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Money Pools in the Americas: The African Diaspora’s Legacy in the Social Economy

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Abstract  Money pools are ancient African traditions that speak to the functionality of getting things done by a historically oppressed group of people. The analysis for this study is based on 583 interviews in five Caribbean countries: Haiti, Grenada, Jamaica, Trinidad and Tobago, and Guyana. African traditions of collectives reveal that Black people have long had money pools that focused on helping people thrive in commerce, including during the hard times of slavery and colonization. This research argues that throughout the Caribbean indigenous banking systems—with localized names such as susu, partner, meeting-turn, box-hand and sol—are long-standing ancient traditions that historically and currently are taking a bold stand against exclusionary financial systems. African-Caribbean people have an important legacy on the social economy through money pools. The ways in which persons of African descent organize in the social economy is vital to unravelling the market fundamentalist view that there is only a singular way to do business in society.

Keywords: ROSCAs, money pools, Black diaspora, financial collectives, cooperatives, African traditions and social economy

No one has to tell me what caisses populaires are I know them from long time ago … before I was even here [born].

‘Miveline,’ a ti machan (market vendor) from Bon Repos, Port-au-Prince in Haiti, 9 October 2010.

1. INTRODUCTION

Money pools are informal institutions where people collectively lend and save among their peers, and have existed long before such banking groups were ever named (Ardener & Burman, 1996; Hossein, 2013). Feminist authors Gibson-Graham (2006, 1996) have long argued that collectives are a source of camaraderie and a possible way for marginalized people to build new economic lives. In The Great Transformation, Polanyi (1944) argued famously that the economy is embed-
Money pools are a deeply held African tradition. The peer-to-peer lending arrangement also speaks to the functionality of getting things done by a historically oppressed group of people. These self-help groups are the real-life aspect of the social economy that push against unthinkable forms of economic exclusion in business and society. The opening quote by Miveline speaks to the institutional memory, a ‘second nature’, or a personal feeling that many excluded African-Caribbean people have when it comes to community-based banking collectives. This is because they were raised with loved ones who were members of informal cooperatives and money pools were very much a part of their lives.

Yet the story of how the social economy came to be is told through a European framework by the people who embody that cultural origin. The often-told starting

1 Money pools, self-help banking groups, informal banks and group banks interchangeably used to speak to the phenomenon of rotating savings and credit associations (ROSCAs). Local terms such as partner, box-hand, susu and sol denote a money pool.
point is Europe in the 1880s with the German Raifeissen’s cooperative banks or Rochdale weavers (Fairbairn, 1994; Guinnane, 2001) as well as the French-Canadian Desjardins’ caisses populaires of the 1900s (Mendell, 2009; Shragge & Fontan 2000). I contend that the social economy out of Africa and the African diaspora predates a European starting point (Du Bois, 1907; Gordon Nembhard, 2014). Around the world, people of colour engage in self-help collectives called money pools, and have been doing so before the naming of the social economy came into being. Yet there is little to no mention of this contribution in the literature.

The social economy literature has relegated the important work self-help banks do in both developed and developing countries to the sidelines. Ardener and Burman (1996) in Money-Go-Rounds: The Importance of Rotating Savings and Credit Associations for Women document that self-help banks, also known as rotating savings and credit associations (ROSCAs) are grass-root collectives that evolve within communities to counteract social and financial exclusion. This need to collectively organize financial services is deeply grounded in French and French-Canadian tradition of the économie sociale. Canadian Alphonse Desjardins created the caisses populaires (credit unions) to address financial exclusion of rural French and Catholic minorities in Canada in the 1900s (Mendell, 2009; Shragge & Fontan 2000).

Money pools in the Caribbean that are examined in this research are very much part of an activist tradition, where mostly low-income women are contesting the standard for how people can access goods and services. Hossein (2013) argues that banker ladies have been around for a very long time, as far back as the 1700s, when thousands of African slaves in Haiti engaged in self-help groups. Gordon Nembhard (2014) traces self-help groups by enslaved African-Americans to at least the seventeenth century who created intentional communities for themselves because of the racism and violence in the society. What is certain is that collective banking is most definitely not a new concept to Africans, African-Caribbeans and the Black diaspora.

For centuries, people of the African diaspora have known that ‘another world is possible’, and they have been carving out practical ways to live and do business. In A Postcapitalist Politics (2006), it is plainly clear that there is a politics of economic possibility occurring in which community economies are collective in nature and they are not driven by profit. Black people everywhere know about and many participate in African-inherited collective banks because of its community-driven work. While the literature on informal banks is extensive, and examines people’s ingenuity in creating local banks, it does not discuss the agency of uneducated Black women in organizing money pools.

