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Livelihoods Theme

Title: Microfinance on the Ground in Post-Conflict Juba, South Sudan

Abstract

Though microfinance is championed in "typical" underdeveloped societies, its appropriateness for societies in the wake of conflict is not certain. Through in-depth field interviews and subsequent narrative analysis, this essay details lived realities of microfinance in Juba, South Sudan since the 2005 Comprehensive Peace Agreement[1]. It describes how repatriates navigate the complex new economy, credit, and income opportunities to secure livelihoods after war. It finds that microfinance in Juba does serve some worthwhile ends in the post-conflict economy, which, however, complicate the industry's success narratives.

On January 9, 2005 the Comprehensive Peace Agreement (CPA) between the Government of National Unity (Khartoum) and Sudan People's Liberation Movement/Army (South) was signed. The peace agreement ended the second north-south civil war that began in 1983 that forced four million Southerners into exile. Juba's population has burst since the war ended; between 2.2 and 3 million Southern Sudanese living in exile have come into Juba town with the intention of starting over.[2] A year after the CPA signing, the United Nations High Commissioner for Refugees (UNHCR) transported the first official Sudanese repatriation convoy from Kenya. As of mid-2009, more than 2.1 million returns had been accounted for with the United Nations Mission in Sudan (UNMIS) and the International Organization for Migration (IOM)—about ten percent of which were organized returns with UNHCR, Government of National Unity, and the Government of South Sudan.[3] The remainder of repatriates that had been residing around regional urban centers such as Khartoum, Nairobi and Kampala returned largely by their own organization, or what the IOM calls "spontaneous" returns. While those that underwent organized return were given targeted assistance upon arrival, another segment returned without sponsorship. In both cases, they are returning to a home they either never knew, or one vastly different from the one they left two decades earlier. Repatriates of both genres are faced with a new economy to navigate immediately.

Those who remained in town during the war face a new economic landscape to navigate due to these newcomers, the international organizations aiming to facilitate peace operations, and the related market changes after an economy opens. Business is booming in Southern "virgin business towns," Juba being called a "boom town" by East African news sources that encourage

[2] The former estimate is that of the Government of National Unity Census results. The Government of Southern Sudan rejected those results.
[3] IOM 2009

Ugandans, Somalis, Ethiopians and Congolese to seize investment opportunities there.[4] Returnees' experiences are positioned within both a local and transnational economic market that is undergoing a massive transition characterized as having no formal infrastructure, an inverted market structure (dependent on import rather than local production), is perversely hyper-inflated, and has several different currencies in circulation.

Microfinance outreach has been outstandingly broad with some 3,500 institutions serving nearly 155 million clients around the globe.[5] With claims that it can bring the poor out of extreme poverty, microfinance as a development model is growing in popular support by (especially Western) donors and development practitioners in the developing world.[6] This is mainly due to the perception that microfinance alleviates poverty whereby poor individuals can acquire social and economic agency by borrowing and repaying small loans used for small businesses.[7] In many places microfinance schemes have proven successful as distinct from humanitarian aid, which is typically criticized for perpetuating dependency.[8]

Most typically, microfinance programs focus on repayment rates and number of clients served as the focal points for measuring "success".[9] Important meta-studies, including the Microcredit Summit Campaign and the Market Microfinance Information Exchange perpetuate this mode of evaluation. Up to now, it is readily assumed that borrowers receive loans and pay them back almost perfectly, hence most microfinance institutions (MFIs) touting repayment rates in the upper 90 percent range. Little inquiry about how exactly those loans are repaid has

[4] Sudan Tribune 2006
[5] Daley-Harris, 2009
[6] Yunus 1999, Morduch 2003, 2005
[7] Ledgerwood 1999; Yunus 1999; Robinson 2001
[8] Adams, Graham, & Von Pischke 1984; Beijuka 1991; Moyo 2009
[9] Shcauffler 2007

taken place.

The traditional modes of microfinance research are recently being contested, because they fail to observe many of the hidden practices, beyond the scope of the institution. For example, clients have recently been observed taking out loans from multiple lenders to cover payments—sometimes referred to as over-lending—which is seen as heightening the debt and poverty of borrowers rather than alleviating it.[10] Some case studies have begun utilizing alternate indicators to evaluate success. One example is "empowerment of women" through proxy variables like birthrates and education. We are discovering, though, that many of these proxy variables fail to observe the real externalities experienced by participants. For example, some of these measurement strategies shroud social problems including domestic disputes and relationship changes associated with participants who come into new funds and/or increased autonomy.[11] In light of this, it becomes gravely important to understand microfinance through the perspective of participants involved.

