

## CHAPTER ELEVEN

### *Microcredit: The Financial Revolution*

It is impossible to realize our goals while discriminating against half the human race. As study after study has taught us, there is no tool for development more effective than the empowerment of women.

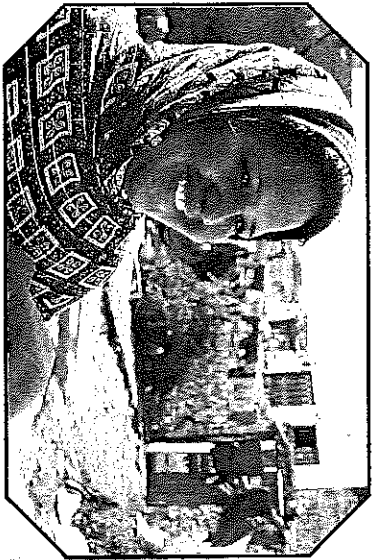
—KOFI ANNAN, THEN UN SECRETARY-GENERAL, 2006

Saima Muhammad would dissolve into tears every evening. She was desperately poor, and her deadbeat husband was unemployed and not particularly employable. He was frustrated and angry, and he coped by beating Saima each afternoon. Their house, in the outskirts of Lahore, Pakistan, was falling apart, but they had no money for repairs. Saima had to send her young daughter to live with an aunt, because there wasn't enough food to go around.

"My sister-in-law made fun of me, saying, 'You can't even feed your child.'" Saima recalled. "My husband beat me up. My brother-in-law beat me up. I had an awful life."

Sometimes Saima would take the bus to the market in Lahore, an hour away, to try to sell things for money to buy food, but that only led her neighbors to scorn her as a loose woman who would travel by herself. Saima's husband accumulated a debt of more than \$3,000, and it seemed that this debt would hang over the family for generations. Then, when Saima's second child was born and turned out to be a girl as well, her mother-in-law, a crone named Sharifa Bibi, exacerbated the tensions.

"She's not going to have a son," Sharifa told Saima's husband, in front of her. "So you should marry again. Take a second wife." Saima was shattered and ran off sobbing. Another wife might well devastate the family finances and leave even less money to feed and educate the children. And Saima herself would be marginalized in the household, cast off like an old sock. For days Saima walked around in a daze, her



eyes red, and the slightest incident would send her collapsing into hysterical tears. She felt her whole life slipping away.

It was at that point that Saima joined a women's solidarity group affiliated with a Pakistani microfinance organization called Kashf Foundation.

Saima took out a \$65 loan and used the money to buy beads and cloth, which she transformed into beautiful embroidery to sell in the markets of Lahore. She used the profit to buy more beads and cloth, and soon she had an embroidery business and was earning a solid income—the only one in her household to do so. Saima brought her eldest daughter back from the aunt and began paying off her husband's debt.

When merchants wanted more embroidery than Saima could produce, she paid neighbors to work for her. Eventually, thirty families were working for Saima, and she put her husband to work as well—“under my direction,” she explained with a twinkle in her eye. Saima became the tycoon of the neighborhood, and she was able to pay off her husband's entire debt, keep her daughters in school, renovate the house, connect running water to the house, and buy a television.

“Now everyone comes to me to borrow money, the same ones who used to criticize me,” Saima said, beaming in satisfaction. “And the children of those who used to criticize me now come to my house to watch TV!”

A round-faced woman with thick black hair that just barely peeks out from under her red-and-white-checked scarf, Saima is now a bit plump and displays a gold nose ring as well as several other rings and

bracelets on each wrist. She dresses well and exudes self-confidence as she offers a grand tour of her home and work area, ostentatiously showing off the television and the new plumbing. She doesn't even pretend to be subordinate to her husband. He spends his days mostly loafing around, occasionally helping with the work but always having to take orders from his wife. He is now more impressed with females in general. Saima had a third child, also a girl, but that's not a problem. “Girls are just as good as boys,” he explained.

“We have a good relationship now,” said Saima. “We don't fight, and he treats me well.” And what about finding another wife who might bear him a son? Saima chuckled at the question: “Now nobody says anything about that.” Sharifa Bibi, the mother-in-law, looked shocked when we asked whether she wanted her son to take a second wife to bear a son. “No, no,” she said. “Saima is bringing so much to this house. . . . She's an exemplary daughter-in-law. She puts a roof over our heads and food on the table.”

