

Women and Development in Urban Senegal: Microcredit and Social Capital

Safiétou Kane

Florida International University

Email: safietoukane@hotmail.com

Abstract

The challenging living conditions of many Senegalese families, and the absence of a providing spouse, have led women to covet new economic opportunities, such as microcredit loans. Microcredit loans offer Senegalese women the possibility to financially support their households and become active participants in their economies. The study takes place in Grand-Yoff, an overpopulated peri-urban area of the Senegalese capital city Dakar, where most people face daily survival needs. This research examines the relationships between microcredit activities and the social capital of Senegalese female loan recipients. The study finds that the impact and success of microcredit are intimately tied to the female borrowers' social capital. Household members, kin groups, communities, social and business networks, formal education, training, professional and business experience are all important sources of social capital for female borrowers. Sources of social capital for the participants in the study can be dependable and enriching, but in many cases reveal themselves to be treacherous, jeopardizing the survival of their households and businesses. The study shows that a providing spouse, formal education, training, business experience, and belonging to social and business networks facilitate women's success in their microcredit and entrepreneurial activities. It is recommended that microcredit services and programs in Senegal offer their female clients assistance and additional basic services

Introduction

“Since I got the loan and built my oven, I feel like I am really doing business,” says a Senegalese businesswoman who sells smoked fish. Like many women in Senegal, she has been a beneficiary of microcredit loans to start her own business. For the past two decades, international aid has turned its attention to helping women in poor countries. Many development projects geared toward women in developing countries have focused on reproductive health, literacy for girls, and the AIDS epidemic, especially on the African continent. However, in recent years there has been an interesting shift in aiding women in the area of microcredit or microenterprise, whereby loans are given to women to aid them in starting their own small businesses.

In most African countries women tend to account for an average 51% of the population, and make up about 65% of the rural labour force (UNDP 2009). In

addition, women tend to shoulder the greater burden of child and family welfare, social and community obligations, engaging in more than one economic activity as well as undertaking domestic chores. In connection with the growing emphasis on poverty reduction, microcredit has been recognized as the most necessary and the 'missing ingredient' in poverty alleviation (Pitamber 2003). This optimism was best illustrated at the Microcredit Summit in Washington D.C. in 1997 when 20 billion dollars were devoted to microfinance programs worldwide, demonstrating that the self reliance of the poor is an attractive approach for development agencies and donors alike.

In 2004, the Group of Eight (G8) confirmed the importance of microfinance as a development tool against poverty, putting it at the forefront of the strategies described in the G8 action plan. In 2005, the former UN Secretary General Kofi Annan declared the year as "the year of microfinance." Since then there has been a multitude of microcredit services around the world targeting women to help them start microenterprises. In addition, Mohammad Yunus' Grameen Bank has further popularized the concept of lending to poor women. This trend has accelerated the creation of many women's savings and credit cooperatives and microcredit programs in Senegal.

Senegalese women, like many West African women, have traditionally been engaged in commercial activities. However, a lack of substantial resources or access to credit has prevented most of them from entering the formal sector or starting their businesses. Many micro-enterprise projects have begun in Senegal and are funded by local and international aid organizations, the Senegalese government, microfinance institutions, banks, and cooperatives. There has been a proliferation of microcredit institutions and services in the capital city of Dakar, the Senegalese urban epicenter. In 2004, there were 805 financial structures geared towards micro lending in Senegal, and 68 women savings and credit cooperatives have been functioning as of 2006. Savings and credit banks have increased from 60 in 1992 to 800 in 2004 (ANSD 2009).

This paper examines the relationships between microcredit/microenterprise activities and the social capital of Senegalese female loan recipients. The women in the study reside in Grand-Yoff, an overpopulated peri-urban area of the capital city Dakar where most inhabitants are faced with dire survival needs. Many residents in these neighbourhoods are migrants from rural parts of the country and levels of poverty in these areas are exacerbated by their overpopulation. Grand-Yoff is known for its popular neighbourhood's women savings and credit cooperative (*Mutuelle d'Epargne et de Cr dit des Femmes de Grand Yoff*), which is the pioneer neighbourhood women's savings and credit institution in Dakar. The area is also characterized by a plethora of microcredit institutions, making it an ideal place to conduct the study.

I conducted interviews, surveys, participant observation and focus groups with a total sample of 166 female participants who are microcredit recipients, and some of their household members. The study's findings show that the participants' sources of social capital are intimately linked with the success (or lack of) of their

microcredit/microenterprise ventures. This study contributes to the development literature by testing conventional knowledge that microcredit is a key to women's financial autonomy, and an effective tool for poverty alleviation. Lessons learned from Senegalese women will be valuable by adding to the already existing literature on poor women and microcredit, notably in urban areas.

