Community Economies in the Global South

Case Studies of Rotating Savings Credit Associations and Economic Cooperation

Edited by
CAROLINE SHENAZ HOSSEIN
and
CHRISTABELL P. J.

OXFORD
UNIVERSITY PRESS

OXFORD
UNIVERSITY PRESS

Great Clarendon Street, Oxford, OX2 6DP,
United Kingdom

Oxford University Press is a department of the University of Oxford.
It furthers the University's objective of excellence in research, scholarship,
and education by publishing worldwide. Oxford is a registered trade mark of
Oxford University Press in the UK and in certain other countries

First Edition published in 2022

Impression: 1

Published in the United States of America by Oxford University Press
198 Madison Avenue, New York, NY 10016, United States of America

British Library Cataloguing in Publication Data
Data available

Library of Congress Control Number: 2020942133

ISBN 978–0–19–886562–9

DOI: 10.1093/oso/9780198865629.001.0001

Printed and bound in Great Britain by
Clays Ltd, Elcograf S.p.A.

The editors and contributing authors dedicate this book to the members who belong to ROSCAs and who gave us their time—meeting with us so we could learn more about how they are remaking financial services on their own terms. The authors in this book write on issues that matter, hoping to show the world's children how people in the Global South organize financial services cooperatively to build a bold new economy that is good for all people.

Contents

List of Contributors xi
List of Figures xiii
List of Tables xv
List of Acronyms xvii
Foreword by Naila Kabeer xix
Preface xxiii

1. An Introduction: ROSCAs as Living Proof of Diverse Community Economies 1
Caroline Shenaz Hossein and Christabell P. J.

I. LATIN AMERICA AND THE CARIBBEAN

2. Learning About Money Cooperatives: The Modern Juntas in Peru 29
Belinda Román, Samiré Adam, and Ana Paula Saravia
3. Caribbean Women's Use of Susu, Partner, Sol, and Boxhand as Quiet Resistance 49
Caroline Shenaz Hossein

II. AFRICA

4. Alajo Shomolu: Money, Credit, and Banking the Nigerian Ajo Way 67
Salewa Olawoye-Mann
5. Mother, Here Is Your Stone: The Story of Susu in Ghana 87
Samuel Kwaku Bonsu
6. Stokvels: A South African Innovation in Economic Justice for Women 105
Ann Armstrong
7. Community Building and Ubuntu: Using Osusu in the Kangbeng-Kafoo Women's Group in The Gambia 125
Haddy Njie

III. ASIA: SOUTHEAST ASIA AND INDIA

8. A Quiet Resistance: Karen Women Entrepreneurs Leading Savings Groups in Kanchanaburi Province, Thailand 147
Istvan Rado and Seri Thongmak

9. Arisan: Producing Economies of Care in Yogyakarta, Indonesia 167
Ririn Haryani and Kelly Dombroski

10. Money Pools (Hụi/Họ) in the Mekong Delta: An Old Way of Doing Finance in Rural Vietnam 187
Nga Dao

11. Keralite Women's Collective Finance in South India: The Kudumbashree Movement and Indigenous Finance 207
Christabell P. J.

12. Conclusion: Indigeneity, Politicized Consciousness, and Lived Experience in Community Economies 223
Caroline Shenaz Hossein and Mary Njeri Kinyanjui

Index 239

List of Contributors

Samiré Adam, St Mary's University, San Antonio, Texas, United States

Ann Armstrong, Rotman School of Management, University of Toronto, Canada

Samuel Kwaku Bonsu, Ghana Institute for Management and Public Administration (GIMPA), Accra, Ghana

Nga Dao, Department of Social Science, York University, Toronto, Ontario, Canada

Kelly Dombroski, Human Geography, University of Canterbury, New Zealand

Ririn Haryani, University of Canterbury, New Zealand

Caroline Shenaz Hossein, Department of Global Development Studies, University of Toronto Scarborough

Mary Njeri Kinyanjui, Department of International Development, Nairobi University, Kenya

Haddy Njie, College of Humanities and Social Sciences, North Carolina State University, United States

Salewa Olawoye-Mann, Department of Social Science, York University, Toronto, Ontario, Canada

Christabell P. J., Department of Economics, Kerala University, Kerala, India

Istvan Rado, School of Global Studies, Thammasat University, Bangkok, Thailand

Belinda Román, Department of Economics, St Mary's University, San Antonio, Texas, United States

Ana Paula Saravia, St Mary's University, San Antonio, Texas, United States

Seri Thongmak, School of Global Studies, Thammasat University, Bangkok, Thailand

List of Figures

1.1	Gibson-Graham's Diagram of an Iceberg and the Economy	13
2.1	Personal Characteristics of the Women Interviewed	39
2.2	Women Banking Characteristics	41
2.3	Reasons Women Joined a Junta and How They Spend the Money	42
2.4	Key Determinants to Join a Junta	43
6.1	Annual Household Income	108
8.1	Map of Thailand and Nong Lu Sub-District	148
11.1	Political Map of India	209

2

Learning About Money Cooperatives

The Modern Juntas in Peru

Belinda Román, Samiré Adam, and Ana Paula Saravia

2.1 Introduction

In this chapter, we present data and analysis gathered through field surveys of women in Lima, Peru, who are presently involved in Tandas—or Juntas, as they are more commonly known within Peru. We offer insight into how Latina women in the developing world continue to organize themselves, as they mix traditional and innovative ways to overcome obstacles in their local economic environments. In its modern usage, "Junta" is more commonly associated with military dictatorships. Consequently, in many countries throughout the Americas, the word "Tanda" is customary. However, in the Peruvian use of the term, the meaning of Junta includes friendship and informal financial group.[1] And in keeping with valuing the discourse of our participants, we will use the Peruvian term Junta in lieu of ROSCA (rotating saving and credit association) throughout the chapter.

We present the results of interviews with Junta participants in Lima undertaken in December 2018. Since Peru is a racially mixed population, we focus on the largest segment of the population, the *mestiza*. Many of the conversations were with business owners in San Antonio, Texas. As informal financial networks, Juntas operate on trust between the participants, meaning they function without the need for any physical warranty. According to recent research, Peruvian women are some of the most entrepreneurial in Latin America (Global Entrepreneurship Monitor/GEM 2017), and own approximately 30 percent of the registered *PyMes* (small and medium-sized businesses) in the country. In this chapter, we analyze a sample of the personal relationships created and maintained in Juntas to finance women-owned small businesses in a collaborative setting. These contacts serve as a bridge between what traditional economics labels formal and informal actions.