Sharifa even allows that Saima is now largely exempt from beatings by her husband. “A woman should know her limits, and if not then it's her husband's right to beat her,” Sharifa said. “But if a woman earns more than her husband, it's difficult for him to discipline her.”

Saima's new prosperity has also transformed the family's educational prospects. She is planning to send all three of her daughters through high school, and maybe to college as well. She brings in tutors to improve their schoolwork, and her eldest child, Javaria, is ranked first in her class. We asked Javaria what she wanted to become, thinking she might aspire to be a doctor or lawyer.

Javaria cocked her head. “I'd like to do embroidery,” she said.

Saima is an unusually successful participant in the microcredit revolution sweeping the developing world. In place after place, markets and microlending are proving a powerful system to help people help themselves. Microfinance has done more to bolster the status of women, and to protect them from abuse, than any laws could accomplish. Capitalism, it turns out, can achieve what charity and good intentions sometimes cannot.

Kashf is typical of microfinance institutions in that it lends almost exclusively to women, in groups of twenty-five, who guarantee one another's debts and meet every two weeks to make their payments and discuss a social issue. Topics include family planning, schooling for girls,

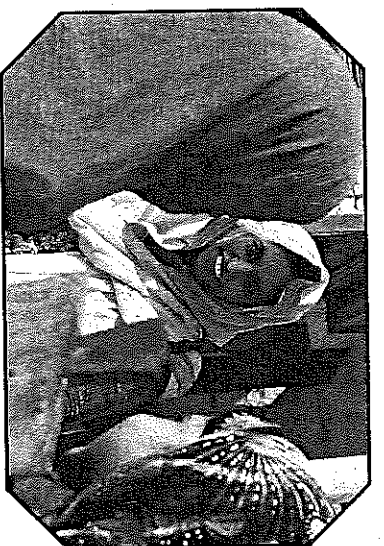
or *hudoon* laws used to punish rape victims. The meetings are held in the women's homes, in rotation, and they create a "women's space" where they freely discuss their concerns. Many Pakistani women are not supposed to leave the house without their husbands' permission, but husbands tolerate the insubordination because it is profitable. The women return with cash and investment ideas, and over time they earn incomes that make a significant difference in household living standards. Typically, the women start small, but after they have repaid the first loan in full they can borrow again, a larger amount. This keeps them going to the meetings and exchanging ideas, and it builds the habit of dealing with money and paying debts promptly.

"Now women earn money and so their husbands respect them more," said Zohra Bibi, a neighbor of Saima who used Kashf loans to buy young calves that she raises and sells when they are grown. "If my husband starts to hit me, I tell him to lay off or next year I won't get a new loan. And then he sits down and is quiet."

Kashf is the brainchild of Roshaneh Zafar, a Pakistani woman who sounds more like a banker than an aid worker. Roshaneh grew up in a wealthy, emancipated family of intellectuals who allowed her to study at the Wharton School at the University of Pennsylvania and later earn her MA in development economics at Yale. Many of Roshaneh's friends in Pakistan and at Wharton wanted to get rich, but she wanted to save the world, and so she joined the World Bank.

"I didn't want to create wealth for people who were already wealthy," Roshaneh said. "I thought I would go to the World Bank and make a difference. But it was like screaming against the wind. Everywhere we went, we would tell people to use better hygiene. And they would say: 'You think we're stupid? If we had money, we would.' I wondered what we were doing wrong. We had megamillion-dollar projects, but the money never got down to the villages."

Then Roshaneh happened to find herself seated at a dinner next to Muhammad Yunus, the ebullient Bangladeshi professor who much later won the 2006 Nobel Peace Prize for pioneering microfinance. Yunus wasn't famous then, but he was attracting interest in development circles for starting Grameen Bank, which championed loans for poor women. Roshaneh had heard stories of Yunus's success and quizzed him over dinner. He talked animatedly about Grameen's work, and it was exactly the kind of pragmatic grassroots effort that



Roshaneh Zafar, the founder of Kashf, with clients in a village (Nichols D. Kristof)

she yearned to join. So Roshaneh took a leap of faith: She quit her job at the World Bank and wrote a letter to Yunus telling him that she wanted to become a microfinancier. He promptly sent her an air ticket to Bangladesh. Roshaneh spent ten weeks there, studying the work of Grameen. Then she returned to Lahore and set up the Kashf Foundation that helped Saima.