Research Site

Dakar's peri-urban area of Grand-Yoff was chosen as an appropriate site to conduct the study. Generally, peri-urban areas represent a bridge between the city and the village because many residents in such areas migrate from the interior of Senegal, in particular, the rural parts. Such areas are overpopulated and as such poverty level is high. Grand-Yoff is known for its popular neighbourhood's women savings and credit cooperative (*Mutuelle d'Epargne et de Cr dit des Femmes de Grand Yoff*). This is the pioneer neighbourhood women's savings and credit institution in Dakar, with the hallmarks of a cooperative. These women's savings and credit cooperatives are all over the city and other regions of Senegal. Before conducting eight months of field-research, I spent three months of preliminary work studying how the cooperative functions through its personnel, committees and members. The women's savings and credit cooperative of Grand-Yoff functions as other banks and cooperatives because it has personnel on site, and kiosks with tellers dotted around the neighbourhood, mainly in the Grand-Yoff market. There are many Microcredit institutions in the area, creating great competition for the neighbourhood's cooperative. I found that the cooperative functions on solidarity, reciprocity, and trust because its members share commonalities. This is parallel to traditional savings groups in Senegal: *tontines*, *Nat* or *Mbotay*.

Dakar

Dakar is the capital city of Senegal. It is overpopulated because people, usually from rural areas, have been migrating to the city since independence in search of economic opportunities. In 2008, the population of Dakar was estimated at 2,482,294. This represents one quarter of the entire population of Senegal living in an area of only 0.3% of the country (ANSD 2009). The population in Dakar is young, with 68% under 30 years of age (ANSD 2009). The living conditions in Dakar, while difficult, are far better than in other parts of the country. The chance for survival of children living in Dakar is much higher than in other parts of the country. For every 1,000 children born in Dakar, there are 79 who die before reaching 5 years of age, compared to 200 out of 1,000 dying in other regions of Senegal (ANSD 2009).

Dakar's privileged position comes from the fact that it overwhelmingly outnumbers other regions in economic opportunities and infrastructures. The majority of infrastructures in Senegal - especially businesses, hospitals, clinics and schools - are found in the city. Dakar's process of urbanization finds its roots first in the fact that it was the capital of francophone West Africa during colonization, and hence privileged by the French. The development of the industrial and business sectors, along with the expansion of the informal sector attracted people, especially, the young, from other parts of the country. The continued rural exodus has, to a degree, contributed, to the city's infrastructural decay (ANSD 2009). High levels of unemployment, especially in its peri-urban areas, also characterize Dakar. According to the Senegalese National Statistics Agency (*Agence Nationale de la Statistique et de la Démographie*), 51.4% of the unemployed are men and 48.6% are women, with 83% of all workers in the informal sector (ANSD 2009). Newcomers to the city, undoubtedly, increase the unemployment numbers. According to 2008 statistics, 35.8% of all unemployed in Dakar have been unemployed in the past year (ANSD 2009). However, the high unemployment in Dakar notwithstanding, living conditions are still better than in other parts of Senegal.

Many recent internal migrants reside in the peri-urban areas of Dakar (35.5% of its population). These peri-urban areas are peripheral, socially, geographically, and economically. The majority of the residents in such areas are poor and many families live in very crowded and insanitary conditions. In fact, living conditions are worse than those in the center or other parts of Dakar because of a lack of access to basic services such as health care, education, and transportation. These services are either far removed from the residents or too expensive for them to afford.

It has to be said that, generally, migration has been increasing in Senegal, and many of the migrants are international migrants from other West African countries; half of these migrants reside in Dakar. The study's research site which is the peri-urban area of Grand-Yoff is very much home to many international migrants who usually come from English speaking countries. Many of these migrants, especially those from Nigeria and Ghana have the reputation of conducting illegal activities and are often viewed with great suspicion by Senegalese people. These migrants have not traditionally moved to Senegal in great numbers, but lately they have become very visible. Other international migrants come from neighbouring countries, such as Guinée or the Ivory Coast, and have been settling in Senegal for generations.

Grand-Yoff, Dakar

Grand-Yoff was created in 1950 by peasants, with only two families living there in the beginning. My field research took place in the two neighbourhoods of Grand Yoff: Cité Millionnaire and Arafat. These two neighbourhoods are next to each other and are the most populated in Grand-Yoff. As earlier mentioned, Grand-Yoff is a poor and working class peri-urban area where people struggle for survival needs, especially food security. Municipal workers that I spoke to at the Grand-Yoff's city hall estimate the population of these two neighbourhoods to approximately 200,000, which represents half of their estimation of Grand-Yoff's population. These numbers are far above those estimated by the Senegalese National Statistics Agency (*Agence Nationale de la Statistique et de la Démographie*) and the city of Dakar for 2009: about 200,000 people for all of Grand Yoff. These discrepancies can be explained by the fact that people are constantly moving in and out of peri-urban areas because many are seasonal dwellers or recent migrants to the city.