As there exists no conclusive verdict on microfinance in "typical" underdeveloped and developing societies, there is even less known about its appropriateness for underdeveloped and developing societies in the wake of conflict.[12] As Ohanyan pointed out, "This is where the consensus within the international community on utilization of microfinance largely ends".[13] The dearth of research findings about how microfinance functions after conflict is due in part to the paucity of ventures trying it out, largely because the earliest studies warned against premature intervention where state-dependent institutions are not formally prepared to support

[10] Gehlich-Shillabeer 2008
[11] Schuler, Hashemi, & Badal 1998
[12] Nagarajan 1997
[13] Ohanyan 2008, 6

microfinance.[14] Only in the last ten years have there been studies published discussing some aspects of how it works in practice. These aspects, such as how group types impacts loan recovery, are mainly concerned with the bottom line to the institution, not to the livelihoods of borrowers.

In spite of the precarious claims made of microfinance in developing countries, some scholars and many practitioners have begun to extend them to contend that microfinance is an important instrument for peacebuilding.[15] Nevertheless, citizens of such localities are learning whether and how it might work as a tool for rebuilding, based on very broad, general assumptions. However, while microfinance might not work as straightforwardly as we are told, due to complications, it may do other things for its users, sellers, and intermediaries.

"We only know when individuals get the loans; we don't know anything beyond that. After that point, we only know them as a group."

—Manager of a large microfinance institution in Juba

This endeavor elucidates the ways in which those newly migrating out of forced displacement make sense of microfinance while transitioning from unique economic cultures to another that is vastly different, and being redefined every day. The data collected were not portfolio size and repayment rates that were discussed above, but instead lived experiences in the form of interviews and narratives. Responses were solicited by open-ended questions about personal finance choices, perspectives of financial possibilities in Juba, and the market transition in general. Between 2008 and 2009, I observed daily activities at a microfinance branch, including disbursements and repayments current clients. I accompanied field officers on client home visits, "outside" marketing events, and spent time in local businesses to facilitate

[14] See Nagarajan 1997 and Doyle 1998
[15] Sheehan 2003, for example

interviews with Juba residents that were not affiliated with microfinance institutions. I used narrative analytical methods, including semiotic cluster and square analyses.

The microfinance industry in Juba is burgeoning rapidly, as is the town itself. The impetus for microfinance outreach in the south is strong. Four major microfinance institutions operate within Juba's state, Central Equatoria, and two others operating in other states. They serve approximately 20,000 clients in Juba, estimate they have reached about 5% of the Juba area market, and intend to expand outreach to the rest of the target market.[16] The products offered by MFIs in Juba are: salary loans, group loans and individual loans. Salary loans are mainly offered to employees of the government and some internationally renowned NGOs, to supplement income between pay periods. Group loans, also called working capital loans by institutions or solidarity loans in the literature, are for small businesses. They are group guaranteed and do not require collateral. The vast majority of borrowers in Juba utilize this type of loan service. Individual loans are for people with small-to-medium sized enterprises through what is called progressive lending. Larger amounts of capital can be lent once an established person has successfully repaid a given number of group loan sequences.

Juba borrowers mainly run informal enterprises, which is ordinary to the industry worldwide. Extraordinarily, in Juba, business types are 68% Trade, 15% Agriculture and 11% Manufacturing.[17] This is of considerable interest, because it is an inverted composition from the usual micro-entrepreneurship climate, in terms of rates of trade compared to agriculture and manufacturing. Since there is so little infrastructure in Juba, most businesses revolve around reselling of imported goods. What this means in practice, though, is much different from most

[16] Proportion estimated from 8.5 million Southern Sudanese whose income levels qualify them for services.
[17] Atil 2009, citing BRAC SS December 2008 figures

microenterprise projects, which tend to focus on small-scale local agriculturalism and production.