Kashf means "miracle," and at first it seemed a miracle would be needed to make it work. Pakistanis told Roshaneh that microfinance was impossible in a conservative Muslim country like Pakistan, that women would never be allowed to borrow. In the summer of 1996, she started combing poor neighborhoods, looking for clients. Roshaneh discovered, to her horror, that women were reluctant to take money. "We went from door to door, attempting to convince women to start a credit relationship with us," she recalled. Finally, Roshaneh found fifteen women willing to borrow and handed out 4,000 rupees (\$65) to each of them.

Roshaneh brought in another dynamic Pakistani woman, Sadafie Abid, who had studied economics at Mount Holyoke College. Roshaneh and Sadafie made a striking pair: Well educated, well connected, well dressed, and beautiful, they prowled through poor villages looking to ordinary Pakistanis more like movie stars than anyone's idea of bankers. And for all their brilliance, Roshaneh and Sadafie ran into difficulties because they had no intimate knowledge of the poverty they were trying to defeat.

"We only had one hundred clients, and thirty of them were delinquent," Sadaffe remembers. Relentlessly empirical, focused on refining their business model, Roshaneh dispatched Sadaffe to be branch manager in a poor village. But even that proved difficult. "Nobody would rent to us, because we were an NGO [a nongovernmental organization] and an NGO full of women," Sadaffe said. Many Pakistanis also believed that no unmarried woman of honor would leave her parents' home and live on her own, so the Kashf women staff attracted leers and frowns. In later years, Roshaneh had to bend to reality and hire some male branch heads, because it is so difficult to find women willing to relocate to poor villages.

Roshaneh and Sadaffe spent their first few years tweaking the business model. Because delinquent loans were a problem, they began tracking loan payments daily rather than weekly. A loan officer began doing basic checking on a client's creditworthiness: Does she buy from the local grocery store on credit? Does she pay utility bills? But mostly the model depended on lending to a group of twenty-five women who would all be responsible if any one of them defaulted. That meant that those women did their own screening, for fear of admitting a weak link. Finally, Kashf had a system in which virtually 100 percent of loans were repaid in full—if not by the borrower, then by other members of the group. Kashf then began expanding rapidly, more than doubling each year since 2000.

Kashf also began offering life insurance and health insurance, as well as home improvement loans. Roshaneh wanted to require that legal title to the home be transferred to the wife before the home improvement loan could be extended, but transfer of title in Pakistan turned out to require 855 steps and five years. So instead, Kashf requires the husband to sign a document pledging that he will never evict his wife, even if he divorces her.

Roshaneh was selected to be one of the early Ashoka Fellows, working with Bill Drayton. That put her in touch with other social entrepreneurs around the globe, building connections and exchanging ideas. By 2009, Kashf had 1,000 employees and 300,000 clients and was aiming for 1 million clients by 2010. Roshaneh cultivated a cadre of skilled female managers, with management training programs and sessions drilling staff in the "seven habits of highly effective people."

Kashf also started a bank, so that it could accept deposits as well as make loans. People usually think of microfinance in terms of loans, but

savings are perhaps even more important. Not all poor people need loans, but all should have access to savings accounts. And if the family savings are in the woman's name, and thus in her control, that gives her more heft in family decision-making.

An in-house evaluation concluded that by the time the borrowers have taken their third loan, 34 percent have moved above the poverty line in Pakistan. A poll found that 54 percent said their husbands respected them more, and 40 percent said they had fewer fights with their husbands over money. As for the sustainability of the underlying business model, Roshaneh says crisply: "Our return on equity is seven and a half percent."

While microfinance has been exceptionally successful in parts of Asia, it remains an imperfect solution. Women's microbusinesses grow more slowly than men's, according to some studies, presumably because women are supposed to work from home and look after children at the same time—and these constraints also make it difficult for women-run businesses to graduate to a larger scale.

Moreover, microfinance hasn't worked nearly so well in Africa as it has in Asia. That may be because it is newer there and the models haven't been adjusted, or because populations are more rural and dispersed, or because the underlying economies are growing more slowly and so investment opportunities are fewer. Poor health and unexpected deaths from AIDS, malaria, and childbirth also create loan delinquencies that undermine the model. And the "micro" refers to the amount of the loan, not to the interest rate: It's expensive to make small loans, and so borrowers often must pay annual interest rates of 20 or 30 percent—a bargain compared to commercial money-lenders, but a level that is horrifying to Americans or Europeans. The interest rate is fine when the money is pumped into a profitable new business, but if the money isn't invested soundly, then the borrowers become trapped in mounting debts. Then they are worse off than before—and we've heard of that happening to women in Kashf's programs.