Grand-Yoff is one of the 19 communes or districts found near the capital city of Dakar. The area is an ethnic mosaic because all ethnic groups in Senegal are represented. The continuous rural exodus to Dakar explains why all ethnic groups live there because they find cheap housing in peri-urban areas compared to the center or other parts of Dakar that are expensive for them. Many residents of Grand-Yoff, especially women, form associations according to kin or occupation. Many of the study's participants belong to associations formed along ethnic lines; this allows them to have a support system. The area is home to one of the major markets in Dakar (*Marché Grand-Yoff*), which offers many residents informal employment.

The neighbourhoods of Cité Millionnaire and Arafat are filled with buildings where people rent rooms. Families share one or two rooms and live in very tight spaces with only a couple of bathrooms on every floor. This explains why children stay outside to play or chat with others once they are old enough. Most women in the study rent one or two rooms. Husbands and young adults are often absent from home, as they are day-workers and return home late. Hence, Grand-Yoff appears to be a dormitory because its population seems to double at night, though it still remains heavily populated during the day. In addition, housing in Grand-Yoff does not follow construction norms. That marks a striking difference with middle and upper class neighbourhoods in Dakar. Streets and yards are not paved or cemented except the major roads. This is very common in many peri-urban areas in Dakar. The streets are unsanitary and contain sewage, which generates bad odor, a factor in bringing about many diseases. Migrants, making the area a "bridge between the village and the city", import many habits or ways of living found in rural areas into Grand-Yoff. For example, there are cattle kept in front of houses because of lack of space in most homes, which creates more unsanitary conditions for

residents. The habit of keeping cattle in front of houses is not very popular in middle and upper class neighbourhoods of Dakar, where residents see themselves as more "modernized." Many workers in Grand-Yoff transport goods on horse-carts, which is a means of transportation in villages.

Women in Grand-Yoff usually sell goods at the market, in front of their houses, by the corner of the street, or door-to-door. Some also sell goods outside of the neighbourhood, usually downtown, while others are housemaids in other neighbourhoods. In general, in the neighbourhoods of Cité Millionnaire and Arafat, where the women in my sample live, women are usually very occupied with menial jobs. Their lives are fast paced and they are constantly roaming around to earn a living so that they can feed their families. Almost all women in the sample were responsible, financially, for themselves and their children. Most men in Grand-Yoff also have activities in the market where they sell goods or offer their services. As many men and women migrate from rural areas to the city to search for jobs, they often leave their partners or families in the village because they cannot afford to take care of them were they to live together in the urban areas.

Access to health care is a huge problem for residents of Grand-Yoff. Besides the Grand-Yoff hospital and a few other clinics or health centers, there are no health facilities in the two neighbourhoods. Some of the clinics operate at a cheaper cost, but medication remains very expensive in Senegal. The hospital only admits patients if they have insurance or after they have paid all or a big portion of their bill. Most patients go to the Grand-Yoff hospital from other areas of Dakar and Senegal for treatment, as outpatients, to be tested, or hospitalized. Often times, the population living in the area cannot afford to go to the hospital because they do not have the financial means. Many of the participants told me how expensive or impossible it is for them and their families to go to the hospital. Unless they have serious illnesses or experience a bone fracture, they prefer to go to the cheaper clinics or health centers in the area. The two neighbourhoods of Cité Millionnaire and Arafat do not have health clinics, and the population has to go to health facilities outside the area. This lack of health facilities is a common trait of most peri-urban areas of Dakar.

The commune of Grand-Yoff has 11 elementary schools and one junior high school. None of these schools are in the two neighbourhoods where I conducted my research. These two neighbourhoods are the most populated and represent half of the populations of Grand-Yoff. There are some private elementary schools that are set up to serve the residents of these neighbourhoods. There is a private Catholic high school in the outskirts of the area, but as is the case with the hospital, most residents of Grand-Yoff can barely afford to send their children to the school. In fact, most students at the private high school come from middle and upper-class neighbourhoods. Many of my participants struggle financially to keep their children in school and find it more challenging when their children become teenagers and are in high school. A few of my respondents say that their children have dropped out of high school or attend irregularly because they

are faced with financial burdens. Their home conditions are generally not favourable for success at school.

There is a lack of security in Grand-Yoff that most people and some of the participants blame on the new and rapidly increasing immigrant population from Anglophone countries, especially Nigeria and Ghana. According to a municipal advisor, these populations are involved in many illegal activities, notably drug trafficking, prostitution, and rape. This can be explained by the fact there is no order or policing in the area. Furthermore, residents who are not from Dakar may engage in activities they would not conduct in their home communities especially because of an absence of or low level policing.

Microcredit and Social Capital

Microcredit borrowers rely on their relations and networks - "social capital" - to conduct their business activities and take care of their survival needs. The basic idea of social capital is that one's family, friends, and associates constitute an important asset that can be enjoyed, called upon in times of need, or leveraged for material gain. In development theory, the concept of "social capital" offers a way to bridge sociological and economic perspectives, thereby providing potentially richer and better explanations of economic perspectives (Woolcock and Narayan 2000). Microfinance models and programs tend to rely on the poor's support systems, especially their social networks, as is the case for women's credit groups, to ensure high repayment rates, but also reduce their administrative costs. Social capital is a determining factor in the design, process and success of microcredit services both on the lender and borrower's ends. The focus on sources of social capital for the poor, especially women, is very important in analyzing the effectiveness and impact of microcredit.