A Black perspective on alternative economics such as money pools, a well-studied phenomenon, is missing and this paper fills that void. The goal of this paper is to document African people’s legacy in the social economy in the West. It is also an
effort to restore the importance of money pools in Black culture, as it has endured some bad press in recent years. Uncounted numbers of people around the planet engage in money pools, and it is useful to think about the ways people of colour use money pools. The African Caribbean experience of indigenous group banking is highlighted in the next section. Each of the country cases suggests that money pools are an indigenous invention brought to the region centuries ago. Next, empirical methods are outlined along with the theoretical influences for understanding money pools in five Caribbean countries. The paper concludes with findings that emphasize the role that banker ladies and group banking have played in the way people of colour have contributed to making the economy a more humane one.

2. THE AFRICAN DIASPORA’S STAND FOR GROUP BANKING

Money pools, formally known as Rotating Savings and Credit Associations, are actually known by culturally specific local names. (Rutherford, 2000). Geertz (1962) referred to ROSCAs as ‘middle-rung institutions’ that would become redundant as modernity reached remote areas of Java, for example. Ardener and Burman (1996) argued the contrary that money pools are growing within countries and spreading to developed cities. Rutherford (2000) finds that ROSCAs are popular among the poor because these institutions function efficiently, offering both low defaults, little paper work and very small transaction costs. Basically, money pools are unregulated financial groups that provide quick access to savings and credit for people, mostly women, who belong to the same socio-economic groups (Ardener & Burman, 1996; Figart, 2014; Geertz, 1962; Hossein, 2013; Rutherford, 2000). Women also known as banker ladies are usually the ones in charge to organize savings from the community and create a revolving fund, where each participant has a turn (Handa & Kirton, 1999; Hossein, 2013).

Africans and Caribbean people have embraced the informality of these systems. In each of the cases I researched—Jamaica, Haiti, Trinidad, Grenada and Guyana—African slaves and their descendants carried out market activities and engaged in informal money clubs (Harrison, 1988; Mintz, 1955; N’Zengou-Tayo, 1998; St. Pierre, 1999; Wong, 1996; Witter, 1989). The money pools of today are a deeply valued African tradition rooted in ancient systems of susus and tontines brought by slaves to the Americas (Heinl & Nancy, 2005; Hossein, 2014a; Mintz, 1955; St. Pierre, 1999).

African slaves in the Americas expressed their defiance to slavery when they pooled their earnings made from the Sunday market day and would rotate lump sums of money to each other without the masters’ permission (St. Pierre, 1999). Harrison’s work (1988) shows that since the times of slavery, Jamaican female traders who struggled to make a livelihood used partner (a money pool) to meet
their business needs. Money pools can also be viewed as a quiet form of protest against unfair powerful entities. Under colonization, banks did not lend to the local Black population, so people turned to their indigenous collectives handed down to them by the generations before them. They often did this when it was considered illegal to do so.

2.1. The Social Economy of the African Diaspora

Black people in the diaspora have created social economies for themselves in inhospitable environments for centuries. Studies by Du Bois (1907), Gordon Nembhard (2014), Mintz (1955, 2010), and St. Pierre (1999) show that African people in the Americas use business to uplift their racial group. Yet, the social economy literature largely ignores the contributions of Black people in the diaspora.

Africans and the African diaspora have had to rely on these collective systems they know to make their livelihoods. In Collective Courage, Gordon Nembhard (2014) posits that organizing by African-Americans was a life or death matter because cooperation in business among Blacks was viewed as subversive to American capitalism. Du Bois’s work on group economics (1907) documents the ways in which Bantu tribes in southern Africa successfully supported joint and community-oriented businesses. Marginalized groups are reached through collective systems that ensure financial systems reach excluded people. People are thus devising more humane banking systems that work for communities even if it means reacting against the dominant power (Polanyi, 1944).

Black people in the Caribbean, as well as in other parts of the world, have been deeply affected by enslavement and colonization (Benjamin & Hall, 2010; James, 1989; Mintz, 2010). It is during these critical moments in history that persons of African descent have rethought how to organize their social and business lives. Haiti, emancipated in 1804 and governed by a succession of despotic personalities, remained isolated for 100 years because its freedom would have undermined the slave trade (James, 1989), so Haitians inwardly developed a system of cooperatives (Hossein, 2014c). The Grenadian people’s independence in 1974 also unfolded through authoritarianism. Like Haitians, Grenadians endured economic hardships under unstable political environments such as the 1979 coup d’état and later the US invasion in 1983, and people then turned to cooperatives to meet livelihoods needs.