"Microfinance is not a panacea," Roshaneh says. "You need health. You need education. If I were prime minister for a day, I would put all our resources in education."

Not everybody can walk away from an international financial career like Roshaneh and Sadaffe and start an institution like Kashf. But absolutely anybody can join them in arranging microloans to needy women like Saima—by going to a Web site, [www.kiva.org](http://www.kiva.org). Kiva is the

branchchild of a young tech-savvy American couple, Matt and Jessica Flannery, who visited Uganda and saw the power of microfinance there. They knew that Americans would like to lend if only they knew the recipient, so Matt and Jessica thought: Why can't a Web site make the connection directly? That's when they started Kiva. If you go to the Kiva Web site, you see people all over the world who want to borrow to finance small businesses. Those would-be borrowers are vetted by a local on-the-ground microfinance organization.

A donor funds a Kiva account with a credit card, and then browses among the possible borrowers on the site to figure out to whom to lend money; the minimum loan is \$25. Our own Kiva portfolio at the moment consists of loans to a pancake saleswoman in Samoa, an Ecuadorian single mother who has turned part of her home into a restaurant, and a woman furniture maker in Paraguay.

One reason microloans are almost always made to women, rather than to men, is that females tend to suffer the most from poverty. Mortality data show that in famines and droughts, it is mostly girls who die, not boys. A remarkable study by an American development economist, Edward Miguel, found that in Tanzania, extreme rainfall patterns—either droughts or flooding—are accompanied by a doubling in the numbers of unproductive old women killed for witchcraft, compared to normal years (other murders do not increase, only those of “witches”). The weather causes crop failures, leading to worsening poverty—and that's when relatives kill elderly “witches” whom they otherwise would have to feed.

Another reason for making women and girls the focus of anti-poverty programs has to do with an impolitic secret of global poverty: Some of the most wretched suffering is caused not just by low incomes, but also by unwise spending—by men. It is not uncommon to stumble across a mother mourning a child who has just died of malaria for want of a \$5 mosquito bed net and then find the child's father at a bar, where he spends \$5 each week. Several studies suggest that when women gain control over spending, less family money is devoted to instant gratification and more for education and starting small businesses.

Because men now typically control the purse strings, it appears that the poorest families in the world typically spend approximately ten times as much (20 percent of their income on average) on a combination of alcohol, prostitutes, candy, sugary drinks, and lavish feasts as

they do on educating their children. The economists Abhijit Banerjee and Esther Duflo examined spending among the very poor (those who earn less than \$1 a day in some countries, less than \$2 a day in others) in thirteen nations. They found that these impoverished families spent 4.1 percent of their money on alcohol and tobacco in Papua New Guinea; 5 percent in Udaipur, India; 6 percent in Indonesia; and 8.1 percent in Mexico. In addition, in Udaipur, the median household allocated 10 percent of its annual budget to weddings, funerals, or religious festivals, often involving conspicuous consumption. Ninety percent of South Africans spent money on festivals, as did a majority of people in Pakistan, Ivory Coast, and Indonesia. Roughly 7 percent of the total spending of the poorest people in India's Maharashtra State went to sugar. Go to little village shops in Africa or Asia, and you'll see plenty of candy for sale, but rarely vitamins or mosquito nets. There's no precise data, but in much of the world even some of the poorest young men, both single and married, spend considerable sums on prostitutes.

Among the poor in Udaipur, people seem by any measure to be malnourished. Sixty-five percent of men have a body mass index that makes them underweight by World Health Organization standards. Only 57 percent of adults said they had enough to eat throughout the year, and 55 percent are anemic. Yet, at least in Udaipur, the malnutrition could in most cases be eliminated if families bought less sugar and tobacco.

In contrast to the profligate spending on sugar and alcohol, the most impoverished families on the globe appear to spend about 2 percent of their incomes educating their children, even though that is the most reliable escalator out of poverty. If poor families spent only as much on educating their children as they do on beer and prostitutes, there would be a breakthrough in the prospects of poor countries. Girls, since they are the ones kept home from school now, would be the biggest beneficiaries.

Perhaps it seems culturally insensitive to scold the poor for indulging in festivals, cigarettes, alcohol, or sweets that make life more fun. Yet when resources are scarce, priorities are essential. Many African and Indian men now consider beer indispensable and their daughters' education a luxury. The service of a prostitute is deemed essential; a condom is a fill. If we're trying to figure out how to get more girls in school, or how to save more women from dying in childbirth, the simplest solution is to reallocate spending.