> For the countries starting just coming out of the war, economically it will be very difficult. And life will be very difficult. But generally, people are recovering. If you compare to the situation of the war, because in the war there were so many people who were just fearing.
>
> —*Sudanese repatriate*

In Juba, local government agencies and a panoply of transnational non-governmental institutions work to smooth the economy's transition. There have already been many iterations of Juba's economic reformulation in the few years since peace came. Institutions working to establish peace are many and sometimes competing. For example, city planning interplays with market accessibility. Markets were moved to provide space for a thoroughfare construction project, resulting in last-minute evictions of vendors from their places of sales. One microfinance branch manager noted of the challenges, "So you will find that most of the markets have been demolished and most of our clients also are forced to relocate. Because definitely, they just kick you out and you have to find your way."

Another development challenge, of particular importance to micro-enterprising, involves changing central banking policy. Businesspeople, microfinance borrowers notwithstanding, incur losses in each cross-border transaction, currency exchange, and cash transfer. Since microfinance clients primarily have businesses importing and reselling from neighboring countries, this problem is nearly universally experienced in the sector. An experienced microfinance field officer noted, when asked about the most common client grievances, that,

> 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. You must convert actually the 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—it comes up when we have meetings with them. It's affecting them in one way or another—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.

At this point, microfinance institutions are unable to mitigate this complex operating problem due to the limits of the central bank's monitoring international monetary standards, and changing flows of desired currencies. Therefore, the onus of these transfers and projected losses in exchange is on the clients.

Though borrowers experience struggles such as these, they cope with them in ways that are not anticipated in the current literature. Entrepreneurs can be informally categorized by what they did during the war compared to nowadays. Many Juba residents are embarking on new enterprises, essentially recruited to market vending work through the availability of loans. Resale in the market is a pathway for people unable to acquire their normal or preferred modes of wage work are converting to as an interim way of making money. One micro-entrepreneur operated a small tea and shisha smoke shop. Esther had lived in Juba her whole life, never outside. I asked her if she thought things changed had in Juba's market since the Comprehensive Peace Agreement. She replied,

> Uh, somehow I'm just, because I'm making a small business, I don't know how it's going. I'm here also during the war, making some small business, this one. I'm making this business making tea and something else.[18] But I'm making a hotel also. With my loans. Yeah it's new.

Though Esther has lived in Juba for the whole war, she is new to microfinance. She has been a member for two months. She is not only using the loan to continue running her shop, but also using her loans to open a hotel—an ambitious endeavor. Another borrower, Michael, turned

[18] The "something else" could be nothing but the smoking tobacco. There was nothing else in her stall. I later pointed to it and she nodded, yes, that she was selling it.

to microfinance to open a vegetable stall at the local market, since he could no longer work in the health industry like he had while in exile.

Others, alternatively, can carry out the same line of work they did during the war years; such borrowers long operated businesses in town. For example, Brenda, with whom I spoke at an institution branch, explained that, “Before peace came in Sudan, I was working in the market, here in Juba. Selling these wild vegetables.” When I asked her about what she did with her loan and how she got products, she replied, “[I] was buying them from other farmers. I’m doing the same thing.” Those that were already selling imported goods in the market—food and small household goods in particular—are still involved in the same enterprises. In that way, microfinance helps provide continuity for the few people that remained in Juba during the tenure of the war.

Thus for both groups, the new financial market in Juba provides returnees a transitional form of income. But the landscape of resale enterprising is not the same as it was during the war, and these groups experience them differently. A new market sector of importing goods from distant manufacturing and port cities has opened as well. Clients that remained within Juba town utilize microfinance as a method of maintaining what they had been doing for income during the conflict period. Their loans are used to smooth the transition to what is now a more complex economy.

Those who ran businesses in town during the war note the newfound challenges of business operation in Juba since the 2005 CPA. Among the most cited examples are increased competition, lowered profit margins, varied wholesale prices, and varied resale pricing possibilities. Though there are benefits to the peace, there are also downsides for this population.

Respondents deal with increased competition in the marketplace due to the massive in-migration of returnees joining the market. Moreover, Africans from countries other than Sudan have come to capitalize on the high demand for imported goods. The latter group in particular is characterized as having access to large amounts of investment capital prior to entry to Southern Sudan and for being well networked in regional state capitals, typically operating from their own countries. Together, these forces are making the businesses that microfinance aims to work with less competitive.