2.2. The Distinction between Money Pools and Microfinance

This section untangles the local African traditions of self-help banks from professionalized microfinance institutions. Though the concept of informal banking is not new, group banking was revived in Bangladesh during a period of economic
liberalization by the Bretton Wood institutions. The idea of solidarity circles in banking grew rapidly in the 1980s as a consequence of structural adjustment programmes. Yunus (2010) carried out formalized micro-banking experiments in Bangladesh when he revived the concept of micro-lending through a group model after making a personal loan of $27 to a group of 42 stool makers. The Grameen Bank, an innovation from the global South, was a model that stressed solidarity finance for rural women (Sengupta & Aubuchon, 2008; Wahid, 1994; Yunus, 2007). Through this microfinance ‘revolution’, civil society organizations overturned conventional banking norms and decolonized business to fit with the impoverished world’s idea of business. This notion of informal banking has informed the current practice of professionalized microfinance. Informal banks are run and owned by the users of the same socio-economic class grouping who participate in alternative finance, whereas microfinance institutions are professionalized and led by educated individuals interested in the reforming commercial banks.

For three decades, microfinance has developed into a $70 billion dollar industry. In 2006, Yunus and Grameen Bank were awarded the Nobel Peace Prize for making loans to millions of women, but it is the cultural practice of money pools that made this form of alternative banking possible. Microfinance banks are vastly different from ROSCAs as the latter are ancient systems based on pooling money between people of the same socio-economic group. This is very different from managed and professionalized micro-banking programmes which are orchestrated by an educated banker and may allow for exclusionary issues to arise (Hossein, 2012, 2014a, 2015). Group banking of the African diaspora is also important because it confronts the commercial model head on and privileges institutions that are small, collective and local. Black people in the Americas deliberately choose money pools because dividends are shared by members, and they draw on a trusted African practice where members associate collectively. This differs from microcredit banks because they are owned and operated by individuals removed from outside of the community.

3. BLACK LIBERATION THEORIZING IN THE SOCIAL ECONOMY

It seems very fitting—in the UN Decade of the Year of Persons of African Descent 2015–2024—to examine ROSCAs, and its effect on some of the world’s most excluded people, the African diaspora. Group economics has been theorized by Black thinkers but these ideas have not been central to the study of the social economy. The teachings of Black liberation thinkers—such as Booker T. Washington, Marcus Garvey and W.E.B. Du Bois—travelled the Americas and beyond because their focus on self-reliance, group economics and alternative economics resonated with Black people everywhere.
Washington’s *Up from Slavery* (2013), first printed in 1901, gave meaning to Black business and how persons of colour could create their own ways of doing business and felt that mutual progress depended on Black people training and developing themselves. As early as 1903, African American and Harvard-educated W.E.B. Du Bois, of Haitian heritage, fully reckoned with the need for cheap labour, advancing the theory of group economics among Black people so that pooling economic activities could withstand an oppressive racist power. Du Bois’ *The Souls of Black Folks* (2007, first printed in 1903) describes communal forms of business of Africans, and this historical grounding is inspiring for Black people in the diaspora. Group economics allowed Black people to bond together in times of hostility. The Jamaican-born Marcus Mosiah Garvey, a Pan-Africanist and well-travelled social entrepreneur, put forward a philosophy of racial self-reliance in business to protest against a racist society (Martin, 1983). A young Garvey was most likely influenced by partner (a money pool) growing up in St. Ann’s, Jamaica, as this was a mainstay activity for colonized people.

4. METHODS AND APPROACHES

This study adopted multiple methods in researching the attitudes and motivations of lenders and borrowers in 14 low-income communities across five countries. Several focus groups were held and interviews took place with 583 people in Jamaica, Guyana, Trinidad and Tobago, Haiti and Grenada, and also in Barbados, Panama, Canada and the US, from June 2007 to December 2013. As noted in Table 1, of the 583 people interviewed, 341 were female (or 58% of the total sample), and most were Black women. The stakeholders interviewed accounted for 37% (218 subjects) of the total sample. The entrepreneurs, also referred to as business people, are the main subjects of this study and were selected on the criteria of who wanted, has or had a loan, including from informal banks.

4.1. Fieldwork

The research was conducted in Kingston, Jamaica for most of 2009, which is the country that forms the main case. Interviews were held in mostly the south-west part of Kingston, called downtown, south of Cross Roads, and include the neighbourhoods of Trench Town, Bennett’s Land, Whitfield Town, Rosetown, Frog City and the former prime minister’s constituency of Denham Town and Tivoli Gardens.

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2 On 12 January 2010, Haiti experienced a 7.0 magnitude earthquake that left 300,000 persons dead and 1.5 million people displaced and living in tent cities and this affected data collection in September 2010 and August to October 2011.