In general, personal relationships are extremely important at the very beginning of a micro-venture, when finance and capital are hardest to obtain. Entrepreneurs

[1] See *Real Academias de la Lengua Española, Diccionario de Americanismos*, http://lema.rae.es/damer/?key=Junta.

at this very early stage of their business development may not have access to formal financial services, such as start-up loans from banks. Furthermore, entrepreneurs operating in poverty-stricken areas may lack capital to secure even the smallest of loans. These business conditions create room for financial transactions based on personal relationships. Juntas are a clear example of this reality. In fact, as explained below, the Peruvian Juntas studied serve as bridges between the informal and formal credit sectors. It is interesting to note that the Peruvian diaspora exists in other parts of the Americas, where Juntas are practiced widely and often in conjunction with similar practices in other immigrant communities that meet and intermingle in their new countries. For example, we have found that a small but growing number of Peruvian immigrants have established business in Texas, some through personal loans between friends and families with ties back to Peru.[2] This backdrop of globalization, coupled with emerging technologies such as cellphones with payment apps, adds a new dimension to research into the general idea of informal credit and savings associations.

The next section of this chapter sets the stage for understanding the role of Juntas in Lima. Then, we present the literature, specifically the work of large multinational organizations such as the United Nations UN); feminist researchers in this field provide a broad scope within which to work. Later, we set out the methodology used to complete field investigations in Lima in December of 2018 and the results of that work. Finally, we revisit the universality of informal credit communities in Peru and their linkages to the regional and global dynamics of which they are a part.

2.2 Setting the Stage

Collective financial systems have always been part of many community experiences. ROSCAs are informal financial systems that provide saving and credit accounts for individuals who are unable to gain access to a formal banking system. These associations are attractive because they are very efficient in terms of transaction costs. Many micro-entrepreneurs prefer this system over any other since it makes financing more accessible to those who lack assets to secure credit through the formal financial sector, such as banks. In the Americas and the Caribbean, the mixing of races and ethnicities gives rise to multiethnic credit associations. As Hossein and Christabell note in the preface to this book, in the African experience, populations have found ways of reworking antiquated and exclusionary business models within their communities by creating community-based associations rooted in justice, fairness, and inclusion. Jessica Gordon

[2] This is anecdotal evidence from conversations with business owners in San Antonio, Texas.

Nembhard (2014) explains that the legacies of slavery and colonization gave rise to rigid segregationist and racially hostile environments that marginalized ethnic communities.

Significant structural blocks to economic inclusion remain widespread in many countries where slavery and colonization were a historical feature. Peru is no exception: the Spanish conquest and colonization, and subsequent historical legacy, left social and cultural distortions that remain in place today. An ecosystem of *PyMes* emerged from this reality and its attendant lack of access to formal credit. As we explain below, our field surveys reveal that the *mestiza* experience in Lima is not unlike the Afro-Caribbean experience, given that the same community values are identified in both cases. In fact, Hossein (2018; 2016) writes that Black social economies transported from Africa integrated with Indigenous communities in the Americas, a process that predates the Anglo-American experience. The Afro-Latina experience is the outcome of this process and serves as a bridge between Black and Hispanic experiences. We need look no further than the Spanish system of *castas* to find the origin of the restrictive structures present today in many Latin American countries (Cahill 1994). And while our research does not include Afro-Latinas per se, we are confident that many of the observations made by Hossein (2018) and others such as Gordon Nembhard (2014) are equally applicable to the *mestiza* experience in Peru.

2.3 Community Economies Theories for the Women in Juntas

Community economies theorists see the rewriting of the capitalist supremacy narrative, its implications for political transformation, and its decoupling from ecology, as fundamental to the re-imaging of economics thinking, and in particular capitalist economic theory.[3] At issue is the notion that capitalism is the standard by which economic activity must be judged: that is, that any action must be capitalist in order to be a true action (Gibson-Graham 2006; Gibson-Graham 1996). This essentialist lens causes a myriad of misguided interpretations of what happens on the ground in communities, including cities such as Lima, where women in the urban core negotiate daily life on their own terms and in their own ways. Their innovative nature is excluded from the dominant paradigm and the methods by which they are recorded, remembered, and studied. For example, gross domestic product (GDP) is largely an accounting identity that has no gender, but if we consider the work of Marilyn Waring's *Counting for Nothing*, published in 1988, we quickly find that the very definition of the statistic is gendered and deliberately excludes women from a capitalist economy (see also

[3] See "Communities Economies Research and Practice," Community Economies website, http://communityeconomies.org/about/community-economies-research-and-practice.

Federici 2012; Gibson-Graham 1996). As Zanoni et al. (2017:579) note, the first real step in transforming the capitalist narrative is to "systematically engage with the diversity of non-capitalist practices, desires, and subjectivities that . . . exist—in the unruly, incoherent spaces of the economic-real." Gibson-Graham (2006) also write that we can view "the economy as contingent relationships, dynamic, and negotiable rather than as deterministically shaped by invariant logics." The point is that a strictly capitalist narrative excludes women, and, in particular, women at the fringes of formal capitalist discourse, from just about every analytical perspective.

The perspective of community economies allows us to see participants as individuals, as fully vested members of society rather than simply as employees, business owners, consumers, property owners, and investors who cultivate non-capitalist exchanges (see Gibson-Graham et al. 2013). This means that in our fieldwork we approach the women of Lima's central core in ways that "acknowledge and emphasize . . . interdependent relations in 'community economies'" (quoted in Zanoni et al. 2017: 2–17; Gibson-Graham 2006). The economic transactions recorded in this research are in fact part of the politics of collective action within the Gibson-Graham framework. As such, they can be considered part of the recognition of the intimate and human nature of economic life and its network of connections, rather than purportedly value-neutral labels and logic. In community economies, interdependence at all levels of society is important, including those that involve exchange and resource allocation for the common good (Zanoni et al. 2017: 580).