Social Capital in Microfinance Models

Social capital has been a central concept in social sciences since the 1980s. The concept has been the focus of influential scholarly writings from French sociologist and anthropologist Pierre Bourdieu, and American sociologists Robert Putnam and James Coleman. Bourdieu (1992: 119) defined social capital as "the sum of resources, actual or virtual, that accrue to an individual or a group by virtue of possessing a durable network of more or less institutionalized relationships of mutual acquaintance and recognition." Policy makers have been relying on social capital theories to design development interventions towards poverty alleviation. Development and microfinance programs are sought to strengthen and develop the social capital of their target populations. In contrast to earlier basic needs or welfare approaches to poverty alleviation, the potential

of social capital theory lies in its recognition of social networks and associational life as resources for fueling development from the bottom up (Rankin 2002). Microcredit or microfinance models have been specifically designed according to the idea that the poor's social networks or associations allow for the trust and reciprocity necessary to their success in acquiring and using loans.

Family members, social networks, formal education, training and business experience are great sources of social capital, for they provide microcredit borrowers the ability to succeed in their lives and business activities. Microfinance programs bank on their borrowers' social capital because it allows them to minimize their operation costs, especially in group lending where they put the responsibility and pressure of loan repayment on the groups of borrowers who must not default on their payments for fear of not being able to get further loans. Mainstream development agencies such as the World Bank and the CGAP (Consultative Group to assist the Poor), the populist Grameen Bank and many microfinance institutions have designed models through which the poor receive credit on the basis of their membership in self-regulating solidarity groups. According to Mayoux:

The existence of social capital in the form of indigenous networks and norms of association is seen as substituting for financial collateral in the selection of loan beneficiaries and loan disbursal and recovery. It is also seen as enabling the targeting of poor women in view of their limited access to resources (and also, often implicitly, their inherently co-operative nature). This decreases both costs and risk, thereby enabling rapid expansion for large scale poverty-targeted delivery. These prescriptions are informed by the experience of large-scale microfinance provision by programmes like Grameen Bank in Bangladesh (2001: 438).

In group lending, each member feels the urge, and pressure from all members of the group, to repay, for the fate of the group relies on her or him. Hence, notions of "solidarity" and "trust" are the heart of social capital when it comes to group-based microcredit. However, many scholars have been questioning this enthusiasm about social capital and in particular the notions of solidarity, trust and reciprocity as key to financial sustainability, poverty alleviation and women's empowerment.

Microcredit programs (à la Grameen Bank) are aimed at strengthening social capital and contribute to female empowerment. However, sources of social capital for female borrowers can be treacherous. Policies by the World Bank and the United Nations, as well as some studies on urban poverty assume that people form harmonious communities within a free market society, and thus fail to acknowledge the potential for conflict (Bahre 2007). Family units (including extended family members) and social networks are not always harmonious, and present female borrowers with a lot of hurdles. For example, many of the study's participants do not have spousal financial support, and often struggle with informed decision-making; these, can

tremendously jeopardize their loan use, as they might not be able to invest it into their business because of household needs or lack of control over their loans. Spousal relations are a key component in the analysis of microcredit as it relates to women and the household. Furthermore, extended family members such as in-laws that reside with female borrowers also play a pivotal role because they are part of the household decision-making. Many of the participants in the study are very mindful of their in-laws, especially mother in-laws, who often have a say in their marriages (from the support they get from their husbands to how they raise their children).

Social networks can also reproduce social inequalities among women, leaving the most disenfranchised on their own. The mere formation of solidarity groups does not guarantee progressive outcomes and may in fact perpetuate existing social hierarchies (Rankin 2002). Romanticized views of social capital in the development and microfinance literature as they pertain to women mask the realities of poor women across the globe; most struggle daily to pay back their loan, often at the risk of losing their social ties. Some scholars have questioned the underlying assumption of microcredit programs that, the material benefits borrowers receive in the form of access to credit, are an acceptable exchange for their contributions in the form of social capital and interest rates; instead, many programs deplete the social capital of borrowers (Tata and Prasad 2010). Many borrowers become estranged from relatives and friends after borrowing money from them, often to repay their loans, and not being able to pay them back. In that regard, microcredit might indeed harm the social capital of borrowers who feel the pressure to repay their loans.

In the Household

We can argue that the first and most basic source of social support or capital is the family unit. In Senegal, most households are complex in nature, including the nuclear and extended family members. Household members play an essential role in the lives of female microcredit borrowers and are a source of support in their daily activities. Spousal support is an important source of social capital for married people, especially women who need their husband's support with finances and decision making in the household. Roughly 70% of the study's total population of women (and 74% of the closely studied participants) is married, while the remaining are divorced or widowed. The average number of children per women is 6. Therefore, in these women's households, there are quite a few mouths to feed, when one adds their husbands and/or extended family members who might live with them.