3 Stakeholders include civil society experts, big business people, activists, policy experts and academics.
Table 1: Interviews of Caribbean People in Five Countries

<table>
<thead>
<tr>
<th>Method</th>
<th>Jamaica</th>
<th>Guyana</th>
<th>Haiti</th>
<th>Grenada</th>
<th>Trinidad</th>
<th>Regional experts</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of business people interviewed in</td>
<td>77</td>
<td>6</td>
<td>45</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>128</td>
</tr>
<tr>
<td>focus groups</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual interviews with business people,</td>
<td>156</td>
<td>23</td>
<td>0</td>
<td>17</td>
<td>43</td>
<td>0</td>
<td>239</td>
</tr>
<tr>
<td>average 45 min</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female business people interviewed</td>
<td>146</td>
<td>19</td>
<td>43</td>
<td>8</td>
<td>23</td>
<td>0</td>
<td>231</td>
</tr>
<tr>
<td>Total business people</td>
<td>233</td>
<td>29</td>
<td>43</td>
<td>17</td>
<td>43</td>
<td>0</td>
<td>365</td>
</tr>
<tr>
<td>Individual interviews with stakeholders</td>
<td>46</td>
<td>39</td>
<td>35</td>
<td>9</td>
<td>14</td>
<td>10</td>
<td>153</td>
</tr>
<tr>
<td>Individual interviews with bankers</td>
<td>28</td>
<td>11</td>
<td>13</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>65</td>
</tr>
<tr>
<td>Women interviewed</td>
<td>191</td>
<td>35</td>
<td>61</td>
<td>15</td>
<td>35</td>
<td>4</td>
<td>341</td>
</tr>
<tr>
<td>Total</td>
<td>307</td>
<td>79</td>
<td>91</td>
<td>31</td>
<td>61</td>
<td>14</td>
<td>583</td>
</tr>
</tbody>
</table>

Source: Author’s data collection from 2007 to 2013.

In Haiti, those living in the bidonvilles (low-income urban areas) were interviewed. These included Cité Soleil, Carrefour, Martissant and La Saline, as well as Bel Air in Centre-Ville and Jalousie and Flipo in the hills of the chic suburb of Pétion-Ville. The focus groups in Haiti were held in the poor areas of Bon Repos, Port-au-Prince. In 2008 and 2010, interviews were carried out in Albouystown in Georgetown, Guyana, which is ethnically diverse and has a large Afro-Guyanese population, dougla (mixed race of African and Indian background) population, as well as East Indian, Portuguese and Amerindian people. In 2013, people were interviewed in the Grand Anse valley, the bus terminal and the central market in St. George, Grenada, and in Laventille, Beetham Gardens and Sea Lots in east Port-of-Spain, Trinidad.

The intention of the researcher was to design interview tools so that people could tell a story and, at times, engage in dialogue. Some of the questions asked to business people who are engaged in money pools included: (1) What kind of financial provider meets the needs of persons in poor communities? (2) With many banking options close by, why are informal banks so prevalent? (3) Why do persons organize and join money pools? Interviews with bankers and stakeholders were structured and semi-structured. Interview tools were standardized as much as possible to enable comparison across the cases, and tools were adapted to fit the local, contextual realities, such as in Haiti to account for the post-earthquake priorities. Ten two-hour focus group meetings (FGs) of six to eleven people were held at neutral locations, such as community centres or churches or bars, depending on the area.
5. FINDINGS: AFRICAN BUSINESS TRADITIONS BUILD COLLECTIVITY IN THE AMERICAS

Africans and its diaspora have had a profound influence on alternative economics. The ‘Banker ladies’ who organize money pools give excluded Afro-Caribbean people a safe place to lodge their savings and to draw on loans. Not only do money pools provide people with an alternative to commercial banks but they restore people’s faith after they have experienced everyday indignities. These findings are in the same vein with Gibson-Graham, Cameron, and Healy (2013) who show that everyday people are actively resisting market fundamentalism through engaging in community economies. In this findings section, the ways in which money pools have helped people in five countries develop their social and social consciousness and business objectives are examined.

5.1. Framing the History of Money Pools in Trinidad and Guyana

African slaves brought with them West African traditions of susus (a money pool), through which they mobilized savings (and loaned out money) on a weekly basis (Mintz, 1955, 2010; St. Pierre, 1999). Even under slavery or indentured servitude, Africans carried out sideline businesses and held market days with the extra provisions they grew. After slavery was abolished, the British colonialists imported indentured servants from India to Trinidad and Tobago and Guyana. Africans were free, but the bankers and planters made it difficult for them to conduct business. To counteract the exclusion in business, Africans pooled resources in money clubs to buy plots of lands and villages.

