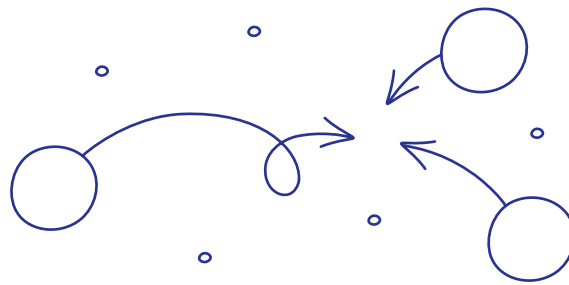


# ROTATING SAVINGS AND CREDITS ASSOCIATIONS

How to cultivate an empowering and collective relation to money?

How to save and lend money when you don't have access to a bank account?



How do we do banking more inclusively, consciously and cooperatively?

Caroline Shenaz Hossein, PhD is Associate Professor at York University and is the Founder of the Diverse Solidarity Economies who examines cooperatives, mutual aid and ROSCAs for a decade and has worked internationally for 16 years on financial development services in the Global South. Ginelle Skerritt is a community practitioner working on poverty alleviation issues at The Neighborhood Group and the Banker Lady of a series of Susu banks in Toronto, Canada.

## What is a rotating savings and credits association, or ROSCA?

Caroline Shenaz Hossein: A ROSCA is an informal cooperative rooted in mutual aid, trust and reciprocity, and it is a way for ordinary people to save and lend together. Within a ROSCA members voluntarily come together to build up savings or make loans without the mediation of conventional banks. Members agree on a fixed contribution on a cycle for a specified period of time. Generally the group size varies and this depends on the group dynamics. Members decide the specified period of the ROSCA and each member will receive a payout day. A pay out day is when the pooled money for that cycle goes to one specific member in turn. The official academic term is ROSCA however there are a lot of local

names for this kind of money pooling system. Some of the names people use in the African diaspora include: Susu, Hagbad, Boxhand, Partner, Tontine, Caixinha, and Sol. ROSCAs are about doing banking more inclusively and equitably for groups of people who would otherwise be left out.

Black minorities in Canada, US and Europe are often excluded from the commercial banking system due to systemic racism, and accessing loans for starting a business, buying a house or for a car purchase can be complex. The ROSCA system is a way to combat exclusion because people in neighbourhoods can help one another meet livelihood needs. In the specific case of the Adinkra Farm Susu, this is a group made of mostly Black women who choose to bank through a collective, a people focused device. The ROSCA system is not just about finance, it is about mutual aid and helping excluded people. ROSCAs are about the social interaction: the comradery that members can rely on. The Banker Ladies who organize money pooling systems do so because they know that life is more than about making money.

## How are ROSCAs/Sususes embedded in people's lives?

Ginelle Skerritt: Susu has been a part of my life since childhood. I first remember Susu from my grandmother and aunts, and ancestors: hearing whispers about Susu and listening to the meetings, seeing the

## GROUP/ACTORS

Many small informal cooperatives. People come together voluntarily with an intention to ensure reciprocity, most members know each other and sometimes they do not necessarily know each other. The number and the location of people varies, can be anywhere from 5 to hundreds of people in a group. This specific Susu discussed had 10 people in a group.

## GOVERNANCE

Is an informal credit associations, formally known as rotating savings and credit associations (ROSCAs) with Banker Ladies and the users of a ROSCA. With the aim of sharing money with a rotating savings system. People agree on a fixed periodic contribution for a specified period of time. Someone in the group must vouch for a member. Regular bi-weekly meetings to pool and pay out money. Meetings are sharing days for information and social interaction.