As discussed earlier, most women in the study (80%) are financially supporting their households. Most participants' husbands are retired, unemployed or have very irregular income. Only few husbands earn a steady income that allows them to be their households'

breadwinners. Among the participants in the study, 87% are financially responsible for their households' nutrition, while 74% pay for children's schooling expenses and 70% pay for health visits, treatments and medicines. That leaves these women in the same predicament as their divorced or widowed counterparts who are left to fend for themselves and their households. Many husbands do participate financially, however the daily allowance, *dépense quotidienne*, they provide their wives is hardly enough to cover for food, let alone all other needs such as doctors' visits, medicines, school expenses or transportation. As Aissatou noted: "No man's *dépense* is enough nowadays. As wives, we always have to find ways to supplement it."

Spousal support is not only limited to finances, but also matters in terms of decision-making, and negotiation leverage for women in their households. Many women have to ask their husbands' permission to acquire loans or engage in business activities. Others hide their loans from their husbands for fear that they would take control of it. In their study of women and credit in rural Bangladesh, Goetz and Gupta (1996) found that husbands actually control their wives' credit investment and income generated from it. Therefore, female borrowers might not receive the spousal support they need and find that their married life and responsibilities may interfere with their acquisition of loans and business aspirations. That brings to light the idea that social capital does not necessarily contribute to female borrowers' entrepreneurial success or empowerment.

Senegalese women culturally 'stand behind their husbands' and would often share their loans with them. Some of the participants mentioned that they care about their husbands' masculinity and do not want them to feel worthless because they cannot provide for the household. Therefore, many women back their husbands financially so that they can retain their symbolic power as providers. These are negotiation tactics that allow women favours and consideration from their husbands and improve their spousal relations. In their study of women and microfinance in the rural Senegalese town of *Gossas*, Kah et al. (2005) found that women help their husbands financially because it lifts their voice in the household and their husbands listen to them more often. According to the authors, when income earning wives in the community pay for school fees and medicines for their children (what are usually husbands' responsibilities), their standing within the family changes greatly as they enjoy greater freedom and influence. Here, microcredit increases the social capital of female borrowers when they reinvest their business profits into the household and help their husbands financially.

In most of the development and microfinance literature there are shortcomings in the discussions of social capital within the household from a gender perspective. The ideal household is generally treated as the basic unit of impact assessment, and assumptions are made about mutual rights and responsibilities in, for example, collateral requirements under which women must get their husband's signature in order to acquire a loan (Mayoux 2001). Intra-household relations in Senegal make women vulnerable to their husbands and often times in-laws. Most women in the study do not encounter

resistance from their husbands in their decision to acquire loans, but a few report that they must hide it from their spouses for fear that the latter would ask for it.

Acquiring loans requires tact and discretion because one does not want to make it public at the risk of having spouses, relatives or friends borrow money or ask for financial help. Women's ability to use savings and credit can be limited by vertical relations within households and kin groups. Furthermore, husbands do not often trust that their wives are smart or savvy enough to engage in microcredit activities that can result in substantial profits; many fear that their wives would not be able to pay back their, which would put their families in deeper predicaments. While women are also afraid of defaulting on their loans, they feel the pressure and obligation to earn money in the absence of a non-providing husband.

Married participants in the study, whose husbands financially provide for the household, are freed to invest their loans into their business. These women are in the minority and spousal financial support is a great source of social capital. However, some of these women mentioned that they still have responsibilities towards their children and extended family. For instance, many are financially responsible for their aging parents and some siblings. Furthermore, they might have to occasionally supplement the household allowance provided by their husbands. Most importantly, they do have enough collateral or social capital at the household and financial level, to be able to maximize their chances at succeeding in their microcredit activities.

Older children and extended family members are also a source of support for female borrowers who need assistance with household chores in order to attend to their business activities. The teenage or adult daughters or relatives of the women in the study help them with cooking, cleaning and child-care. Polygamy also enhances the social capital of many women who share their household's responsibilities with their co-wives. For instance, Khady, Diarra and Mariama all benefit from the fact that not living with their co-wives frees them from attending to their husbands' needs every day of the week. In these cases, polygamy empowers women and contributes to their personal, social and financial autonomy.

Some participants do not have to pay rent because they live in other family members' houses. Victoria, one of the poorest women in the study, lives for free in her relatives' house with her children and husband. Bousso and her children live in the house she inherited from her father along with her siblings and their family, while Aissatou moved into the house she inherited from her late mother with her husband, two children, niece and nephew. For these women, not having to pay rent provides them with financial and social support. Their fate is certainly different from that of Astou who struggles to pay her monthly rent for the one room, split in two, where she lives with her five children.

