous, as is her village.

Spreading uncertainty and doubt

To drive its version home, the Grameen Foundation has hired none other than [Burson-Marsteller](#) (B-M), the infamous PR/lobbying firm known ([and feared](#)) for representing such illustrious organisations as [Union Carbide](#), [Philip Morris](#), [General Pinochet](#) and various [oil companies](#) whenever in need (to name only a few clients with absolutely no skeletons in their closets, whatsoever). Some may call B-M's specialties "smear campaigning" and "[FUD creation](#)"; B-M seems to prefer the term "Evidence-Based Communications". I don't want to judge a defendant by their attorney here. But in the very least, Grameen Foundation's choice to hire B-M shows that they see their discursive hegemony over microfinance's public image as acutely threatened.

One of B-M's strategies has been to create a Youtube channel called [microfinanceresponse](#), where various "truths" are expounded in response to Heinemann's alleged "shoddy journalism". Supposedly now "Sufiya Begum" has never existed, but was a made-up name which Muhammad Yunus invented to protect his first borrower, who (according to *microfinanceresponse*) goes by the real name of Chaba Katun. Apparently, her anonymity is no longer important (Katun's identification papers are [flashed around Youtube](#)), but the confusion about who Heinemann interviewed is now perfect.

Another B-M approach has been to create an [astroturf](#) organisation called "[Friends of Grameen](#)" (FoG), designed to orchestrate public outcry against any criticism of Grameen, and to [attack](#) Heinemann's documentary. FoG has been rather successful at organising [media support for Yunus](#) and Grameen, and may even have swayed Hilary Clinton's diplomatic [intervention](#) on Yunus' behalf.

Despite all this, *The Micro Debt* hasn't been viewed by that many people in the English-speaking world yet. It's been broadcast on TV in Danish/Norwegian, and in 14 other countries, including The Netherlands, Belgium, Spain, Croatia; but it hasn't been shown yet in the anglophone world. That is changing now.

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Tour dates in the USA and Canada

With Heinemann touring in October and November, the film is being screened at several institutions in the USA and Canada. The tour will surely induce interesting discussions and debate after the screenings.

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Simon Frazier University, Vancouver, BC. Room 7000, Harbour Centre. Tuesday 18 October, 5:00 p.m. with Prof. [Morten Jerven](#)

University of Oregon, Eugene, OR. Prince Lucien Campbell Hall. Thursday 20 October, 7:00 p.m., with Prof. [Lamia Karim](#)

San Francisco State University, San Francisco, CA. Wednesday 26 October, 12:00 p.m.

Centre for Investigative Reporting, Berkeley, CA. Thursday 27, not open to the general public.

International Consortium of Investigative Journalists, The Center for Public Integrity, Washington, DC. Wednesday 2 November, not open to the general public.

Clark University, Worcester, MA. Thursday 3 November, 6:00 p.m.

Emerson College, Boston, MA. Thursday 8 November, 12:00 p.m.

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More information on dates can be requested from the film's US distributor, [Films for the Humanities & Sciences](#) (e-mail). This author takes no responsibility for the accuracy of the tour dates and locations.

Edit (13 October 2011): *Neither Grameen Foundation nor anyone else has to their or my own knowledge threatened organisations planning to* [Follow](#)

documentary. Grameen Foundation has contacted at least one organisation, suggesting that the film is poor journalism and not worth showing.

Grameen Foundation did not hire Burson-Marsteller directly; they were hired by Friends of Grameen, of which Grameen Foundation is a member. The entire roll call of members can be seen at: <http://www.friendsofgrameen.com/the-friends-of-grameen/>, who have joined General Pinochet, Nicolae Ceausescu, Union Carbide, Philip Morris, Monsanto, Exxon, BP, among others, as clients of this bona fide organisation.