The author’s great-grandmother, Maude Gittens, was a Grenadian-born migrant who lived in Sangre Grande, Trinidad. She was a caterer and deemed to be a well-respected leader in the community and was the susu banker for many decades. Her main role was to collect weekly deposits from the members and give a lump sum of cash to queueing members. The structure of susus varies from community to community; but they are usually self-selected by individuals who know each other and determine the fixed deposit they will contribute every week. The banker lady usually has a business out of her home that allows members to pass by to drop off their deposits. The group usually decides how long they will do this for but a period of 10–12 months is pretty common. Once all the members agree on the rules and structure of the susu the banker lady launches the bank with the first in-take of deposits. Banker ladies claim that they lend out that very same day the deposits to the members to avoid having a large sum of cash on their person. The system of rotation can take a number of forms and again this will vary based on the group dynamics. Money can be allocated based on first come, first serve basis, based on
need (i.e. seasonal work, funds tied to business need; personal crisis), lottery or drawing names.

The culturally distinct lenders in Jamaica, Trinidad and Guyana have a tense interaction with borrowers who differ from them in terms of class, culture and sometimes gender. These bankers use politics in a way that deforms and limits micro-banking, and they can do so because they hide behind the neoliberal rhetoric of making money. Furthermore, they will not engage with certain groups because of their own personal prejudice, even if it makes good business sense to do so. Class-based racism and partisan politics in Trinidad and Guyana have interfered with people’s access to finance (see more in Hossein, 2014a, 2015). As of April 2015, Trinidad and Tobago and Guyana have had Indo-Caribbean political elites dominate politics to the exclusion of persons of African descent.

A pervasive cultural narrative disparages the business acumen of African descendants and the commercial bankers, usually educated men of East Indian descent, are hesitant to make loans to poor Black people (Hossein 2014a, 2015). Even within microfinance programmes, the norms found within the commercial banking sector have influenced banking to discriminate against poor clients of African background. In Guyana’s microfinance sector, the main specialized microfinance agencies are managed and staffed by educated middle-class Indo-Guyanese who lend to Indo-Guyanese clients (Hossein, 2014a). At least 65% of the entrepreneurs interviewed in Allbouystown, Georgetown claimed that they borrowed money from box-hand (a money pool) because they could not access loans from a commercial bank or microfinance institution for that matter. The largest microfinance bank in Trinidad is the state-run National Entrepreneurship Development Corporation (NEDCO) and its history of partisan politics has dictated how lending was (is) conducted, and as a result 75% of its loan portfolio was in arrears as of July 2013. Black business people in Guyana and Trinidad cannot easily access loans because of identity and party politics and they inevitably turn to money pools to meet their business needs (Hossein, 2014c, 2015).

5.2. Grenada’s Deeply Embedded Susu Culture

Grenada, a very small eastern island under British colonization until 1974, is the only English-speaking Caribbean country to experience a coup d’état by Maurice Bishop, Bernard Coard and the New Jewel Movement in 1979 (Gentle, 1989; Meeks, 2001; Sandford & Vigilante, 1984). The People’s Revolutionary government (1979–1983) run by educated middle-class Grenadians was a left-wing experiment during the cold war era. Like Haiti (1915–1934), Grenada experienced a US invasion and occupation in the 1980s under the Reagan administration (Meeks, 2001).

The cooperative experience of Grenada developed under British colonization. In the 1930s, nutmeg and cocoa were important cash crops, and the colonial state
created boards to manage these exports. In 1947, the Grenada Cooperative Nutmeg Association was formed to assist farmers to increase their incomes, allowing them to bypass the middleman. In 1951, the Colonial Welfare and Development fund provided the financing to organize the quality of production (Steele, 2003). In 1954, the Banana Cooperative Society was set up to assist in trade with the Canadian Banana Company (Steele, 2003, 338). Eric Gairy (1967–1974; 1974–1979) was the first head of state for Grenada, and the first political figure to come from a modest rural background sharing the African features of the majority of Grenadians (Sandford & Vigilante, 1984). In the early years, Gairy was anti-imperialist and committed to increasing the incomes of rural farmers through cooperatives. However, Gairy’s anti-local elite and White colonizer rhetoric was clouded by his own governance issues. A similar fate was suffered by Forbes Burnham of Guyana who used the cooperative rhetoric for his own personalist politics. By the mid-1970s, opposition grew against Gairy’s undemocratic control and the violence of his secret police, the Mongoose Gang (Steele, 2003).