Social, Credit, and Business Networks

People connect through a series of networks where they tend to share common values with other members. To the extent that these networks constitute a resource, they may be seen as forming a kind of capital. Membership of networks and a set of shared values are at the heart of the concept of social capital (Field 2008). Belonging to social groups or organizations is an important source of social capital for female borrowers who join networks of savings and credit or business, which contribute to their entrepreneurial success. Most participants in the study belong to the neighbourhood's women's savings and credit institution (*Mutuelle D'Epargne et de Cr dit des Femmes de Grand-Yoff*) in which they save money individually and collectively and acquire loans and mortgage as well. The structure of group-based micro-credit programs can provide opportunities for micro-business owners to increase entrepreneurial networking and social capital, which, in turn, can influence business performance (Tata and Prasad 2010). Many women in the study also belong to trade networks or groups such as the women's cereal co-op, *Jokko*, where, about a dozen women process cereal into finished products that they sell individually or collectively out of their processing shop. Another women's association in Grand-Yoff is *Renafcos*, a national network of female merchants. We must not neglect the traditional and predominantly female self-selected saving schemes, *tontines*.

Tontines remain very important social and financial networks for women because they are self-selected savings groups and provide them with an opportunity to reinvest their money into important household and business needs. *Tontine* members contribute regular amounts with each member taking turns to receive the contribution of the whole group, thus getting access to a lump sum from a series of small contributions. However, *tontines* are not always as reliable as microcredit loans because there is no guarantee that all members will necessarily make their scheduled deposits, or that they will make it on time. Furthermore, political intrigue is common whereby the *tontine* leader might provide favour to some members. As such, many members do not always get their money on time or as promised.

A shortcoming of much of the literature on microfinance and women's empowerment is the idealisation of 'community', seen as a prime source of social capital and harmonious horizontal relations between women (Mayoux 2001). Stories of people in charge of *tontines* embezzling their members' money are multiple, making it harder to join or trust *tontines*. Many participants in the study no longer trust *tontines* and exclusively save their money with Microfinance Institutions (MFIs). The conflicts experienced within *tontine* networks are an example of the erosion of trust and reciprocity among women, putting to question the romantic notion that associations of women always feature tacit or enduring trust and solidarity. Bahre (2007: 52) argues: "Solidarity is not opposed to conflict, nor does conflict necessarily take place outside of the realm of solidarity. Instead

rivalry, conflict, jealousy, and aggression can be at the heart of solidarity networks.” The lack of reliability of *tontines*, forcing many women to blindly turn towards MFIs, puts them at the risk of jeopardizing their financial future because of high interest rates and unforgiving repayment schedules.

Many women belong to cooperatives where they save their money in order to fund their business ventures. In fact, women, who take up activities, which usually follow gender divisions of labour, dominate cooperatives in Senegal. Female members of these cooperatives share the same craft, i.e. tailoring, knitting, weaving, food processing, restoration and commerce among other business activities. As most forms of networks, cooperatives are a great source of social capital for women because they provide their members with financial security, connections and often training and skills. However, social and business networks and groups require a lot of work for their members to sustain all the benefits they provide. Connections require work, and solidarity within networks is only possible because membership gives rise to profits, both material and symbolic (Bourdieu 1980). For instance the cereal co-op *Jokko* merged in its beginnings with another co-op, *Ndamlee*, processing fruits and vegetables into juices. However, *Ndamlee* has never been as successful as *Jokko*, but rather is an example of a failing business.

In an interview, Diatou, *Ndamlee*'s president said: “One must be very patient and dynamic to remain in a co-op. Many members neglect the work because they give priority to their personnel activities. Sometimes I have to pay our processing shop's rent by myself or with other members who are more committed to the work. We still haven't paid rent for this month.” During the interview, a member of the co-op passed by in a hurry and Diatou stopped her to remind her that her services were needed. The member reassured Diatou that she would come later and hurried away. But, Diatou did not seem convinced. As she mentioned, many members are not as dedicated to the co-op's work as they should be. That showed the amount of work and stress that co-ops' leaders go through in order to get the members to commit to the work. It is not surprising that this co-op is not as successful as *Jokko*. They decided to split from *Jokko* because they could not work together anymore and found it better to be autonomous from each other. Members of *Jokko* hinted that *Ndamlee*'s lack of success is due to the fact that its members are not “serious” workers and that their president is not open and dynamic enough to lead the co-op.

Jokko and *Ndamlee* are, respectively, examples of a successful and a failing cooperative. One important point to note is that members of the failing co-op *Ndamlee* live in a middle class area and in a housing community for military officers. Hence, these women are all wives of government employees and do not face the same realities of the members of cereal co-op *Jokko* in Grand-Yoff. These two cooperatives have both received credit and training from the Grand-Yoff's women's savings and credit institution and continue to be involved in group-based credit programs. Ironically, the women members of *Jokko*

are the ones who have been able to make their business thrive and are able to provide for their families on their own. The success of the Grand-Yoff's co-op shows that microcredit can indeed create conditions for the acquisition and increase of social capital through associations. However, the co-op members residing in Grand-Yoff have to work hard to create and maintain the conditions that guarantee their financial success. Middle and upper-class female members of social and business networks are better suited to succeed in their microcredit and entrepreneurial pursuits because they have more social and financial collateral and support. Therefore, microcredit can indeed reproduce inequalities among women, leaving the poorest to remain disenfranchised.