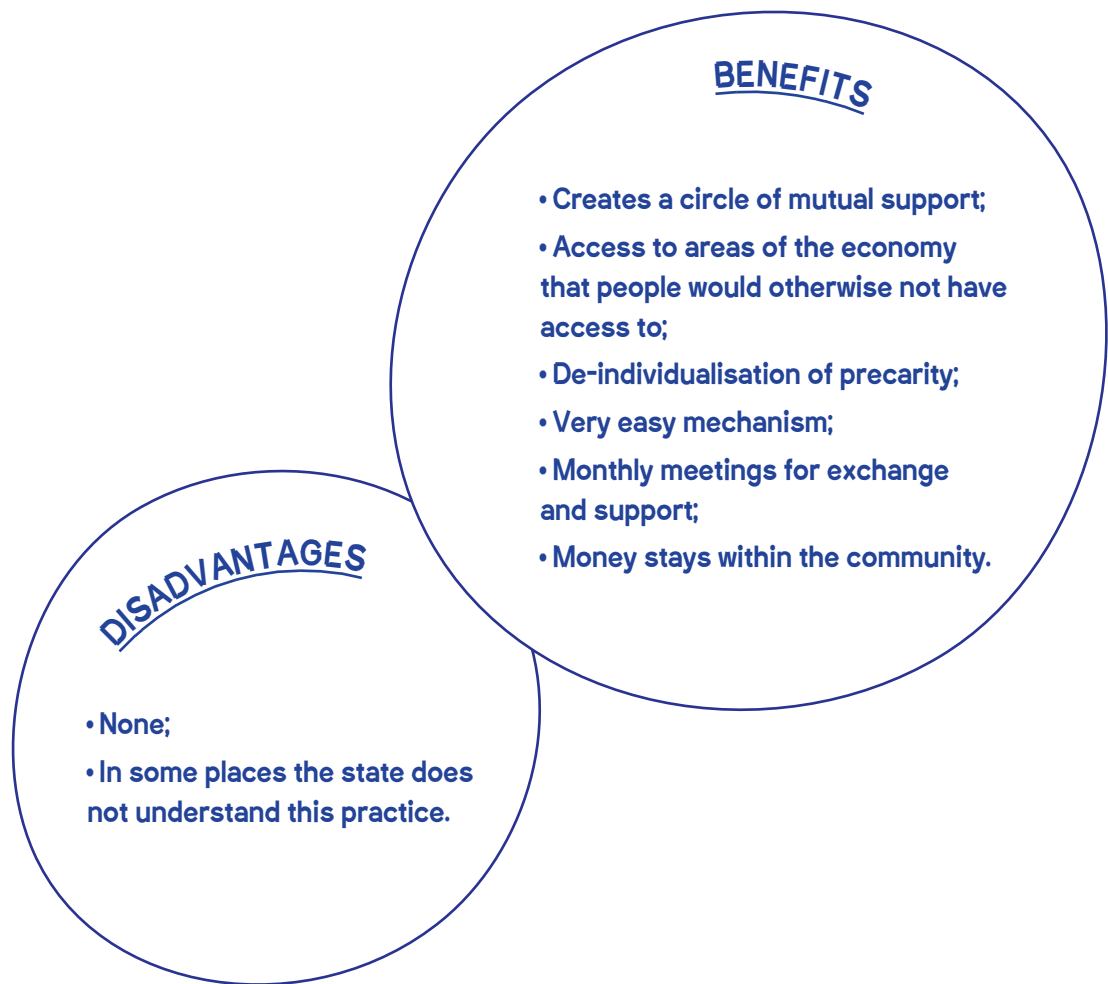
results coming to fruition. Today where I am now in my life I am running Adinkra Farm with seven Susus and this helps me to engage with my community. The Susu is what made my way to Toronto, Canada, and this was seen as a huge step for our family.

I was born in Trinidad Tobago. My grandmother was widowed in her thirties and she relied on Susu, working collectively, owning a Roti Shop to support her family. I grew up in this atmosphere. The whole idea of doing things together and moving forward together as a community is something that has been ingrained in me from my grandmother who raised me. So she came to Canada on Susu money, because it was a huge airfare to afford for myself, my brother, my grandmother. My mom and dad had come the year before. What I was told when I was young is that we came to Toronto, Canada, for the education. I always like to think we came to Canada for Santa Claus and winter, because they were always fantastic. But I realise now that Susu contributed to that experience as well, because I remember one of my very first memories when I was about four years old: my very first Christmas experience in Canada.

What I didn't realise is that it was the Susu money that bought me my first bike. Later I learnt how to run the Susu from my mom. My parents divorced when I was about thirteen. At the time Canada was still a very patriarchal society and although my mum was the breadwinner in the family, she could not do anything with the money in

the bank without her husband signing the papers. So when it was time to buy a car to help manage daily life, the money that it took for a down payment she had to pool through a Susu. There were some women that she was pooling money with, who were also from the Caribbean: they would come to our place, have meetings and exchange money. But they also cooked food, sat together around the table and chatted about life. It was all very social and seemed very secretive and things that big women did.