Young educated Grenadians from middle-class backgrounds influenced by the US Black power movement and cold war rallied dissenters against the Gairy regime. The 1979 bloodless coup d’état by the New Jewel Movement installed the left-wing state, the People’s Revolutionary Government (1979–1983). Its leader, Maurice Bishop of the NJM, impressed by Tanzania’s ujamaa, (Swahili word for unity, collectivity or oneness) the idea of moving villagers to farm collectives, put forward by President of Kenya Julius Nyerere (1964–1985), was adopted in the NJM’s manifesto. Authoritarian politics left Grenadian people to cope on their own. The tumultuous political events made room for localized cooperatives, such as credit unions and susu to take hold.

The 1983 US invasion and occupation followed the assassination of Maurice Bishop and members of the New Jewel Movement. That same year, one of the country’s largest cooperative banks, Grenville Credit Union was created. US leaders were concerned about collective enterprises and viewed the group organizing of a colonized people as subversive, communist and anti-American. However, despite the United States’ external colonialism in the region (Benjamin & Hall, 2010), Black people join groups to resist systematic oppression in the society. Both countries, Grenada and Haiti, have persevered in their use cooperatives, and both countries have a strong cooperative culture that can be attributed to the historical development of money pools.

As of June 2013, Grenada’s Cooperative League (GCL) had ten credit unions and a membership of 42,000, or 40% of the population (Interview, General Manager of the GCL, St. George, Grenada, 4 June 2013). According to the general manager of Grenville Credit union, Devon Charles, ‘community banks are not concerned about blowing their trumpets but they are there to help people and cooperatives are not going away’ (Interview, General Manager, Grenville Credit union, St. George,
Grenada, 11 June 2013). Ordinary Grenadians trust credit unions for their banking because of their roots in the community. ‘Jingle’, a business owner of a pizza and food shop at the bus terminal in St. George, is sceptical that the government or commercial banks help ‘traffickers’ (a local term to refer to small vendors):

Government and dem [commercial banks] say dey would ‘elp business in market and [bus] terminal. But they only talk, talk and give no help to us. They fear we can’t pay. So I don’t worry with [their] empty promises and I go to my Communal [refers to Communal credit union] (Interview, ‘Mummy,’ a spice stall, Grenada, 13 June 2013).

Susu in Grenada are similar to those found in Trinidad and Tobago, and they too are based on a rotating system. Grenadians participated in susus and maroons (informal collectives) during the authoritarian regimes of Gairy (1967–1974; 1974–1979), New Jewel Movement (1979–1983) and the US invasion in 1983 (Sandford & Vigilante, 1984, p. 32). Susu are based on daily or weekly plans, each cycle spanning from six to twelve weeks, where the ‘banker lady’ manages the money collected from participant and usually charges a small flat fee (Besson, 1996). People trust the susu bankers. As ‘Mummy’, an energetic elderly woman, who has owned a mango and spice stall in the central market in St. George for more than 30 years, explains:

Susu is di ting! [Susu is a good thing to have] You [can] get your money when you want it and nobody give you problem [referring to susu banker]. You can say to the [susu] banker, give me a hand [lump sum of cash] and she will because she know you and what you will do [with the money]. We bind (we come together) … no one can change this way (Interview, ‘Jingle,’ a business owner of a Pizza and food shop, Grenada, 13 June 2013).

Susu allows excluded people to access a large lump sum of cash after saving for a few weeks. This would never be possible at a commercial bank, especially for poor persons of African heritage. ‘Mummy’ tried several times to get a loan at the commercialized microfinance bank Microfin, but it was a long-drawn-out process that was hard to follow—unlike the susu banks. In interviews, members of the money pools or informal banks were open about their difficulty in getting loans from banks, indicating that this was the reason the informal banks were so important (Hossein, 2014a, 2014c).

5.3. Sols have an Ancient History in Haiti

Haiti’s cooperative development has been exceptional. In former colonies around the world, cooperatives have been the project of local or foreign political elites, thus creating top-down control and limited development (Develtere 1993). Yet Haiti cooperative development was inherited by a cultural tradition of pooling money
by African slaves when they first arrived in the 1600s (Mintz, 2010). In French-speaking Benin and Togo, West African countries that Haitians claim as their ancestral lands, there is a strong tradition of tontines (money pools). Sols (a money pool) in Haiti reach millions of people. The first Haitian cooperative was formalized in 1937 in Port-a-Piment du Nord, near Gonaïves, soon after the US occupation ended (Montasse, 1983). More caisses populaires (credit unions) were formalized in La Valée (Jacmel) in 1946 and in Cavaillon (South) and Sainte Anne in Port-au-Prince in 1951, during a time of repressive politics (Colloque sur la Microfinance, 2010).