In the case of Lima's central core, we observe women working towards goals that are not defined by capitalist outcomes; rather, they extend beyond what the capitalist urban economy allows. "Capitalocentrism," according to Gibson-Graham (2006), refers to an economic perspective that is self-referential. That is to say, all economic identities are capitalist and framed as capitalist and modeled as capitalist. The implication of this circular reasoning is that any actions deemed as deficient or substandard imitations are merely complements or allowed to take place within the sphere of influences of capitalism. Capitalism is everything and everywhere (see Gibson-Graham 2014: 5; Gibson-Graham 1996: 6), and the only concern is how well the observed action fits the capitalist criteria. Consequently, when reality requires that the women of Lima create Juntas to exist in their urban experience, capitalism logic labels these actions as "informal" or non-market: that is, requiring formality such as financial inclusion or financialization. This narrative means, quite frankly, that another area of life has been identified as a target for capitalist (market) economics. Labeling these actions as a problem places them within the realm of political action that requires capitalism's handmaiden democracy to tackle the issue. But narrowly defining the Junta misses the point of a "thick description," in which multiple transactions are bound up in the cash system we describe.

In an economy that is strongly theorized as needing to be capitalist, cash transactions suggest capitalist relations of production. If we remove the capitalist framework, the use of Juntas has greater social and community meaning. Anchoring our research to "weak theory" does not elaborate and confirm what we already know; it observes, interprets, and yields to emerging knowledge, in keeping with Gibson-Graham's (1996) postulations. To rethink the economy using thick description and to *see* what is happening on the ground, and by using weak theory, it allows us to carefully reconsider the "large issues" that "small facts" such as the Lima Juntas described here represent. Gibson-Graham (1996, 2006) write about the importance of a thick description of diverse economic practices in combination with weak theory as a means of understanding the reality of interactions in communities such as the urban core of Lima. This perspective allows us to record and interpret the broader range of social relations seen and discussed in the field with our participants, and how they form part of the broader scope of economic practices that capitalist economics has greater difficulty understanding through its determinist and narrowly defined theories. We are talking about considerations such as trust, care, sharing, reciprocity, cooperation, coercion, thrift, equity, and solidarity, to name a few. Consequently, because of the complexity we see and experience at ground level, we are obliged to recognize that many dynamics are in play, and not simply those defined by commonly used metrics. Narrative, rather than statistics, becomes a predominant element of research that uses thick description–weak theory methodology (Gibson-Graham 2014).

Gibson-Graham (2006), in their update to post-capitalism, offer modern researchers a way to include diversity in the language of our economy. That is, orthodox economics uses labels such as wage labor, market exchange of commodities, and capitalist enterprises to depict an economy. But the reality is that these are only a subset of what heterodox economics sees as a broader ecology in which the economy operates. When we focus our lens on the role of women in an economy, we quickly see that their efforts go well beyond the boundaries of standard labels. There are so many more social arrangements to be considered, such as those between friends or in neighborhoods, activities within families, and self-employment. The metaphor of an iceberg with the main part beneath the water line is supremely apt for a modern gendered economy.

Market economics portrays women and their day-to-day activities as outside the mainstream of a market economy, seeing them as more appropriate to the realm of home economics. As a result, these women are not looked upon as key players in the economy, when in fact they are the greatest asset any economy has. Many women serve as "the house" of their household and the fundamental financial source of those who depend on them, such as their children and husbands. As Nancy (1991: 74) writes, "all economic practices are inherently social and always connected in their concrete particularities to the commerce of being together." The female is often the central node in every connection. The economy is not merely financial transactions; there is also a gendered human factor inside the economy that has a great impact on economic activities. If women did not engage as a community, they would not be able to interact and help each other accomplish their goals for the broader institutions of society. Women share many things; unfortunately, they invariably share the same unprivileged and underprivileged situation. This connects to our research because it is in that environment of underprivilege that women in Peru come together to create their Juntas and help each other. Such is the case in finance, where women experience similar barriers to entering the banking system. But the flip side of such obstacles are the opportunities they offer. Exclusion actually makes it easier for women in the same community to interact.

Latin America, in general, has gone through a transformation of its labor markets, as women have come to form a larger percentage of the labor force. However, the region has always had high levels of inequality, and today, despite recent improvements, it is still the second most unequal region in the world, just below sub-Saharan Africa (Camou et al. 2016). Many authors consider that the persistence of inequality exhibited in many parts of the world is related to social, cultural, and economic frameworks. This is coded language for the fact that discrimination and prejudice are embedded both in formal and informal institutions and in personal-private interrelationships. These hardened structures negatively affect gender equality, which, according to writers such as Sarasúa and Gálvez-Muñoz (2003), perpetuate false beliefs and stereotypes that permeate education, family, and the functioning of the labor market (as noted in Camou and Maubrigades 2017).

These stereotypes and false beliefs are really a polite way of identifying machismo as a key factor in the secondary status of women in Latin America. Research from the Interamerican Institute of Agricultural Cooperation (Latin America) shows that 31 percent of men had access to credit, while only 13 percent of women had the same privilege. In short, although Latin America has improved by some economic metrics, there are still many issues that need urgent attention. To help address the gap in the research, we turn our gaze towards the women of Peru to better understand the role that informal ROSCAs play in helping them overcome such barriers. Peru is ranked eighty-ninth in the UN Human Development Index (United Nation Development Program 2014), but as research produced by the UN Women's Program readily admits, this ranking changes for the worse when considering the "great gaps and differences" found in the country.

Such verbal acrobatics simply means there are harsh realities for the women of Peru. Ironically, as noted in the introduction to this chapter, Peruvian women are some of the most entrepreneurial in Latin America (Global Entrepreneurship Monitor/GEM 2017/18) and own approximately 30 percent of the registered *PyMes* in the country. But the truth is that this dynamism is built on far more

than the formal economic sector. Underneath all the issues plaguing Peru, we find gender and all it implies. In this country, women lack full political participation, experience a great deal of violence, and are victimized by climate change. This is particularly trenchant since part of the country is included in the Amazon basin. Despite these onerous conditions, research by the UN Women's Program for the Americas notes that all over Latin America, women are leading in local and national female political participation, despite a violent reckoning as they fight for recognition and full participation in society (UN Women 2018).