Now that the region has opened wider to trade this new competition with larger wholesalers, as respondents frequently say, success requires greater effort on the part of those small business owners that microfinance providers target. In that way, the surge of incoming market participants actually increases the volatility for those that had more or less operated under consistent conditions through the war. Christine shyly elaborated,

> Since the peace came after the signing of the peace agreement, there are still some challenges I am facing. Like you find right now in the market you find there are many competitors and once you take your products there you may find some steep competition from the other competitors, but still at the end of the road you have to strive among them so that you can also achieve what you want.

In light of the increased competition, micro-business owners experience smaller profit margins than before the economy opened. This rule of classical economics should come as no surprise; competition tends to result in lowered prices. But the rule, in this case, does not work across the board. Brenda explained that, "Since the competitors are many, when I go down to the market, maybe in a day in the end I maybe get benefit of 5 or 10 pounds. However at times when the market is good, the turnover is good, I can even go up to 20 pounds." Although wholesale prices are generally higher than during the war, the sales and in turn profits made by clients are not disposed to equivalent markups.

Another market vendor, Paul, noted that, "When I sell it sometime I get a little bit of money. I get less even if I sell more." He posits that more effort is necessary to make less money than before. He expels more effort to sell, but he does not earn as much as he used to. But, he points out, there is a contingent step between his selling and his income, or what he can "get." Implicitly, he reveals that sometimes he does not sell more, make the sale, or does not turn a profit at all.

Moses pointed out a similar dynamic. Profits are lower than what they used to be and even then, the possibility of reaping that comparative marginal profit is beyond his control. "I'll make ten Pounds a day. You cannot get up to 25 Pounds a day. When I finish maybe I'll get a benefit of five or six pounds." He likewise pointed out that not only is he not making the 25 Pounds that he used to, he is unable to make more than ten Pounds. But even still, his income from his sales averages five to six Pounds daily. The income possibility is lower than before and uncertain.

Whereas, in "normal" microfinance sector contexts, a client might anticipate a 20-32% profit margin[19] wherein goods are produced and wholesale goods are available, here, we are seeing 5-11%.[20] Thus, the amount of capital provided by a microloan in Juba's market is insufficient to earn at the expected rates of return, when personal accounts of productivity are assumed constant, as compared to when the market was relatively closed and both supply and demand were much more static. But nevertheless, the alternative, not using microfinance to supplement the transition, is seen as impossible for seasoned market vendors.

Borrowers repeatedly relay challenges related to the fact that prices vary. In fact, many find that they are not sure what their price indexes or averages are over time. Prices are not set;

[19] Based on surveys I did in a non-post-conflict Ugandan case study in 2007.
[20] Based on the maize and dura figures shared by respondents in this study.

they vary as often as each transaction. The price dependency happens twice for each sale for each person—once when making purchases and again when making final sales to each customer.

Microfinance clients explain why wholesale prices fluctuate as follows. One noted that, “When you go to shop and they raise money. The money is increasing right now.” The prices on wholesale goods are increasing. Prices are seen as raised by the wholesale dealers. Some wholesale prices morph due to large shipments at varied times. Resellers explain that costs of other goods can differ due to port of entry, distance traveled to Juba, petroleum price shifts, and other costs that occur with transport, such as rates levied by transporters. Almost always, the variance slants toward increased prices. Rising petrol prices are the most cited reason. Occasionally a large shipment saturates the market and the latecomers reap the benefit of lowered prices of remaining goods. Because demand for most basic goods is inelastic, and there are so many consumers seeking to purchase in Juba, prices are fairly non-negotiable.

Below are three scenarios of clients dealing with the changing prices. Note that when referencing the price of the goods they acquire, they employ descriptors such as “about” and “maybe.”

> The prices have gone up. So when, those days when they used what? To buy bundles of the wild vegetables at maybe 35 Sudanese Pounds, but now since prices have gone high in the market, at times a bundle you can get about 50 Sudanese Pound or about 70 Sudanese pound. The same is applied to okras. The rate is increased how much you could get of it.

In Brenda’s experience, the cost of okra is 70 to 100 percent higher than before the opening of the market. Not only is that a massive price swell over the course of five years; that is a range of 30 percent. A price difference of 30 percent depending on availability—which can turn on a daily basis—is not abnormal. With reason, she explains that the same goes for okra. Another client selling vegetables noted a 60 percent price increase specifically in tomatoes.

Interestingly, though, she points out how the available supplies have increased, and by so doing, implicitly points to her way of staying ahead of these market dynamics.