([phil](#))

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[October 8, 2011 at 22:58](#)

Milford Bateman



Phil

A good and fair posting on what I think is an excellent documentary. It really deserves a lot more air time and more awards too. So I'm glad to hear that it is getting air time (though I missed it in Croatia), and that it seems Grameen Foundation has not been able to block its showing anywhere, as I hear they have been trying to do. In fact, I cheekily wrote a few of the organisers of the Gayle Ferraro documentary and the Holly Mosher documentary, both of which are horrendously biased documentaries, include no critical voices, and repeat numerous falsehoods and misrepresentations. Using pretty much the same wording Grameen Foundation has been using to try to pressure a number of US institutions to either drop Tom's documentary, or else they will allow it to be shown but they must have a Grameen Foundation speaker there getting equal speaking time, I like-wise demanded to be included at the showing of these films 'to ensure balance'. Naturally, I was treated as a nutter. Some people I wrote to simply never replied back, or else stopped once they realised what I was asking for. One replied and said, 'How on earth can someone ask to be included in the line-up of a film simply because they disagree with it and claim it is wrong in many respects', while another wrote back; 'what about freedom of expression?' ...I have to agree with them. An interesting little experiment though.....guess they know I can't threaten them with the likes of Burson-Marsteller ...

I also had another look at the Gayle Ferraro 10 minute paid attack on Tom's documentary and it seems to me that the argument projected is all falling apart. They claim to have found, finally and somewhat unscientifically (by asking a woman – 'is that you in the picture then?'), the 'real' Sufiya Begum. There are so many holes in their argument it would sink a ship. For one thing, the women they were searching for was the women seen with Yunus in 1989 in the CBC documentary, which is NOT necessarily the original 'Sufiya Begum'. They might have found their women from the 1989 CBS documentary, but is she

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the ‘Sufiya Begum’ about whom Yunus and so many others have written? I doubt it very much. For one thing, Gayle Ferraro could have asked her about her three kids and her husband (as noted in Yunus’s book), just as proof of identity: but she did not. Gayle Ferraro will not get on CSI Miami, that’s for sure. In addition, not two years previously, Grameen Bank paraded another ‘Sufiya Begum’ in front of a major Muhammad Yunus/social business supporter, a chap called Marty Jenkins from California, who faithfully recorded his meeting in his travel blog. Check out the link:

<http://www.travelblog.org/Asia/Bangladesh/Dhaka/blog-224126.html>

So if Grameen Bank knew two years ago where to find ‘Sufiya Begum’, how come we never heard about it? I mean this woman is an icon, so let’s hear what she has to say. Sounds really dodgy to me. And, there’s more – the ‘Sufiya Begum’ this chap Marty Jenkins was introduced to by Grameen Bank is clearly NOT the ‘Sufiya Begum’ that Gayle Ferraro supposedly ‘found’! So there are – at least – two ‘Sufiya Begum’s’ operating in Jobra! Finally, without making any contact with Grameen Bank when going to Jobra village in 2009, the US-based cultural anthropologist Lamia Karim, who is originally from Bangladesh and speaks fluent Bengali, writes in her book ‘Microfinance and its Discontents’ of being in Jobra and without any prompting whatsoever, the villagers she talked to took her to see the daughter of the ‘real’ Sufiya Begum, who was the same person that Tom Heinemann independently came across several months later. It’s all getting rather confusing...!

Anyway, good posting and I do hope it all goes well for Tom!

Milford

[Reply](#)

[October 10, 2011 at 15:21](#)

[philmader](#)



Milford,

Thanks for your kind comment. It’s hilarious to read about your little “experiment” regarding counter-claims to the two documentaries! Of course, if Grameen claim a right to give their view equal time as Tom’s film at every screening, why shouldn’t a critical view accompany every screening of their own tailor-made documentaries? It appears there is a fair share of hypocrisy involved. “How on earth can someone ask to be included in the line-up of a film simply because they disagree with it...?” Brilliant.

As to the question about who the “real” Sufiya is, this is exactly my point! The (new) claim that “Sufiya Begum” was an alias has made the question of what happened to the real first borrower — alive and prosperous (and living in that “beautiful house” – as Ferraro’s condescending question goes), or whether she died in poverty — is now utterly unresolvable! Even for CSI. Never mind that Yunus (to my knowledge) neglected to mention for 30 years that Sufiya wasn’t real, until a film confronted Grameen with uncomfortable questions. Having said this, I can only note the irony that the part of the Burson-Marsteller campaign called “Friends of Grameen” abbreviates as “fog”.