2.4 Peruvian Women

A broad view of Peru tells us that it is a predominantly *mestizo* country. In 2006, a survey from the National Instituto of Statistics and Informatics (INEI) showed that Peruvians self-identified as *mestizo* (59.5 percent), Quechua (22.7 percent), Aymara (2.7 percent), Amazonian (1.8 percent), Black/Mulatto (1.6 percent), white (4.9 percent), and other (6.7 percent) (National Instituto of Statistics and Informatics/INEI 2006). Peru is highly urbanized, with 78 percent of the country's population living in cities. Nearly 9.5 million inhabitants live in the capital of Lima, in stark contrast to the second most populated major city, Piura, which has only 1.8 million (National Instituto of Statistics and Informatics/INEI 2017). The disparities between urban and rural settings are blunt. In fact, recent economic progress has seen the coastal urban centers grow and flourish, but this is not the case for the more rural and indigenous parts of the country. In fact, the poverty rate is significant at 64 percent in rural Peru (Morley 2017; Yancari 2009).

Despite efforts by the government to address rural stagnation through water purification programs, hygiene education, and improvements in school enrollment, high drop-out rates persist. According to recent statistics, approximately 25 percent of children between six and fourteen years of age work in mining and construction jobs that are hazardous and require long hours. Furthermore, significant gaps in the treatment of men and women keep the country from progressing. Peru is young by some standards, with some 86 percent of the population under the age of fifty-five years. With a life expectancy of seventy-two years, and a declining fertility rate, the country sees trouble on the horizon (National Instituto of Statistics and Informatics/INEI 2017). Peru also exhibits a high risk of infectious disease, with water-borne illness such as bacterial diarrhea, hepatitis A, and typhoid fever. And as if that was not enough, Peru's tropical climate and proximity to Brazil make transmission of Zika fever a strong possibility. The economy experienced significant growth rates from 2009–13, but commodity prices have since declined and growth has slowed. Concentration of wealth is an issue, given that 36 percent of the nation's income is held by the top 10 percent and the Gini coefficient is 44 (Oxfam 2015).

This is the backdrop against which we undertake the present research on informal credit relationships in Lima. We confront head-on the inability of mainstream economic theory to address the social realities for women in Latin America. The neoliberal changes made in these economies beginning in the 1970s may have deregulated labor markets, but they also led to increased segmentation and a widening gap between skilled and unskilled workers. This means an inevitable redistribution of wealth that excludes and hurts women more than men, as noted by Camou and Maubrigades (2017). We cannot forget that Latin America carries with it a historical burden of forced work, decimation of native communities, and ongoing discrimination and prejudice that are part of its formal and informal institutions. Peru cannot escape its reality, as it is a potent mix that affects gender inequalities. Discrimination coupled with negative stereotypes, low levels of education, and cultural norms continue to thwart the prospects for Latinas and Peruanas, particularly in the urban setting (Camou et al. 2016). Typical economic-theoretical constructs would have us believe that comparative advantage and its application across the globe creates equality through convergence. But the reality is that this process reinforces several inequalities, and when it is coupled with corruption in the institutional setting, women are consigned to an interminable and almost unwinnable fight to join in local and global economic growth and development.

Poor households need additional funds: this is by definition their plight. However, these same households are often excluded from the formal banking sector because they are at high risk due to the lack of sufficient assets to secure loans. This is not to say that some of these households do not have savings accounts in formal banks; rather, it simply notes that poor households operate in a space in which informality is mixed with varying degrees of formality. Informal financial systems provide a means of savings and access to credit accounts for those who are unable to gain access to a formal banking system. The opportunity to advance family goals via interpersonal relationships is an attractive, and perhaps the only, route for many underprivileged and excluded individuals.

2.5 Methods and Data

The methodology used for our field research is similar to that presented by Donoso et al. (2011), whose main focus is to better understand the participants and internal functioning of Bolivian ROSCAs, usually called Pasanaku.[4] We found

[4] *Pasanaku* or *pasanacu* is a money lottery game particular to Bolivia, according to the *Real Academias de la Lengua Española, Diccionario de Americanismos*, http://lema.rae.es/damer/?key=pasanaku.

this work particularly well-suited because both countries have multiple points of similarity. Bolivia and Peru share a border, and they share a common area in the Andes called the Altiplano, where the Inca Empire was located. Lake Titicaca, the world's highest navigable body of water, is located between the two countries. The two countries also have very similar cultures and lifestyles, sharing many linguistic and cultural traditions as a result of their common past—during the Inca Empire, the Spanish conquest, and the period of the Peru-Bolivian Confederation, in which they were combined into one country.

We believe that the two studies may show similar results in the use of Juntas. However, we highlight a point of departure between our work and the research on Bolivia: that is, the data. The Bolivian study centers on households that use Juntas and why they used them. The researchers gathered their data from the Bolivian National Institute of Statistics' fourth household survey of 2002 (MECOVI). The database included information from 5,746 households, which was the sample used for the research. Our Peruvian research is based on personal structured interviews. A total of fourteen interviews were carried out with Junta participants. Although our sample size is much smaller than in the Bolivian study, the level of detail gleaned from personal contacts offers greater definition and subtlety to our work. More importantly, the present research does not see the existence of informal credit arrangements as a problem to be solved with macroeconomic policy, as Donoso et al. (2001) emphasize in their work.

The focus here is more in keeping with the ideas of Gibson-Graham (2006), who point out that women are finding alternative ways of reconstructing and challenging their reality. Therefore, we reject any language or outcomes that place women on the defensive for their innovative economic behavior. For the purpose of this research, we focus solely on women who own or run a business, since the fieldwork derives from interviews in and around Lima's urban core. In short, the present research is based on data gathered from personal interviews.

Our field research makes contributions to understanding the modern underpinnings of Juntas in urban Lima. Specifically, our facts come from a series of discussions carried out in December 2018–January 2019. At less than a mile south of the equator, the climate was warm, offering an excellent opportunity to interview women in the city. The interview design targeted women who were members of a Junta, and captured the experience of women who managed or owned a business of any kind. All of the interviewees were regular Junta participants, and, of the women interviewed, twelve were micro-business owners from different sectors, and the other two were housewives. The conversations were carried out in Spanish and individually, with one member of the research team meeting with each woman. All the interviews were conducted in Lima, and all interviewees are native to Lima, with the exception of one woman, who moved to the city when she was young.

