

“How can these women pay back their loans when they lie on their mats all day?”



Bobby Macaulay is a former researcher at the Yunus Centre for Social Business and Health and an expert in social business and community development. In this piece he discusses, through reference to Mozambique, whether microfinance can or should alter societal values or practices and queries its ability to foster real societal change.

In the summer of 2011 I was asked to go to Mozambique to set up a microfinance bank in the remote northern district of Mossuril, Nampula Province. While I was there I became more acutely aware of the societal role of women than ever before. The challenge was to see whether microfinance could be successfully implemented in the community, what challenges it faced and what benefits it could foster.

Culturally, Nampula Province is unlike any other place I have been to in Africa. It is the only place I have seen a man carrying an infant, looking after a baby or playing football with a group of kids. Men drive motorbikes while their toddler child sits just in front of them on the fuel tank loosely clutching the middle of the handle-bars, wearing their dad’s sunglasses. Men work in the fields, catch fish in the sea or rivers, build houses and sell vegetables at the market. They are the providers, the hunter-gatherers, very much the head of the family with a responsibility for its well-being which is unmatched by their counterparts in the West.

It would be easy to think that the women, lying on their grass mats outside their mud-huts were middle-class ladies of leisure with not a care in the world. They carry water from the well in the morning and do very little else for the rest of the day.

So as not to start a riot in the blogosphere with this piece I will arrive at my point. The Makhua tribal society present on the coast of Nampula Province dictates that a woman who works is a woman who suffers from one of two problems. Either her husband is too stupid, lazy, or otherwise generally inadequate to provide for the family, or the shame of all shames, she does not have a husband.

This societal characteristic presents the following points for consideration:

- Is it the job of microfinance to alter societal values or practices?
- Does microfinance alone have the capability to foster real societal change?

Due to my own academic knowledge of Marxist theory, as well as the long socialist history of Mozambique, I will answer these questions in terms of class mobility. Class takes on a different form in many parts of the developing world. Class is often more explicitly visible in developing societies in contrast to the more subtle forms of subjugation and class divides which exist in the West. In countries where money is scarce, success, status, respect and social standing are often associated with those people who have lifted themselves out of the poverty from which they once suffered, therein also implicitly deeming that those who have failed to achieve that transition are in some way inferior. Less than 20 years ago Mozambique’s 27 year war ended; in the immediate post-war period, dominated by the rule of the ‘post-socialist’ FRELIMO, only one class has emerged- the extreme poor.

Since that time Mozambique has become one of the fastest growing economies in the world (Club of Mozambique, 2012) and the capital Maputo is seen as one of the best places in the world to make money just now. Class is very much an issue and the difference between the ‘haves’ and the ‘have-nots’ is growing by the day. There is so much investment in cities and prices of commodities

are rising to the extent that even in this rapidly developing country, in relative terms people in rural areas are getting poorer (Fauvet, 2000). Surely, with the combination of developing infrastructure and economy against the backdrop of extreme poverty, this is the place where microfinance is needed the most.

To say that these women are lazy for not working is clearly a flawed argument due to ignoring the cultural relativism and nuances of the Makhua culture. It must then be concluded that it is society which is preventing women from fulfilling their essence- labour. Therefore, the gender-bias in being able to fulfil one's essence versus being denied the ability to engage in labour reflects the class-bias present in the capitalist economy. To put it another way, the domination of the female gender by the male in Mossuril is analogous to the global domination of the working class by the bourgeoisie.

Now that I have tenuously established that women in Mossuril are disenfranchised in a similar manner to how Marx described the proletariat as being, I can attempt to answer whether microfinance provision has the mandate or indeed the power to attempt to alter the situation.