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I was in fact a bit doubtful about posting all of Tom's tour dates, but then I considered that getting a well-informed audience to each event was worth the risk of B-M/FoG learning about an event they didn't yet know of, and managing to spook one or another organiser (which I, too, have heard they are trying). However, neither Grameen nor Tom should have anything to fear from an honest debate around the screenings. I am certain that if both sides show up and argue a valid point, an intelligent audience can decide for itself, and seek more information if it wants to. No harm has ever been done by allowing debate.

Phil

[Reply](#)

[October 12, 2011 at 23:14](#)

[Todd Bernhardt](#)



Phil, I just came across this posting, and there seem to be a number of inaccuracies here that I feel compelled to respond to.

First of all, despite your unsubstantiated claim, Grameen Foundation has never hired or engaged Burson-Marsteller. That firm was engaged through Friends of Grameen – which, despite your unsubstantiated claim to the contrary, is a bona fide organization comprising a number of people and groups concerned about defending the continued independence of Grameen Bank, the reputation of Professor Yunus and civil society in Bangladesh. Burson-Marsteller has contributed its services pro bono or at heavily discounted rates to promote these common goals.

Grameen Foundation is of course a member of Friends of Grameen, but we have contributed nothing financially to the group. Friends of Grameen, rather than Burson-Marsteller, is also the organization behind the <http://www.youtube.com/microfinanceresponse> YouTube channel, which does indeed contain a number of videos showing the truth (note the lack of quotation marks) behind the story, especially when it comes to the issue of Jobra, which you've called into question.

You talk about two versions of reality when it comes to the story of Jobra and Sufiya Begum, when in fact there is only one. There is no confusion, "perfect" or otherwise. The truth is simple – the woman that Gayle Ferraro interviewed is in fact the woman who was featured on "60 Minutes" in 1989. She is the original stoolmaker who inspired Prof. Yunus in 1976 to lend a total of \$27 to 42 women in Jobra (that this happened is a well-known and acknowledged fact – there is no reason I know of for you to include "supposedly" in your description of it), leading to what was originally called the "Grameen Bank Project."

The fact that Prof. Yunus changed the names of the women about whom he wrote, to protect their privacy, is well-known; as early as 1982, in the book "Jorimon and Others: Faces of Poverty," he wrote that he was following this popular practice. And despite Milford's efforts to cast doubts about the identity of the woman Gayle interviewed by bringing up another "original borrower," Marty Jenkins is clearly mistaken when he states he met the original stoolmaker. The woman he met may have been in the first group of 42 women, or perhaps an early borrower, but as you both see, she is not the original "Sufiya Begum." The video that Marty posted shows that he's obviously having translation issues, and when you combine that with the fact that Sufiya

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Begum is a very common name (and, as Milford well knows, “Begum” is an honorific, making things even murkier), this looks like simple over-enthusiasm to me. I highly doubt there is any ulterior motive here to mislead either proponents or opponents of microfinance.

The fact is, the woman that Tom Heinemann interviewed is the daughter of a woman who was *a* Grameen Bank borrower – but she was never part of the original group. In fact, she received her loan as part of the beggar’s program conducted by the Bank (at zero-percent interest – a Bank program that Tom neglected to highlight in his discussion of high interest rates in Bangladesh, just as he neglected to investigate fully the true rates charged by Grameen Bank – or, indeed, the true identity of the woman he interviewed!) and her loan was guaranteed by Prof. Yunus himself, because, due to her mental-health issues, none of the women in the village groups were willing to include her. She took out several small loans over a relatively short period of time, but eventually dropped out of the program and, according to her daughters (who also suffer with mental-health issues), unfortunately died in poverty.

I should also point out that – despite Milford’s unsubstantiated claims – that Gayle was already in Bangladesh when the documentary came out and independently decided to investigate this issue. She received absolutely no compensation for doing this. When I asked Gayle about her experience making the video that is posted on the YouTube channel above, she told me that she contacted the original Grameen Bank branch in Jobra, which “had different records regarding the infamous woman that Yunus always talks about and was profiled on ‘60 Minutes.’ They as well thought that she was dead, but knew where her children live. I discovered that the dead woman was actually the sister-in-law of the real Sufiya Begum, whom I was eventually able to find, to discover what had really happened.”