Individuals were selected based on a search in local markets, textile galleries, and surrounding neighborhoods in the San Miguel and La Victoria districts of Lima, both bordered by the city center on the north and the Pacific Ocean on the south. Three main avenues located in San Miguel—La Marina, Universitario, and Elmer Faucett—are considered important economic thoroughfares, with the Universidad Católica, Peru's top-ranked university, located in San Miguel. According to Peru's national statistics office, the 2017 census estimates that San Miguel has 155,384 habitants. La Victoria is one of the most populous districts in the city, and tends to be a place where newly arriving working-class citizens establish their first residence in Lima. Census data also show that La Victoria has 173,630 habitants. This district is considered dangerous along some streets, but it also has a great commercial presence in the Gamarra—a commercial emporium where most of the Lima's textile industry is located. Here, a visitor will find several clothing manufacturing studios, as well as malls and stores. There are approximately 31,737 establishments, offering hundreds of unskilled jobs to people who need to maintain their families.

One of the key ideas of our research is that informal financing opportunities coincide with informal work positions. Three of the interviewees for this research worked in Gamarra. Two of them worked in small-scale studios, where the women manufacture clothes and uniforms, and the other one owned a clothstamping establishment. These locations for field research were chosen because a member of the research team was from San Miguel and because Gamarra offered a safe place to interview women. The research was carried out over a one-month period. Initially, the pool of interviewees consisted of business owners who participated in a Junta, but this yielded a very small number of contacts. However, our field researcher quickly found a larger group of women business owners in the local markets.

Prior to undertaking field research, the team discussed what types of questions would help prompt a dialogue from which we could assemble meaningful qualitative data. To this end, we opted to follow similar research projects in which the work was based on personal surveys. Since the aim is to understand the internal workings of the Junta, we opted to ask questions that would give us a better picture of the women's social environment, specifically their households. Some of the personal characteristics included are the women's civil status, education, and occupation. In order to classify occupation, we used the International Standard Classification of Occupations (ISCO) (see ILO 2012). The survey also established if the interviewees served as the head of the household and the size of the household. Finally, the interviews included information about the women's access to banking, and about their Junta's specific characteristics.

2.6 Findings from the Interviews

Gibson-Graham (1996, 2006) provide us with a language for considering the outcome of our interviews; specifically, our conversations with Limeñas focus on individual gendered actions and how the feminine community plays an important part in allowing women to perform daily economic tasks. Furthermore, we can see that these two discourses are not incompatible, because, in the urban center of Lima, life is contingent upon community and the individuals that comprise it. Our interview questions were structured to accommodate this fact and offered women a means to express their reality.

The first series of questions were designed to determine the women's civil status, such as marital status. Most answers were easily categorized, except in the case of widows, whom we placed in the same category as unmarried respondents for ease of processing. This allowed us to separate the participants into married and not married categories. Regarding the women's household characteristics, nine of the fourteen women interviewed identified as heads of the household, simply because they determined that they were in charge of their families. Fifty percent of them identified as single (see Figure 2.1) and still caring for members of a household. These women were added to the count of heads of household. In this fact alone, we are able to establish that the ideal that "a man is the head of a household" is a misconception. These women explained that they work to maintain and support their households for various reasons: because they are single or because their husband does not work, or because one salary is not enough for the household expenditures. The household size of the women we interviewed varied, with a mean of about four people. We did find single-member households, which means that the woman lives by herself. Every woman pointed out that their household was located in an urban zone, in the metropolitan area of Lima. None of them lived in a rural area. Using the conversion of US$1 to 3.3 soles (the Peruvian currency), we converted the yearly expenditure of each household from Peruvian soles to US dollars. None of the households had annual

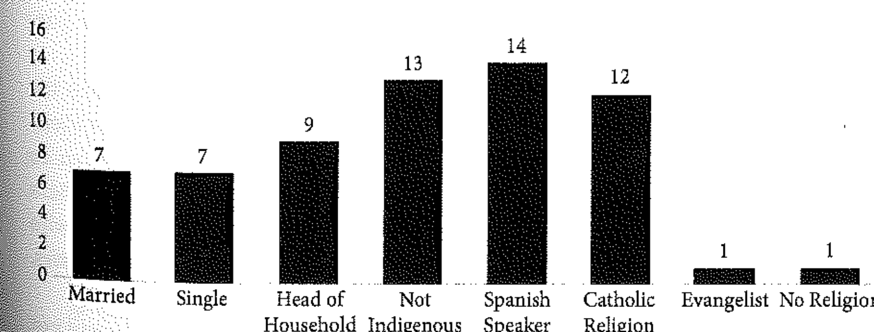


Figure 2.1 Personal Characteristics of the Women Interviewed

expenditures greater than US$10,000. There was an equal distribution between the household expenditures, with seven of the fourteen women stating their household spends up to US$5,000 yearly, and the other seven indicating that they spend US$6,000-10,000 yearly.

Women were also asked about their racial or ethnic identity (see Figure 2.1). Specifically, as Peru is a highly *mestizo* country, we were interested in determining the interviewees' perception of self. Except for one, the women identified themselves as non-indigenous. All the other women recognize themselves as mixed race or *mestizas*. Mixed race or *mestiza* refers to the mix of cultures and races in Peru since its conquest by Spain in the sixteenth century, when European, Chinese, and African people came to Peru. The one woman who recognized herself as indigenous mentioned that her family is from the Andes and she could speak Quechua, a language of the native communities that live in the mountains. While Quechua is one of Peru's official languages, the most commonly spoken language is Spanish, in particular in Lima and around Peru's major cities. In fact, all formal business, banking, and everyday transactions are carried out in Spanish. We also asked the women about their religious beliefs in order to have a more detailed idea of their context and to understand whether religion played a role in their participation in a Junta. Twelve of them reported they were Roman Catholic. One woman said she was Evangelical, and another mentioned she did not have any religious belief. None of the women mentioned a relation between their Junta and their religion. Most of them said they practiced Juntas with their coworkers, neighbors, or friends and family.

The standard educational trajectory in Peru is six years of primary school and five years of secondary school or high school. This makes for a total of eleven years to complete a basic education. After basic, students can continue to university, which may take up to five or six years. The average time spent in education of the interviewees is ten years. Of the fourteen women, twelve finished at least primary school; seven of them finished all their basic education (primary and secondary school). However, none finished a university or professional education. Besides their regular educational training, six of them received vocational training. For most of our interviewees, vocational training was considered important, in particular sewing (four women) or cosmetology (two women).

The ISCO divides jobs into ten major categories. The three areas in which the interviewees were located according to their present occupation are managers, technicians or associate professionals, and service and sales workers. As can be identified, even though some women received vocational training, not all of them had an occupation directly related to that vocational training. Only the ones who received cosmetology training, and two of the women who had sewing classes, were currently using specialist training for their occupation.

