

# Tabula Rasa? Conceptions of microfinance in Juba, Sudan

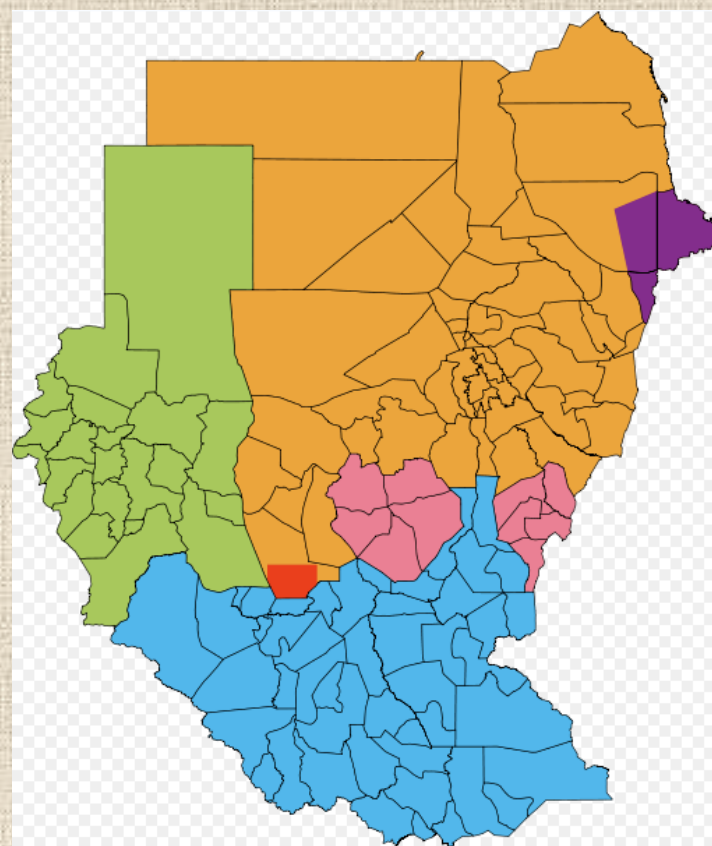
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# Juba's "tabula rasa"

- 2005 Comprehensive Peace Agreement (CPA) between the Government of National Unity (Khartoum) and Sudan People's Liberation Movement/Army (South)
- Ended the north-south civil war that began in 1983 that forced 4 million southerners in exile



English: Map showing political regions of Sudan as of July 2006.

Green	Darfur
Pink	Nuba Mountains and Blue Nile
Orange	North Sudan
Blue	South Sudan
Purple	Eastern Front, area of operations July 2006
Red	Abyei, as defined by the Permanent Court of Arbitration

# Returning, rebuilding

- “Everyone” is coming home
- Estimated 4,000 people remained in Juba town
- Juba population 2.2 million (GoNU 2008)
- Different types of exile (Malkki 1995):
  - Metropolitan
  - Rural
  - Camps—IDP, Refugee
- Different types of start-up assistance



# Research site

- Juba as a case of:
  - Human security
  - Post-war development
  - Economic anthropology
- Research on microfinance in this context still NOT there
  - Most MF research in conflict/post-conflict delineates “preconditions” for development (Nagarajan 1997, 2004)
  - MF to refugees/returnees virtually nonexistent

# Microfinance in Juba

- “Dual banking system”
    - Islamic + Conventional
  - 4 Major MFIs operating
    - (2 others operating in other states)
  - MFIs estimate 5% outreach of Juba area market
  - Interest Rates 15-36%
  - Clients mainly informal
    - 68% Trade
    - 15% Agriculture
    - 11% Manufacturing
- (Atil 2009)





# Project Methodology

Stepping out of traditional methodologies—focus on *lived realities* of microfinance

- Research question: How do Juba residents think and talk about the economy through microfinance?
- Post-positivist/ethnographic methodologies
  - Narrative analysis
- Talk to the “market” participants; observe form
  - Anyone in Juba
  - MFI staff, execs, and clients

# Economy from Economies

- Sudanese
  - That stayed within
    - Juba Town
    - Khartoum IDPs
  - Metropolitan Economies
    - Nairobi and Kampala
  - Refugee Camps
  - Rural Uganda and Kenya
- Non-Sudanese Natives





# Institutional Perspective

“Out of the handout mindset”

*“If you look at twenty years of civil war... look at somebody who was 5 years old when the civil war started, right now he should be about 30 years. This person grew up relying entirely on relief. Knowing nothing—he just knows food comes off a truck. So right now he wakes up and someone says hey mister, food doesn't come off a truck food comes from the soil. And he says 'no'. So changing that mindset is something we need to do before people will appreciate that. And that for me is the biggest challenge—the dependence syndrome being removed from their minds.”*



Image: <http://www.nationalpost.com/news/world/story.html?id=1468989>

# Client Perspectives

- Preliminary Themes:
  - Distrust in money
  - Distrust in exchange process
  - Distrust in institutions
  - Lasting peace?



# Distrust in money

- Mid-2007 Sudanese Dinar conversion to Sudanese Pound
  - Playing card “dupe”
- Many currencies in circulation
- Subverted currencies
  - \$100 USD note  $\neq$  5 X \$20 USD
  - *“This place is complicated!”*
- Losing in exchange



# Distrust in exchange process

*“In most cases, they trade with Uganda. Actually at this time, because they are using the Uganda Shilling. Before the CPA was signed, it was easy, but right now you have the burden of selling in Sudanese Pounds. [One must] convert actually the [microloan] money first of all in dollars, then go into Uganda and get in Uganda Shillings and make your purchases. So whether you like it or not, you are going to convert your currency three times and will experience losses. So they will always complain...they want to find options out of this. But I tell them—we are not the government of Southern Sudan. Definitely, there’s no way we can disburse Dollars, we cannot disburse Uganda Shillings and we have no way around this. Maybe one day when we can get everything in Sudan, they can do their shopping in Sudan.”*



# Distrust in institutions

- NCB closed down, leaving people stranded and cashless
- Daily financial strategies of microfinance clients
  - Strategizing keeping most access to cash in person
  - Requesting payment up front



# Lasting Peace?

I asked a client about why people might not have confidence in banking institutions, he elaborated,

*“That’s one of them. Another is that people are not confident with the peace sometimes. Anything can happen so if you get your money stuck somewhere, you’ll never get it. I guess you should have your money alllll the time on you so you can go anytime with it.”*

Microfinance practices informed by the CPA “peace” AND future unrest.

- Hoarding of cash
- Delaying repayment until last payment due
- Raising prices to match inflated costs of supplies
- Requesting payouts (from MFI and their customers) up front, immediately

# Post-conflict money vs. calm between storms?

- Peace as fundamental assumption of development practitioners (beyond relief) (Lewis 2005)
- Types of development institutions
  - Aid/relief → Start-up → Sustainable development

How can we envision a money that can function for people in a situation that is not guaranteed to progress in peace?