We and Friends of Grameen have focused on this issue – among others – on the YouTube channel because it’s a clear example of Tom’s biased approach to documentary filmmaking, which we believe is clearly agenda-driven instead of being objective. It’s certainly not that we see our “discursive hegemony over microfinance’s public image as acutely threatened.” (As a communicator in the sector, I’d be the first to deny any claims of discursive hegemony! There is plenty of healthy debate to go around.)

To address the other issues you and Milton bring up in the blog posts and comments...

Though the issue of the Norwegian aid money, as you point out, was “settled in Grameens’ [sic] favour,” it did not ultimately contribute to Yunus’s resignation, as you claim. He resigned because the Bangladesh government decided – 10 years after the fact – that it was going to enforce the age of retirement for the managing director of Grameen Bank, and he wanted to avoid any actions that could threaten the interests of Grameen Bank’s 8.3 million borrower-owners.

I won’t go in depth into the effectiveness of microfinance as part of this reply, since it’s a huge issue, and our point of view on this is well known and documented. In short, we believe it is an effective weapon in the battle against poverty – not the only weapon – and that its effects are extraordinarily difficult to quantify, because microfinance institutions and clients operate in complex human systems that are almost impossible to control. But, as others have said, when it comes to describing the benefits of microfinance, absence of evidence does not in our view equal evidence of absence. David Roodman and Milford, among others, have sparred at length on this issue.

Finally, neither Grameen Foundation nor anyone else we know of has used “the likes of Burson-Marsteller” to “threaten” anyone planning to show the documentary, in an effort to “block its showing.” Nor are we trying to “spook one or another organizer.” In fact, the only person I’ve contacted about Tom’s film has been Jeff Hanes, the Director of the Center for Asian and Pacific Studies at the University of Oregon. We had what I considered a cordial

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exchange about their showing of the film there, in which I told him about our concerns. We've made these concerns public for a long time, though a Fact Sheet posted on the Friends of Grameen website:

<http://www.friendsofgrameen.com/dl/2011/02/Grameen-Bank-Fact-Sheet-Sept20111.pdf>

and several letters that Grameen Foundation's President and CEO, Alex Counts, exchanged with NRK, the Norwegian TV station that originally aired the documentary. NRK posted the first of these two letters here:

<http://www.nrk.no/contentfile/file/1.7518778!Grameen-NRK.pdf>

When Jeff told me he was moving forward despite our concerns, I asked if we could have a representative on the panel, to ensure a balanced approach (though Prof. Karim has shown herself to be sympathetic to Prof. Yunus's treatment by the Bangladeshi government, she is not a proponent of microfinance as a weapon against poverty, so we thought the panel – and audience – would benefit from an advocate for microfinance). When he declined our offer but said he would pass out materials at the event, we offered the Fact Sheet above, and appreciate the fact that he will be handing it out.

Let me conclude by saying that we welcome and encourage open, honest and objective debate about all the issues surrounding microfinance. After all, the role of Grameen Foundation is to further and enable a responsible, double-bottom-line approach to microfinance, though the use of measurement tools like the Progress out of Poverty Index, through the training and development of loan officers and other sector employees, and through the development of new approaches that focus on every facet of microfinance, not just microcredit. I personally would welcome Milford's participation in any panels or films that we sponsored, and enjoy engaging him in online forums, though I can't speak for the organizations that he contacted. As Phil rightly points out, "No harm has ever been done by allowing debate."