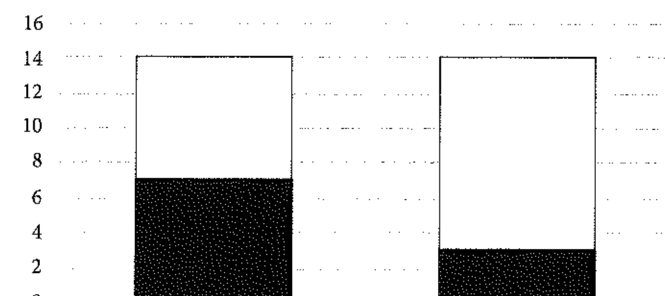
Since most of them did not have access to higher education, their jobs were not high-skilled. Also, the vast majority had their own small business or some sort of

formal or informal activity in which they had incoming funds. This affected their access to banking, because they are seen by banks as riskier borrowers, increasing their need to be part of a ROSCA.

The women's banking characteristics were very similar in most of the cases. Half of the women interviewed had an active account in a local bank in Peru (see Figure 2.2). However, only three of the women interviewed have access to credit, such as business loans, at those banks. The remaining four women stated they are holders of a checking account, which are usually free in banks in Peru and do not have any eligibility requirements.

The final part of the interview was focused on the characteristics of the Juntas to which the women belonged. When asked the main reason they joined a Junta, some interviewees pointed out that they had different reasons. Approximately seven women stated it was mainly to save money, and five said it was for personal necessities. Another three explained their participation was for working capital, and another three said they joined in order to pay debts or invest (see Figure 2.3). Most of the Juntas (eleven of them) were carried out on a monthly basis, while only three were carried out weekly. None of the interviewees mentioned their Junta had less than five participants. Interviewees participated in Juntas that ranged in membership from five to fifteen women. This range could be further disaggregated into groups of between five and ten members (43 percent) and the Juntas of between eleven and fifteen members (43 percent). Juntas with more than fifteen members accounted for just 14 percent of the total Juntas.

There appears to be a relationship between the frequency of the Junta and their duration. That is, the more often the group meets, the shorter the time the overall endeavor persists. For example, weekly Juntas tend to last less than six months, whereas monthly Juntas usually last between six months and a year. Monthly Juntas are usually carried out by people whose businesses need larger amounts of



	Banking	Credit
□ Do not have access	7	11
■ Have access	7	3

Figure 2.2 Women Banking Characteristics

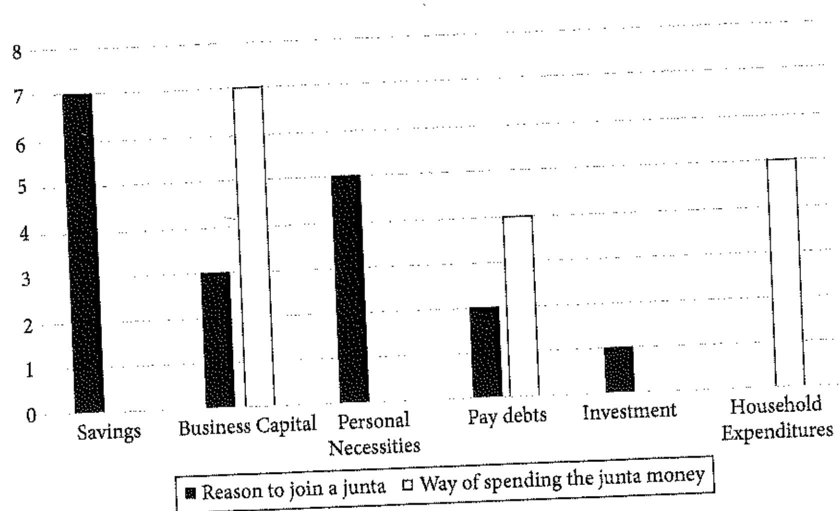


Figure 2.3 Reasons Women Joined a Junta and How They Spend the Money*

*Some interviewees mentioned more than one reason for joining a Junta.

money and in a greater frequency. Lotteries play an important role in the functioning of the Junta, in that nine of the fourteen Juntas used a lottery to determine who wins the amount of money gathered in each period. One of the interviewees who participated in a weekly Junta stated that her Junta held weekly lotteries of 1,000 soles (approximately US$300). Her Junta had ten participants, and each of them gave an amount of 100 soles (approximately US$30) weekly. With weekly lotteries, this Junta lasted ten weeks, which is also the number of lotteries and the number of participants. In other words, the number of lotteries equaled the number of participants. The rest of the Juntas had their winners predetermined. They determined their winners usually according to the level of need or to seasonal needs, or to avoid any type of cheating in the Junta. One way Junta members hold each other accountable is to give the newest or youngest members of the Junta the last numbers of the Junta. Six of the women interviewed determined that they sometimes participated in different Juntas simultaneously. Several women mentioned that the Juntas they participated in were very similar.

Sometimes, this simultaneous participation was to save their money in different places, or because they had family Juntas that had smaller amounts but that contributed to their goal of saving and getting capital for their necessities. When asked about the key determinant to joining a Junta (see Figure 2.4), women considered the most important factor to be the trustworthiness of the members. More than one-third of the interviewees explained that this was important. The seriousness (level of sincere commitment) present in the Junta's organization was also an important factor for four of the women interviewed. Respondents also noted the organizer's reputation and the overall honesty within the group

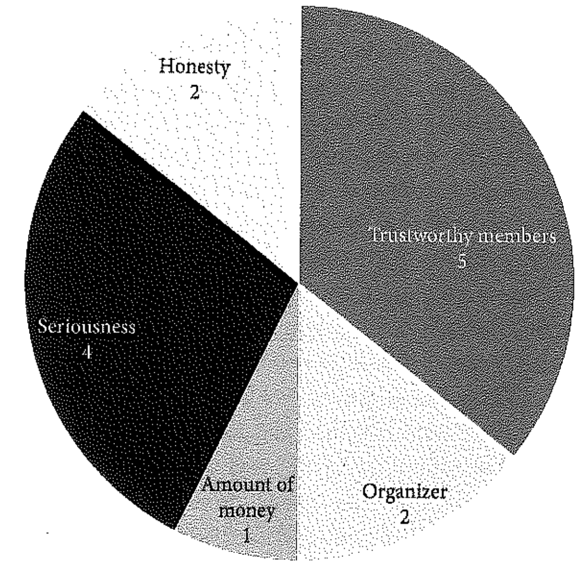


Figure 2.4 Key Determinants to Join a Junta

members as the two important determinants of participating in the Junta. Finally, one of the interviewees mentioned that the amount of funds managed in the Junta was important for her.