Despite Haitians being banned from gwoupmans (a local term refers to associations) and cooperatives under the brutal reign of the Duvalier dictatorships that lasted from 1957 to 1986 (N’Zengou-Tayo, 1998), the masses participated in sols, cooperatives, and caisses populaires to meet their needs (Maguire, 1997). Haitian cooperative scholar Emmanuel Montasse (1983) discovered a growth of credit unions in the period from 1951 to 1983, and suggests that it occurred because during these years people were deprived of basic services.

Not only does Haiti have a large formalized cooperative sector but informal collectives far outnumber formalized cooperatives. African ideas of kombit (collectivity) come from the Beninese (then Dahomey) ancestors who brought banking concepts to the Americas as far back as the 1600s when slavery started in Santo Domingo (then Saint Domingue, now Haiti). The country’s politics has been oppressive since independence and leaders since Dessalines (1804–1806) have adhered to politiques du ventre (politics of the belly) dictatorships, leaving the masses in complete suffering (Fatton, 2007). The first formal financial caisses populaires created in 1937 in Port-a-Piment du Nord, near Gonaïve was in no doubt cultivated by the traditions of sols. It might be safe to assume that at least 80% of Haitians rely on sols to meet their everyday financial needs. People organized sols to meet their livelihood needs, and this creation inspired cooperative banking. The local traditions of kombit, gwoupmans and sols were ways for excluded Haitians to create civil society groups—and it is a testimony to the democratic spirit of the masses (Fatton, 2007; Montasse, 1983). One banker attests to the importance of sols in Haitian society:

Caisses populaires belong to the Haiti people. These caisses are accessible, grassroots and embedded into people’s hearts, because they focus on people’s community, collectivity, and helping each other out which are very important traits for us [Haitians] especially those of us who are poor (Interview, senior banker, Port-au-Prince, Haiti, 2 October 2010).

Sols are created by people in the community. Every month or week, members contribute a fixed amount, such as 100 gourdes (about U.S. $2.5), for a cycle that can range from six to ten months, depending on the number of members. Members agree to contribute regular savings, and when their turn comes, they can use the
money for a specified period, as managed by the banker, the ‘Mama Sol’, who is usually uneducated. This system creates a place for the poor to save and borrow money. Sols may be completely free with no fixed fees, or may apply a small flat fee for the duration of the membership (Focus groups, Bon Repos, 9 October 2010). Sols and trusted by their users because of their collective nature and poor families have used these socially embedded banking systems for generations. The money pools have assisted marginalized people to draw on social capital within their communities. Furthermore, this capital, mobilized from the grass-roots, contributes to local organizing and brings people who are normally ignored to feel a part of their community (Focus group, Bon Repos in Port-au-Prince, 9 October 2010).

Haiti’s financial world is thus indebted to sols for developing financing that reaches the excluded masses. Despite the setbacks in the cooperative sector, and out of respect for people’s demand for collective institutions, the state elevated the cooperative status into the nation’s 1987 constitution (Haitian Constitution, 1987) and defined Haiti as a ‘co-operatist’ state. Political elites recognize the important role that self-help banking groups have played in the country’s development, culture and history. In fact, most Haitians I interviewed had the sentimental view that the sols are grounded in African traditions.

5.4. Jamaican Partner Banks Counteract Business Exclusion

The Jamaican partner is a home-grown institution for local people of all classes but it is the lifeline for those who really have no other banking alternative. The cultural context helps to explain why partners are so relevant in Jamaican society. Politics in Kingston, Jamaica’s main urban centre, is marred at election time by violence, and local political elites, usually the ones who have power, make promises of money, lodgings and jobs to very poor (dark-skinned) political activists. If they fail to deliver the vote for their candidate, they lose the political handouts. Academics have written extensively on this entrenched mechanism wherein elites use uneducated masses in the downtown slums to carry out heinous crimes to assure votes and political victory in exchange for housing or other financial benefits (Sives, 2010; Tafari-Ama, 2006). Years of politicians and gangsters using poor residents to carry out their dirty work has led people to distrust the political and business elites (Hossein, 2015).

Most of the attraction to partner is that these institutions are run by ordinary and uneducated non-bankers who know about daily life in the community. Social exclusion from commercial banks has driven up the demand for informal banks (Hossein, 2014b,c, 2015), and so too has the need for individuals to rely less on unscrupulous lenders—loans that would increase ties to political elites or informal leaders, as seen in the previous chapter. Tucked away behind her metal cage, Rickie, a 29-year-old bar owner, was thankful for me asking about Jamaican partner banks:
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Pardna. Live for dat ting. Most people here [in his low income community] don’t have go to banks. Dem [the bankers] don’t know what’s going on here and wi na know what’s going on in their banks. Downtown know Pardna … it is the one ting here for wi (Interview, ‘Rickie,’ bar owner, Kingston, Jamaica, 9 July 2009).