-Todd Bernhardt
Director of Marketing and Communications
Grameen Foundation

[Reply](#)

[October 13, 2011 at 19:15](#)

philmader



Thank you Todd for your comments, which are welcome. What you write confirms that there are indeed murky issues at hand, where clarification would be useful for all sides. I have no doubt that there will be extensive debate at all showings of "The Micro Debt", and I hope the same for the showings of the films which you have sponsored – it will be good for the sector. I hope that between the edit I have made and your comment readers will now be able to see more clearly different views of the issue. I always write under the assumption that the readers of this blog are aware that mine is only one view on a complex subject. Phil

[Reply](#)

[October 13, 2011 at 23:30](#)

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Todd Bernhardt



Thanks for the edit, Phil, though I do have to object to the specious logic behind the way you've grouped Friends of Grameen with Burson-Marsteller's other clients — the fact that they may have represented less-than-savory clients in the past does not by any means reflect on the integrity of Friends of Grameen, or on its noble mission to defend the reputation of a good man, the innovative microfinance institution he's created, and the positive environment it's fostering for the poor of Bangladesh.

-Todd

[Reply](#)

[October 16, 2011 at 13:44](#)

Matiul Alam



Heinemann's work confirms how selection and omission of factual information by a faction of media professionals (who may be either corrupt or stupid) serves agendas of vested interest groups through manipulation. None of the facts cultivated through this film could be generalizable. Many false claims are made to distort and shift public perception about community based socio-economic development and empowerment of the poor women. I would be happy to interview Heinemann to uncover his ill motivated hidden agenda, uncover issues concerning reliability and validity of facts, identify ethical concerns and film's funding sources.

[Reply](#)

[October 16, 2011 at 20:31](#)

philmader



Given that you are faculty at UBC, it is great you will have the opportunity to meet Tom Heinemann, see the documentary (if you haven't already) and engage in the discussion about the film. Hopefully there will be an interesting, constructive and factual debate – I wish I could be there!

[Reply](#)

[November 13, 2011 at 22:23](#)

Matiul Alam

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I met the film maker Mr. Tom Heinemann and discussed all about his untrue and misleading claims, misrepresentations and his defamatory comments about Dr. Yunus. I also told him that I was fortunate to work with Dr. Yunus during the pilot stage of Grameen Bank's development and I was speaking as an insider. I gave him (Tom) a fact sheet refuting his unjust and manipulative remarks, and suggested him to correct all his false claims in the film. Further, I suggested him to make another film on Grameen success and Dr. Yunus' Social Business ideas to compensate for the damages done to poor people's institutions and his own profession through falsehood.

Note: Please watch this short clip refuting Tom's and his supporters falsely manufactured Sofia story to defame Dr. Yunus:

[Reply](#)

[November 14, 2011 at 15:11](#)

[Phil Mader](#)



There seems to be no shortage of positive films being made about Dr. Yunus and Grameen, so perhaps you need not worry if Tom Heinemann does not add to the supply. Please note that there is already a discussion about the clip you posted here: <http://governancexborders.com/2011/03/08/the-dangers-of-symbolism-why-the-debate-about-the-micro-debt-misses-the-point/>. Meanwhile, it is perhaps worth noting that "The Micro Debt" was

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recently awarded another jury prize: the “Golden Panda” for “Best Long Documentary” at the Sichuan Film Festival (<http://en.sctvf.com.cn/>).

[Reply](#)

[November 15, 2011 at 10:56](#)

Rebecca Bose



Phil,

From all the examples you now know very well that Heinemann lied in his film bluntly for economic gains from corporations and their awards. It looks like Max Planck Institute for the Study of Societies is also a partner in this punitive damage deal defaming Dr. Yunus and accordingly they engaged you to destroy Grameen Bank by falsehood and marketing of Heinemann’s hidden agenda.

[Reply](#)

[December 13, 2011 at 15:45](#)

[An EU Recovery Package for “The Micro Debt” «](#)



[...] Grameen Bank in Bangladesh. One response to Heinemann’s criticism has been the production of counter-counter-knowledge (against Heinemann’s counter-knowledge), promoted via Youtube, courtesy of the world’s [...]

[Reply](#)

[January 23, 2012 at 16:50](#)

[Save the date: «](#)



[...] borrower suicides, disappointing impact findings, and a prize-winning Norwegian documentary contributing to Muhammad Yunus being removed from [...]

[Reply](#)

[January 23, 2012 at 16:51](#)

[Save the Date: Bateman-Roodman Debate «](#)

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