Participants were asked direct questions about their spending habits. Nearly six of the interviewees responded that they spent the money received on either paying employees, buying machinery, or buying needed materials for business. An additional four women pointed out that they spent the Junta's money on household expenditures, such as school or university payments for their children, food, or other necessities of their household. Finally, four women spent the money paying off debts or loans, either with the bank or with other people (see Figure 2.3). It is important to note that some of the women interviewed mentioned more than one area in which they spend this money. This might explain why many of the interviewees participated in more than one Junta. The businesses these women owned covered more than one activity. For example, three of the women interviewed owned businesses related to clothing fabrication, and two of these were also confectioners, while the third managed a small cloth-stamping business. Another two interviewees were cosmetologists owning beauty salons, one of whom also ran a photocopy business. The rest of the women interviewed were salespersons for different products. For instance, one of them sold fish in a local market, another one sold beauty products, two of them sold desserts, one of them sold books, two of them sold crafts or ceramics, and the last one sold food for special catering activities.

2.7 Conclusions

Our research shows that financial innovation is taking place at the informal level in Lima, as women in commercial markets near the urban center are creating networks of support that better the quality of life for themselves and their families. These women have been excluded from formal layers of the economy, such as the formal financial market, forcing them to seek other means of supporting their businesses, especially their micro-businesses. Here is where Juntas appear as an alternative to formal banking, which usually has more obstacles for women. Gibson-Graham (2006) give us a vocabulary with which to translate these networked individual actions into those of a community of women weaving a web of equity and justice, despite formal unjust barriers. The Bolivian study we used as a model for our work concluded that financial exclusion is prevalent in developing economies such as Bolivia and Peru. We diverge from the conclusions of that study, which saw ROSCAS as a major challenge to economic and social policy at the national level. We invert that paradigm here, and offer that the urgent, socially just imperative is the daily lives of these women. Our research shows that Peruvian women find alternative ways of achieving financial justice through Juntas, and the true policy imperative we confront is policies that foster community actions such as the Junta.

The image of an iceberg, whose peak above the surface of the water belies what is below, is an apt description of our study. The buoyancy of the Peruvian market economy rests on a hidden base of Juntas, of which women form a critical part. We can easily see how economic activities between friends, in neighborhoods, or within families, as well as self-employment, are all part of the bottom of the iceberg, as the respondents of our field research confirmed. We have also seen how women's contributions are excluded from the narrative of economic activity. As a result, these women are not looked upon as key players, when in fact they are in the local reality. As Gibson Graham (1996, 2006) have noted time and time again, community economies are about individuals having value and being good stewards of themselves and the discourse of the economy.

Our interviewees exemplify this theoretical construct in practice. This becomes clear when many women were literally found to be "the head" of their household and the fundamental financial source of those who depend on them, such as their children and husbands. Peru remains a patriarchal society. Higher political positions are held mainly by men. Even though in the last decade women have attempted to run for key political positions, they have not been successful. They remain underestimated, and continue to be portrayed as unconventional leaders. The ideology of male dominance in all aspects of life is not limited to Peru, but plays out for the women of Lima in daily life, where their contributions, e.g., as caretakers, are very much organized along gender-based divisions of labor. This fact alone excludes them from many opportunities, leaving them to seek financial security through an informal financial system. The structure of Lima's urban economy leads to issues of social justice and equity, as women must work in the fringes of formal institutions and use gendered networks to meets the needs of their home life.

The national political stage may be dominated by men, but we found that women are more likely to be the head of their household and to feel responsible for supporting the household's income. In short, women are forced to find alternative ways to finance their daily lives, small businesses, and household expenditures. In Juntas, these women find a means of finance as well as community. In order to avoid fraud or any other problem that could lead to a loss of money, these Junta usually exist and operate among family members, people who know each other well, or coworkers. Funds acquired from the Junta are used primarily as business capital or to cover household expenditures such as education and food. Peruvian women tend to prefer monthly Juntas, which are longer and can last up to a year. This may help them to save for a longer period and to receive larger amounts of money.

A central characteristic of the female economy is community. Such an economy requires women leveraging other people's generosity and shared circumstance in order to better their home life. This leads to work outside the home, which includes owning and operating a business. But this also means confronting the reality of a capitalist globalization in which structural blocks impede the advancement of the female economy, specifically the lack of access to capital to finance business activities. As noted in Gibson-Graham (2006: 88), much of what we are seeing in Peru is "inherently social and always connected in their concrete particularities to the commerce of being together." The market economy is not composed only of financial transactions; a human factor is secreted in the economy that has a great impact on economic activities. If these women did not engage as a community, they would not be able to interact and help each other to accomplish their goals. Women share many things; they are in the same underprivileged situation and face similar barriers to enter the banking system. But these barriers also make it easier for them to interact in the form of networked female communities. In these communities, the goals are broader than those of a narrowly defined capitalist economy, where genderless numbers drive the outcomes and ultimately the broader discourse. Our research highlights the importance of social factors commonly held to be outside typical economic indicators, such as the value of community, trust, friendship, and intergenerational support in obtaining an economic goal such as the financing of a small business. Juntas show how women come together and help each other in common goals through solidarity. This is what Juntas accomplish in the broader sense of economic equality and justice.

References

Cahill, David (1994), "Colour by Numbers: Racial and Ethnic Categories in the Viceroyalty of Peru, 1532-1824," *Journal of Latin American Studies*, 26/2, 325–46, https://web.archive.org/web/20131029200024/http://people.cohums.ohio-state.edu/ahern1/SpanishH680/secure/Cahill%20-%20colour%20by%20numbers%2C%2012%20pages.pdf.

Cameron, Jenny, and Gibson-Graham, J. K. (2003), "Feminising the Economy: Metaphors, Strategies, Politics," *Gender, Place, Culture*, 10/2, 145–57.

Camou, María Magdalena, and Maubrigades, Silvana (2017), "Has Latin American Inequality Changed Direction?: Looking Over the Long Run," in Luis Bértola and Jeffrey Williamson, eds., *The Lingering Face of Gender Inequality in Latin America* (NYC, US: Springer International Publishing).