Kenneth, a client who also sells vegetables in the market, sheds light on one reason he is told inflation is happening: alternating importing hosts. He was emphatic in effort to explain his experience nowadays, saying,

> I want to talk about what? About the market situation. Now really things are so, the prices are so high in the markets and these agricultural products are coming from Uganda. Like when those products from Khartoum like the onions like when they have not arrived here, those ones coming from Uganda maybe you will buy about 75 Sudanese Pound per bag, yes so those are the differences in the situation in the market.

Products come from altogether different locations; when a new border checkpoint is opened and transporters are made friendly, a new supply opens. Immediately following the peace agreement, goods came from Juba and Kampala and were primarily moved from Uganda via Nimule road pass. As time passed goods originating in Dubai and Nairobi came, following that original lengthy route. More recently expedited routes directly through western Kenya have opened, despite the fact that they frequently suffer closures due to insecurity. Supply from Northern Sudan has flowed and waned since the Peace Agreement in accordance with border crossings' security. Needless to say, the shipments from different regions do not work in concert. There are also, common to any trade routing cycle worldwide, seasonal variations for goods in the neighboring countries' climates. Another client, James noted, "That's from Juba within here. And some other even we get from those who come from Uganda. They bring it for us. And also we can get *dura* from Northern Sudan, Khartoum. Then we buy it in the town here." Though difficult, keeping abreast of import shipments is a way borrowers work to keep their costs down.

While the above borrowers use microfinance to cope with the transforming economy, many others that had not worked market businesses prior to the CPA are now turning to the microfinance industry as a way to make due until they are able to either return to what they were doing during the war, or until they can do what they believe they should be doing in their native land, but were unable to during war. When I asked one client what he would do if he had not converted to vegetable sales using microfinance, he replied,

> Anyway, before microfinance or if I didn't have microfinance I can even… now the problem is we are agriculturalist people. We are supposed to do plow ourselves but the problem sometimes rain comes and sometimes we cannot get to go out. And I'm somebody's who's um, since government and police, I cannot be able to go out.

This snapshot reveals how, microfinance is a transition to what many Southern Sudanese envisage they intrinsically should be doing: agriculture. Other respondents stated things such as, "it's so shameful" that vegetables are imported when the soil in the south is ideal for it. These returnees, for various reasons, see themselves as unable to participate in their idealized workforce. In that way, microfinance represents a segue to "real" life. The logic presumes that they do not have the resources to manage their former, normative or expected way of life. Indeed, their status quo and opportunities have changed.

Finally, several behaviors and narratives were recorded among all clients. The commonality is actually a lack of commonality between them; individual priorities and habits varied between users. No clear trends existed when comparing any of the sample groups identified in Juba. Each client uniquely prioritized received loan capital. Each set aside money for repayment, personal/family use, and investing into business differently. I will highlight three below.

Brenda, the okra vendor who was frustrated by the new competition in the vegetable market, explained that, "I get the microfinance and sell the wild vegetable. The little money I earn from there, some parts I reserve for repaying the loan and then another one goes for feeding, then at all if the reserve is there, some goes aside for building maybe huts and paying maybe children's school fees." From her narrative, we can follow her strategy as follows:

Business investment →Income →Repayment reserve→ Food → *if extra then* → Building *or* School

Brenda might be called the "ideal" microloan borrower. She sets aside her repayment first, just as MFI officers told me they instructed. She next prioritizes basic needs, food specifically. After that, she determines if there is remaining money and if there is, then allocates it toward things she remunerates as secondary needs, like housing and her children's education.

Esther, the teashop owner, explained her use of the loan; "If I get some then keep for myself, and then I use it for sell for work. Then I pay the money back for microfinance."

If get then → Personal Use → Purchase Business Supplies → Business Earnings → Repayment Reserve

From the outset, Esther describes that her access to loans is not assured. If she does receive her loans, though, she utilizes the money by firstly setting aside for herself and subsequently for purchasing supplies for her shop. She did not clarify what she meant by keeping the loan for herself, but implicitly this can mean either personal items or money for personal use. Regardless, this practice is out of step with business input. She uses remainders to repay her loan, unlike Brenda who set the payment aside at the beginning of the process.

Both Brenda and Esther point out that these are their ideal strategies, but are still prone to interruptions. In spite of their respective straightforward divisions of loans from receipt up to repayment, they are still bound to a reality that might not allow "extra" for the special purposes they aspire. Both understand that commerce and banking are not assured.