Across the Caribbean region, the African diaspora turned to local informal financial groups that they know and trust as a way to harness their own power and to rethink the financial institutions they want in their lives. Business persons interviewed stated, ‘Partna is fi wi, and bank is fi di big man uptown’—that is, the partner bank is for the poor [us] and formal banks are for the rich. ‘Yuh don’t have to be rich or educated to throw partna’. Handa and Kirton (1999) surveyed 1,000 people in Kingston and found that 75% of the banker ladies were women between the ages of 26 and 35 who organized partner for an average of nine years. These are people who are aware of the community’s needs. Many of the Jamaicans interviewed lived in tenement yards (corrugated metal tin roofs) downtown and they do not have the birth certificates required to open a bank account.

The women manage the money pools are not trained as bankers. They decide who gets access to the lump sum of money first, and they assess the person’s risks for defaulting, as a trained loan officer would do. The sustainability of these systems shows that they are viable. Partner banks are made up of a group of people who know each other (sometimes they are related). Several variants of the partner bank exist, and although all are saving plans, many are also lending plans as well (Handa & Kirton, 1999; Klak & Hey, 1992). Each person’s contribution to the partner bank is called a ‘hand’ and it is ‘thrown’ (deposited) for a designated period of time; the pooled money is called a ‘draw’. In some partner banks, people draw lots to determine the order for obtaining a loan (Interview with three banker ladies, Kingston, Jamaica, March to July 2009; Rutherford, 2000). Peer dynamics ensure people comply with payment rules, and social sanctions are applied in the case of default.

People want financial systems that enable them to do what they need to do without restricting their freedoms. At least 82% (191 out of 233) of the entrepreneurs I interviewed ‘throw pardna’ (participate in partner). In interviews, the Jamaica partner was the lending model that most people (57%, 133 out of 233) trust and claim meets their needs. Commercial banks rank fairly low because the model does not seem to resonate with people. Partner banks are similar to banks in that they offer people a place to save their money and to borrow money. Yet entrepreneurs said they preferred the partner banks because there was ‘no rigmarole’ (paperwork), the banker ladies are trustworthy, and there are few fees and easy access. The banker ladies interviewed claim that repayment rates are high (usually 100%) because people trust these systems. Partner banks are deeply rooted in social relationships: they are there when nobody else is and are able to help people develop self-confidence and their communities.
6. CONCLUSION

Significant numbers of African-Caribbean people today engage in African systems of collective banking. The exclusion of conventional banks in the region has made Black people rethink how and where they want to do business. Others who are continually denied access to finance are forced to retreat towards self-financing options like informal banks. Money pools validate the work of excluded groups in ways that individualistic and capitalist firms do not. Money pools challenge commercial banks because they bring a sense of agency, local know-how and community into finance.

Banking can be quite effective when it follows indigenous banking systems such as these money pools. By acknowledging the indigenous banking systems brought over by African slaves to the new world, it corrects the one-sided view of cooperative development that originates in Europe and/or by European colonialists as the only actors to introduce collective businesses into the Americas. The African-Caribbean peoples have been so affected by slavery and colonization that they held tightly onto their African traditions of collectivity over two centuries.

Black people in the Americas make it abundantly clear that indigenous banks are a financial alternative (Hossein 2012, 2014b). The questions that people still have are: Do money pools change people’s lives? Are people still financially marginalized after they engage in money pools? Money pools do not necessarily change people’s social status per se but they do assist people to meet their social, financial and political needs on their own terms. The ultimate goal of this research was to reveal that money pools do not make people reach rich but they do meet their economic needs. In addition, money pools show that people join together to think consciously about social and business issues affecting their lives. These money pools may not make people wealthy in terms of profits but they do make people rich in ways mainstream banks never will: they build trust, and strengthen human connections.

This work has shown that African peoples in the diaspora have made major contributions to the social economy. The very existence of the Caribbean banker ladies confronts systemic oppression and they show new ways of doing business in society. The bankers of money pools are low-income, uneducated women and they are the very epitome of trustworthiness and cooperation. They know full well of the exclusion in society because they experience it every day. Through this suffering they are able to organize banks based on trust. Clearly, this form of collective grass-root banking is one that strives for social progress.

For many generations, African-Caribbean people have perfected cooperative banking. Money pools demonstrate that marginalized people do not sit idly by and let commercial banks alienate them. The Caribbean women in charge of money pools across the region remake financial systems based on ancestral systems of collectivity that put people first (Hossein 2012, 2014c). It takes courage for an
excluded group of people, in this case, persons of African descent, to pool their money and create collective banks.

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