Camou, María Magdalena, Maubrigades, Silvana, and Thorp, Rosemary (2016), *Gender Inequalities and Development in Latin America During the Twentieth Century* (Milon Park, UK: Routledge).

Central Intelligence Agency (n.d.), "The World Fact Book," Central Intelligence Agency, Peru, https://www.cia.gov/LIBRARY/publications/the-world-factbook/geos/pe.html.

Donoso, Sebastian Baixeras, Altunbaş, Yener, and Kara, Alper (2011), "The Rationale Behind Informal Finance: Evidence from Roscas in Bolivia," *The Journal of Developing Areas*, 45(1), 191-208.

Du Bois, W. E. B. (1907), *Economic Co-operation Among Negro Americans* (Georgia, US: Atlanta University Press).

El Desarrollo Rural Sostenible y Cooperacion Tecnica del IICA, VALOR Y VIGENCIA (2002) (San José: IICA).

Federici, Silvia (2012), *Revolution at Point Zero: Housework, Reproduction, and Feminist Struggle* (California: PM Press).

Gibson-Graham, J. K. (1996), *The End of Capitalism (As We Knew It): A Feminist Critique of Political Economy* (Oxford: Blackwell Publishers).

Gibson-Graham, J. K. (2006), *A Postcapitalist Politics* (Minneapolis: University of Minnesota Press).

Gibson-Graham, J. K. (2014), "Rethinking the Economy with Thick Description and Weak Theory," *Current Anthropology*, 55/S9, 147–53.

Gibson-Graham, J. K., Cameron, J., and Healy, S. (2013), *Take Back the Economy: An Ethical Guide for Transforming our Communities* (Minneapolis: University of Minnesota Press).

Global Entrepreneurship Monitor/GEM (2017/18), "Global Reports," Babson College and London Business School, London. Accessed June 1, 2021: https://www.gemconsortium.org/report/gem-2017-2018-global-report

Gordon Nembhard, Jessica (2014), *Collective Courage: A History of African American Cooperative Economic Thought and Practice* (University Park, PA: Penn State University Press).

Graham, Julie, Healy, Stephen, and Byrne, Kenneth (2002), "Constructing the Community Economy," *Studies*, 8/1, 50–61.

Hossein, Caroline Shenaz (2016), *Politicized Microfinance: Money, Power and Violence in the Black Americas* (Toronto: University of Toronto, Scholarly Publishing Division).

Hossein, Caroline Shenaz, ed. (2018), *The Black Social Economy in the Americas: Exploring Diverse Community-Based Alternative Markets* (New York: Palgrave Macmillan).

International Labour Organization (2012), *International Standard Classification of Occupations* (Geneva: International Labour Office).

Morley, Samuel (2017), "Changes in Rural Poverty in Perú 2004–2012," *Latin American Economic Review*, 26/1, 1–20.

Nancy, Jean-Luc (1991), *Inoperative Community*, trans. Christopher Fynsk (Minneapolis: University of Minnesota Press).

National Institute of Statistics (n.d.), "Bolivia Household Survey 2002," *GHDx Global Health Data Exchange*, National Institute of Statistics, Bolivia.

National Instituto of Statistics and Informatics/INEI (2006), *Perú: Resultados de la Encuesta Nacional Continua ENCO* (Lima: Instituto Nacional de Estadística e Informática/INEI).

National Instituto of Statistics and Informatics/INEI (2015), "5.3.2 Esperanza de Vida al Nacer," in *Perú* (Lima: Instituto Nactional de Estadística e Informática/INEI), https://www.inei.gob.pe/media/MenuRecursivo/publicaciones_digitales/Est/Lib0015/cap-59.htm.

National Instituto of Statistics and Informatics/INEI (2017), *Perú: Crecimiento y Distribución de la Población*, Primeros Resultados, Censos Nacionales 2017: XII de Población y VII de Vivienda (Lima: Instituto Nacional de Estadística e Informática/INEI).

National Instituto of Statistics and Informatics/INEI (2018), *Perú: Crecimiento y Distribución de la Población* (Lima: Instituto Nacional De Estadistice e Infromatica/INEI).

Oxfam (2015), "Inequality in Peru: Reality and Risk," Working Paper No. 1, Oxfam, Peru, https://peru.oxfam.org/sites/peru.oxfam.org/files/file_attachments/Inequality%20in%20Peru.%20Reality%20and%20Risks.pdf.

Perú: Población 2017 (2017), Market Report, Peruana de Estudios de Mercados y Opinión Pública SAC, Perú.

Real Academias de La Lengua Española, Diccionario de Americanismos (n.d.), http://www.rae.es/.

Rozas, Sonia Tello (2007), "Las Juntas o Panderos. Una Alternative a la Ineficiencia de los Mercandos Financieros Formales," *Culturnal*, 21/21.

Sarasúa, Carmen, and Gálvez-Muñoz, Lina (2003), *Privileges or Efficiency? Women and Men in the Trabajo Markets*, Servicio de Publicaciones Universitat d'Alacant/ Universidad de Alicante, ed. (Barcelona: Universidad de Alicante).

St Pierre, Maurice (1999), *Anatomy of Resistance: Anticolonialism in Guyana* (New York: MacMillan Education).

United Nation Development Program (2014), "Peru," Human Development Indicators, Human Development Reports, United Nations.

UN Women (2018), *UN Women—Americas and the Caribbean*, November 14, 2018, http://lac.unwomen.org/en/noticias-y-eventos/articulos/2018/11/feature-across-latin-america-women-fight-back-against-violence-in-politics.

Waring, Marilyn (1988), *Counting for Nothing: What Men Value and What Women are Worth*, 2nd. ed. (Toronto: University of Toronto Press).

World Population Review (2019), *Population of Cities in Peru*, World Population Review, http://worldpopulationreview.com/countries/peru-population/cities/.

Yancari, Johanna (2009), "Crisis y Pobreza Rural en Perú," rimisp.org., http://www.rimisp.org/wp-content/uploads/2013/02/Crisis-pobreza-rural-Peru-policy-briefs-DTR.pdf.

Zanoni, Patrizia, Contu, Alessia, Healy, Stephen, and Mir, Raza (2017), "Post-Capitalistic Politics in the Making: The Imaginary and Praxis of Alternative Economies," *Organization*, 24/5, 575–88.