Social and business networks are at the core of associational life for female entrepreneurs in Senegal. The members of a national network of female merchants, *Renafcos*, know too well the benefits that their association provides them. Because of the political ties of their president, a government advisor, and women in their committee, they are given privileges that other female networks and groups do not have. As patronage is a reality in Senegalese politics, people tied to the government usually acquire favours that others normally would not. As mentioned earlier, this network benefits from very significant amounts of credit and donations (from foreign donors) among other favours. These favours are far beyond those of the neighbourhood cooperative or other women groups in Grand-Yoff. This highlights the fact that individuals and groups of people are able to acquire unequal amounts of social capital according to their socio-cultural, political or financial leverage. In that regard, Bourdieu (1980: 2) argues that the notion of social capital was the sole means of describing the principle of the social assets which was visible where different individuals obtain a very unequal return on a more or less equivalent capital (economic or cultural) according to the extent to which they are able to mobilize by proxy the capital of a group (family, select clubs etc.). Therefore, the connections women groups possess, in terms of credit and business, influence their clout and consequently their social capital.

Formal Education, Training, Skills and Business Experience

Formal education is a very important asset, especially for women in developing countries, who are the most disadvantaged in that regard. Acquiring formal education, a high school degree and university degrees opens the door to formal jobs. Hence, formal education is a major source of social capital. Many poor women in poor countries, and Senegal in particular, are illiterate and that in itself alienates them from entering the formal economic sector or acquiring loans from banks. Training, skills and business experience are also important sources of social capital for women entrepreneurs. Roughly 35% of the women in the total study population are illiterate, while 36% have only acquired a primary school education and 26% have acquired a high school education,

with only 3% obtaining a high school degree. We must note that a minority (13.5%) of these participants acquired training and skills towards their business activities. The fact that only a quarter of the study population have obtained some high-school education and less than 5% a high-school degree explains that this sample belongs to the informal sector, and covets microcredit loans for their household and business survival.

Illiterate women or those with little formal education find it hard to understand the financial conditionality and delivery process of microcredit. No woman in the sample of 23 closely studied cases has a high school degree, however 35% have acquired some secondary school education. These women are the ones who are usually the most successful or savvy in their businesses because their level of literacy is enough for them to acquire basic understandings of the financial facts and implications of loans. Marie, the most successful participant, has almost completed her high-school education and acquired secretary and accounting training. Before embarking on her school uniform sewing business, she previously owned a restaurant business in downtown Dakar that ultimately closed doors. Therefore, Marie has what is the required to ensure her business success: formal education, training and business experience. These contribute greatly to Marie's social capital as a woman, and an entrepreneur, especially because she is divorced with two daughters.

Another participant, Khady, who runs her husband's dry-cleaning business, is better-off than most women in the sample because she has a high-school formal education along with secretarial training and teaching experience. She was able to manage her family dry-cleaning business. Her husband mostly lived with his second wife in a suburb of Dakar, where he owned a livestock farming business. Khady is financially independent from her husband and takes care of her household with the profits from their dry-cleaning business. Polygamy allows women who have co-wives, to maintain different economic spheres among themselves. Diarra is equally successful with her home-based juices and ice business; this is because of her high-school education, secretarial and nursing job experience. An amputated leg does not prevent her from running her business. Her education, training and professional experience have allowed her to create and run a successful business from home. Formal education, training, skills, professional or business experience are important variables in the success of women entrepreneurs.

The irony with the conceptualisation and design of microfinance services is that they are catered to poor women, who often hardly have the required social capital to thrive in their micro-businesses. Business experience, training and skills are helpful to illiterate women or those with less formal education. The study found that most microfinance institutions do not offer the training and skills workshops - especially financial guidance - usually included in the programs of many development organizations and women cooperatives. Training and skills workshops range from basic accounting skills to professional training and skills learning. The study participants who are members of the *Jokko* and *Ndamlee* co-ops received intensive training from the neighbourhood

women's savings and credit co-op that offers its members training and skills workshops through the NGO *Enda Graf*. The members also received training in food processing and accounting, and attended periodic follow up meetings with trainers at the women's savings and credit institution.

Many study participants complained that they lacked financial guidance in their microcredit activities along with training and skills. These services were always available to women borrowers and often made the difference in their business success. Many women joined the co-ops in order to receive training and skills, but also financial backup by virtue of members' savings and credit. Hence, the social capital of borrowers who belonged to co-ops, networks and other groups can be more significant than individual borrowers.

Conclusion

Microcredit offers Senegalese women, especially the poorest, an opportunity to take care of their household needs and create or sustain their micro-businesses. Microcredit has become a response to the failure of the Senegalese welfare state in providing adequate basic social services for households, such as education and health care. In recent years, many studies, especially those focused on the South-Asian context (India, Indonesia), are questioning the "promise" of microcredit and exposing its negative financial and social consequences.