James, the vegetable vendor in the market was equally sure of his loan's trajectory as the other two women. He also described its trajectory as less feeble to interruption than did they. He explained, "I can just get the little one that I get and then I can help my family and the other responsibility one also in the part."

Loan disbursement → Family needs → Loan Reserve

Throughout my time with James, he described his appreciation for microfinance because of what he can do for his family. Unsurprisingly, when responding to this question, his family responsibilities appear as his first-ordered priority. His income supports his family before the repayment responsibility, "the other repayment" he references.

Through their expenditures, borrowers exhibit hierarchical ordering of preferences and those hierarchies vary by individual. Because of the small sub-sample size in this study and the shortcomings of other case studies, there are still no clear trends about the long-term impacts of these behaviors. In any case, the point is that trends do not exist. The data yielded through client respondents was notable for diverging from the literature's themes primarily grounded in widespread institutional level data.

In sum, people living in Juba relay competing notions about what microfinance is and how to make it work when confronting an extraordinary economic landscape. People using microloans for different income-smoothing techniques—either as a new venture when former ways are not viable or to continue the same ways in the transforming economy—meet the challenges of Juba's new economy in different ways. Findings like this complicate the overstated "success" narratives of repayment rates and proxy indicators.

The literature suggests that microfinance creates jobs and income in to ultimately get clients out of poverty. Seasoned entrepreneurs who are new to microfinance reported that the microloans were only sufficient to help them meet the newfound challenges of the economy due to the fact that enterprises are not as fruitful as before the markets opened. They are working harder than during the war to maintain (if not lose by comparison) their previous income levels. They are not increasing their incomes. Microfinance mobilizes capital for people who already had enterprises, but it is not enough to lift people up from poverty, nonetheless expand sufficiently to hire others and create new jobs.

New borrowers primarily utilize microfinance transitionally to get back to doing what they really want to do. Some use microfinance to start businesses until they get back onto their farms and others in between professional job offerings, like the healthcare practitioner. But using the loans to float until they can return to their primary means of income generation is different than using them as a way to get out of poverty. At most, we can say that microfinance is helping them remain out of poverty, but not surmount it. So, while the data do not speak to a revolutionary spurt out of poverty, it does show how microfinance works to stabilize income streams.

The literature further that presumes clients take out loans, use them exclusively for their businesses, repay them in a straightforward fashion, and invest profits to get them out of poverty. In contrast, this essay shows that borrowers use their loans in unique ways. Moreover, their practices point to the profound influences that guide local economic decision-making in a uniquely post-conflict economy. In that way, respondent practices work toward aims that are unanticipated in neoclassical economic theorem, and what is more, in the simplified microfinance industry’s claims.

Borrowers earmark their loan money uniquely and by doing so, complicate assumptions in the literature that loans are received and spent discretely. Specific examples cited here include sending portions of loans as remittances and for family demands rather than the business. The individual earmarking illustrates some social prioritization over economic sustainability. Whereas microloans are intended to be injections of borrowed capital to small businesses, some users take advantage of their ability to divert the funds toward their broader definitions of capacity, to things like family support and other less liquid assets that users find valuable to their personal economic security. Specifically, they fail to corroborate the assumptions that their actions aim to maximize utility, or make sustainably minded decisions under conditions of extreme financial depravity.

The reasons behind Juba microfinance borrowers' seemingly suboptimal decision-making—as understood by the microfinance industry's rubrics—are not answerable at this point. Although one might presume that the methods of earmarking observed in this case study work against conventional individual economic wisdom, it is also possible that they work toward lasting investments not hitherto noticed. Perhaps socially minded investments, like children's education, for example, outweigh immediate business expenditures in the long run.

Nevertheless, the data does not explain why borrowers do what they do; it just shows that they do it. If microloan money functions as something other than rational, then a few considerations need to be made. Future research must employ methods that seek out the nuances. Other studies should advance upon my methodology to get at richer understandings of what will come of unanticipated loan uses over the long-term, and compare the different samples identified by participants, to understand the impacts of access by these new categories of clients. Furthermore, microfinance institutions need to consider the nuances of each context in which they implement microfinance programs, be aware of the different behaviors by various divided groups of clients, and follow through with research that informs the impacts of the loan to borrower's quality of life, and not simply repayment rates.