I was the first female in my family to go to university, I had to face the huge student debt. So when I graduated and had to pay back the debt, I ran a Susu to get it done. That was my first Susu, which I ran modeled on the same principles that my mum did, though my mum and her group used cash, while we 'graduated' to use checks. I would collect all of the checks from everyone after they had chosen their dates and I would put them in an envelope and send them back by mail. In this method, at the beginning of the Susu period you got all of the checks that were dated for your particular pay out date. For myself the purpose of the Susu has over time morphed away from personal use, such as repaying the student debt, traveling and vacation, to seeing it as an important way that we could come together as a community and build trust and pool resources, to advance the economic future of ourselves as the Black community. With the Susu a lot of what we do is to share information



of how we use money, of what banks we use, how we deal with mortgages, how we keep expenses low.

Caroline Shenaz Hossein: ROSCAs are about trust and reciprocity among a group of people. It is also about using resources that people already have access to in the community they know and tapping into it. At the very core of the Black social economy is the informality of cooperation, the ROSCA system. A ROSCA system is focused on knowledge making and practice that is from within a group of people who know first hand what it means to be excluded and why coming together to cooperate matters. This idea of cooperativism is really important for the African diaspora. ROSCAs have a legacy that sustains us, and that goes beyond what money can do for our own emancipation.

### How does a ROSCA/Susu work in practice?

Ginelle Skerritt: Currently at Adinkra Farm, we have six groups running, each made up of approx. 10 people. We started the twenty-ninth of May and we go on until October the second. We are running for twenty weeks, every other week there are ten hands. For example, a person in the Susu gets a pay out day, she would receive \$100 from each of the nine members with a total of \$900. She is the tenth person and this brings the total to \$1000. With the money people get on their pay out day they travel, purchase things or invest in their Registered Retirement Savings Plan (RRSP).

Today in the Adinkra Farm Susu, we now have about sixty-five people participating and in that twenty week period we have about \$65,000 that are circulating in the community. It is also valuable to note that building trust between members is important, but it also creates a space to discuss issues, and to talk about politics, the school system, your husband. That's the mechanic of it and the impact this has on the economic strength of our community is exciting. It starts with helping each other with money but actually it's a lot more about comradery, coaching, friendships, good food and tea. Through the Susu people start to think differently about what we can do and what we are capable of. It builds confidence in people and enables us to think about money as a tool rather than as something that is oppressive when you don't have it. Moreover, if someone wants to join the Susu but can't raise the set amount for every payout day, we work on teaming them up with someone who can take half of their hand – so two people would for example pay \$50 each hand. Sometimes I also ask my mum or others who want to support the community to act as a placeholder, who comes into the Susu or who takes two hands to keep the Susu moving.

### What difficulties are ROSCAs facing?

Caroline Shenaz Hossein: In mainstream economics, ROSCAs are invisibilized. The social economy can be an all too containing place that maps out spaces

# AN EXAMPLE OF A SUSU SYSTEM

①

## HOW TO START

A Banker Lady gathers members, say 10 people.

②

## HOW LONG IT TAKES

Around 20 weeks.

③

## RESOURCES

Each person contributes between 25\$ and 100\$ every two weeks. Banker Lady keeps overview.

④

## USEFUL CHOICES

Start small.

where people are interacting with the state and the private sectors. What happens when racism and systemic bias takes hold of the economy? From there comes the need to push forward the idea of a politicized and conscientious economy, an economy rooted in solidarity to push for chance through the collective. This concept is what has been coined as the Black Social Economy – as a way to rethink civil society as a space where people make use of systems of mutual aid and take initiative on their own terms in a politicized way to bring social change. Long gone are the days of polite and safe forms of collectivity and co-operation.

This is also about acknowledging that some forms of cooperatives such as ROSCAs need to be informalised – it is where targeted people seek refuge. In Canada, ROSCAs are not getting support from the government even though the Banker ladies do so much to build a cohesive society through self-help. In other parts of the Caribbean and the Global South where we see the African diaspora, people revere ROSCAs and informality because of the contributions it makes to a caring and more equitable economy. Instead in Canada, ROSCAs largely practiced by Black and racialized people are stigmatised. The Banker Ladies have to deal with their financial goods being confiscated because people do not know the value of these money groups. This is why hundreds of Banker Ladies in Canadian society hide what they do when it actually builds of a legacy of cooperativism. We hope that

my sharing more about ROSCAs and the value of informality of cooperation – especially during the COVID-19 pandemic – that we will start to value these very ancient African traditions of collectivity.

Further links and references:

- The Banker Ladies (film). 2020. Films for Action. <https://www.filmsforaction.org/watch/the-banker-ladies/>
- Hossein, Caroline Shenaz. 2018. The Black Social Economy in the Americas Exploring Diverse Community-Based Markets. Perspectives from Social Economics. New York: Palgrave Macmillan.
- Adinkrafarm: <https://adinkrafarm.wordpress.com>