A demographic analysis of Senegal reveals a population characterized by its youth and rapid increase in size as a result of a high fecundity rate. Senegal is a relatively urbanized country that is still characterized by a very important rural exodus despite many rural development programs. That explains the overpopulation of peri-urban areas in Dakar, for they offer rural migrants better living conditions. High levels of poverty are related to the lack of access to health care and education that characterizes many segments of the Senegalese population. Many Senegalese families struggle for daily survival, leading many women to covet new economic opportunities, such as microcredit loans. Microcredit loans offer Senegalese women an opportunity to become active participants in their economies by starting or sustaining their micro businesses. But, microcredit also presents much inconvenience, making it challenging for poor women in Senegal to extract profits from it.

Female microcredit borrowers rely on their associational life and social networks to succeed in their lives and businesses. Household members, kin groups, communities, social and business networks, formal education, training, professional and business experience are all important sources of social capital for female borrowers. Sources of social capital for the participants in the study can be dependable and enriching, but in many cases reveal themselves to be treacherous, jeopardizing the survival of their households and businesses. Support from husbands and household members can

provide women with the personal and financial support they need to thrive in their businesses. On the other hand, many women's credit and business involvement are limited by their husbands' lack of support or cooperation, or other dire household conditions. Social, credit and business networks and groups provide women with credit and entrepreneurship opportunities, but also have the potential for conflict and lack of trust and solidarity. Finally, female borrowers who have acquired some - preferably substantial - formal education, training, professional or business experiences thrive better at their credit activities and entrepreneurship.

The study shows that a providing spouse, formal education, training, business experience, and belonging to social and business networks facilitate women's success in their microcredit and entrepreneurial activities. For the minority of women in the study whose husbands are their household breadwinners, microcredit makes a real impact on the well-being of their selves and their household members. These women are able to improve the well-being of their families by taking care of additional needs. Formal education is a very important asset for female borrowers because it helps them understand the financial conditions and ramifications of their loans. The women in the study who have acquired some high school education fared much better in their credit and business operations than their uneducated counterparts.

The participants who belong to cooperatives that make profits from their production and sales are able to earn a steady living and take care of the health, education and nutrition of their households. Therefore, one of the most important conclusions of the study is that the household impact of microcredit is intimately tied to the borrowers' household conditions and social capital. The Senegalese informal sector is the niche for most women entrepreneurs because of their socio-economic disadvantage, their high levels of illiteracy, and lack of access to many markets. As microcredit services and strategies try to fill the gap in terms of women's access to credit, female entrepreneurs still remain primarily represented in the informal sector because of their structural limitations. Therefore, female borrowers need access to bigger and more important economic markets in order to thrive in their entrepreneurship.

Many women in Senegal give priority to ceremonies where they have to make a financial commitment, whether or not their finances can handle it. Some may consider these to be irresponsible decisions from women who cannot financially handle participating in ceremonies, but for many Senegalese women and participants in the study, forgoing their financial participation and responsibilities in ceremonies is a social and cultural risk they cannot take that would compromise their social and symbolic capitals. Therefore, priorities in the lives of female recipients are diverse, and not limited to pivotal survival needs such as food, education or health care for the household.

Recommendations

The most responsive microcredit models in Senegal are those of development organs, (mainly NGOs), women's cooperatives and groups because they adopt integrated approaches, thereby addressing women's needs in conjunction with micro-lending. NGOs and cooperatives usually offer training, skills and basic accounting or numeracy workshops, financial guidance, healthcare plans, or health and literacy workshops to their clients. Many participants who are members of the Grand-Yoff women's savings and credit institution have received training and guidance pertaining to their business and credit operations. These integrated models are efficient alternatives to traditional models of microcredit, usually applied by MFIs and banks.

For microcredit to be a sustainable development strategy for Senegalese women, it is recommended that credit institutions offer their clients, especially women, other basic services that are pivotal to their well-being and entrepreneurial success. In addition, microcredit services and programs will be better suited to their clientele by lowering their interest rates, reducing their penalties and fees, and offering repayment schedules that are more flexible. The development shift from passive assistance for women and families to microcredit strategies needs to retain the provision of basic services needed for the survival of households. For that reason integrated development approaches are wise strategies because they guarantee the sustainability of development interventions, for one cannot "just simply give - or lend - money to the poor."

A municipal advisor at Grand-Yoff city-hall was correct in coining Grand-Yoff "the mirror of Senegal" because of its ethnic diversity, but also the fact that it displays most of the ills in the country. In that regard, peri-urban areas in Senegal, and most developing countries, provide great insights into the lives of the poor. Hence, there is a need for a paradigm shift in development studies and programs to put more attention on the realities of the urban poor who might be as disadvantaged as rural ones. If there are more infrastructures in urban areas of developing countries compared to rural parts, it still remains that the urban poor has to struggle for access to basic services.

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