The evidence shows that women have become economically empowered across the world as a direct result of microfinance provision (Cheston & Kuhn, 2002). For that, microfinance has rightfully been lauded for not only its economic function but also its social one. The combination of rural women and microfinance provision has changed many societies for the better before and therefore why can it not achieve the same results in Mozambique? The answer is that microfinance is not a catch-all socio-economic solution and must make allowances for the cultural nuances listed above. For example, people in Makhua society can be very petty when someone else is making money and they don't think it is warranted. The word 'ambitious' is used as an insult in rural areas: "if you have a mud-hut and some bread, why do you want to keep working? Is it because you think you are better than us?" For this reason and the culturally-defined role of women, even if a woman overcame the social pressure and was to set up a small shop selling mangos, people would boycott that shop. Therefore, it may be possible for women to overcome pride and social pressure to set up a micro-enterprise, whether it will sell anything and achieve class transition is another matter. In this sense it could be argued that microfinance can achieve a societal goal in challenging the social status quo, though it fails to achieve an economic goal in the form of a viable female-run business. Therefore, despite it potentially challenging entrenched values on the role of women, an economic concept cannot be called a success if it fails economically- microfinance is rendered useless.

But is it microfinance's job, as an unelected and unappointed presence, to preach a new system to improve people's lives? I hope the less than subtle similarities to missionaries and colonials are not lost. Muhammed Yunus, credited as the father of the global microfinance movement, wrote that early in his attempts to develop microfinance in Bangladesh he received opposition from socialist groups who said that he was removing revolutionary zeal by spreading capitalism even to the poorest people (Yunus, 2003). Yunus agreed wholeheartedly. But, in a former socialist state which still has a very 'involved' government and a far better provision of public services than its neighbours in the region, you can imagine why the powers that be would not want this foreign idea corrupting the minds of their people. Microfinance can be perceived as just the most recent node in a larger colonial project as it drives out long-held traditions and cultural practices which have already been diluted by the Portuguese colonials and are now being challenged by the Microfinance Institutions (MFIs) e.g. the traditional role of women in business. The difficulty in creating effective microfinance provision is therefore attempting to instil a Western capitalist concept into a traditional African society without being accused of neo-colonial practices.

A relatively common and, in my opinion, well-founded argument against microfinance is that it not only doesn't change the economic relations within households and wider economies, but it may even make them worse. The bases for these claims are: 1) women are virtual slaves in their homes having to work all day; 2) men continue to take money away from their wives; 3) banks such as Grameen have become so big and provide so many services that it is as difficult to detach from them as it was with the old money lenders; and 4) that the work done by women ~~does~~ not

actually increase their social standing or economic position at all. If this is the case, and if all of these aspects were thought through by the potential borrowers, maybe women would choose to just save themselves the hassle of social exclusion and difficult working conditions with no guarantee of actual gain, and just choose to stay on their mats. In that sense is it better to push for class transition and fail than never try at all? Is there such a thing as an economic martyr?

Which brings us back to the original question. If microfinance became available in small villages in Nampula Province, if women were socially allowed and supported to compete in the marketplace, if it did indeed lead towards class transition and equality and if it didn't make anything worse... would borrowers be business-savvy enough to make the money to repay their loans and in doing so, break out of a cycle which generations lived through? In other words, could the culture in Nampula Province accommodate a capitalist concept such as microfinance? The evidence from other countries suggests yes, but such related cases have never had as many obstacles as the communities of Mossuril District.

Mito, a young, middle class man who had moved to the village from the cosmopolitan Nampula City was speaking about different roles in families and was challenged on women's role in the household. He was asked whether there was a culture of equality in Mozambique. He replied “Oh yes, my uncle has told me about this thing of equality and I'm sorry to say this problem is also coming to Mozambique”. After a lengthy and often heated debate between him and my American colleague, the two sides refused to budge and agreed to disagree on a subject which they were both convinced they were right on. Microfinance is a very powerful tool in economic empowerment, gender-equality and class transition, but its not magic. It cannot solve every problem, it cannot change every mind and the nature of cultural relativism requires that it shouldn't attempt to do so. If a whole society is against an ideal, it will fail. In this sense, if microfinance is to repeat the economic and cultural changes it has achieved in the past, the people, community leaders and government of Mozambique need to be prepared to compromise traditional values for economic ones. Therefore I can conclude that it is not the place of microfinance to ignore the nuances of traditional cultures and impose itself, nor does it have the power to do so. However if there is a concerted feeling by the powers that be that it should do, then and only then can microfinance prosper and the women of Nampula province have the power and incentive to get up from their mats, repay their loans and in doing so, achieve social and economic empowerment.

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