One way to do that is to put more money in the hands of women. One early pair of studies found that when women hold assets or gain incomes, family money is more likely to be spent on nutrition, medicine, and housing, and consequently children are healthier.

In Ivory Coast, one study focused on the different crops that men and women grow for their private kitties: men grow coffee, cocoa, and pineapple, and women grow plantains, bananas, coconuts, and vegetables. Some years the "men's crops" have good harvests and the men are flush with cash, in other years it is the women who prosper. Money is to some extent shared. But even so, Professor Duflo found that when the men's crops flourish, the household spends more money on alcohol and tobacco. When the women have good crops, the households spend more money on food, particularly beef. Several other studies also suggest that women are more likely than men to invest scarce cash in education and small businesses.

In South Africa, one study examined the impact on child nutrition when the state pension system was extended to blacks after the collapse of apartheid. Suddenly many grandparents received a significant cash infusion (topping out at \$3 per day, or twice the local median income). When the pensions went to grandfathers who cared for children, the extra cash had no impact on the children's height or weight. But when the pension went to a grandmother, there was a major impact. In particular, the granddaughters grew significantly in both height and weight, and such girls became taller and heavier than girls raised by grandfathers. That suggests that if one purpose of cash transfers is to improve the health of children, it's better to direct the transfers to women than to men.

Half a world away, in Indonesia, a woman continues to control economic assets that she brought into a marriage. A study found that if the wife has brought more resources into the marriage—and thus has more spending money afterward—then her children are healthier than those of families of equal wealth where the assets belong to the man. What matters to the children's well-being isn't so much the level of the family's wealth as whether it is controlled by the mother or by the father. As Duflo says:

When women command greater power, child health and nutrition improves. This suggests that policies seeking to increase

women's welfare in case of divorce or to increase women's access to the labor market may impact outcomes within the household, in particular child health. . . . Increasing women's control over resources, even in the short run, will improve their say within the household, which will increase . . . child nutrition and health.

One implication is that donor countries should nudge poor countries to adjust their laws to give more economic power to women. For example, it should be routine for a widow to inherit her husband's property, rather than for it to go to his brothers. It should be easy for women to hold property and bank accounts, and countries should make it much easier for microfinance institutions to start banks. Women now own just 1 percent of the world's titled land, according to the UN. That has to change.

To its credit, the U.S. government has pushed for these kinds of legal changes. One of the best American foreign aid programs is the Millennium Challenge effort, and it has nudged recipients to amend legal codes to protect women. For example, Lesotho wanted Millennium Challenge money but did not allow women to buy land or borrow money without a husband's permission. So the United States pushed Lesotho to change the law, and in its eagerness to get the funding it did so.

It may be politically incorrect to note these kinds of gender differences, but they are obvious to aid workers and national leaders alike. Botswana has been one of the fastest-growing countries in the world for decades, and its former president, Festus Mogae, was widely regarded as one of Africa's most able leaders. He laughed when we suggested delicately that women in Africa typically work harder and handled money more wisely than men, and he responded:

You couldn't be more right. Women do work better. Banks were the first to see that and hired more women, and now everybody does. In homes, too, women manage affairs better than men. In the Botswanan civil service, women are taking over. Half of the government sector is now women. The governor of the central bank, the attorney general, the chief of protocol, the director of public prosecution—they are all women. . . . Women perform better in Africa, much better. We see that in Botswana. And their

profiles are different. Deferred consumption is higher among girls, and they buy durables and have higher savings rates. Men are more consumption oriented.

Some development experts hope to see more women enter politics and government, with the idea that they can do for their countries what they do for a household. Eighty-one countries have set aside certain positions for women, typically a share of seats in parliament, to boost their political participation. Eleven countries now have women as top leaders, and women hold 16 percent of national legislative seats around the world, up from 9 percent in 1987.

A former member of the U.S. Congress, Marjorie Margolies-Mezvinsky, has led a promising effort to get more women into governments around the world. In 1993, Margolies-Mezvinsky was a newly elected Democrat in the House of Representatives when the Clinton budget—complete with tax increases to balance the accounts—came before the chamber. In retrospect, that budget is often seen as a landmark that put America on a solid fiscal footing for the 1990s, but it was ferociously controversial at the time. As a newly elected member, Margolies-Mezvinsky was vulnerable, and Republicans vowed to defeat her if she voted for the tax increases. Yet in the end she cast the deciding vote for the Clinton budget. A year later, she was indeed defeated, by a slim margin. Her career as a politician was over.

Now Margolies-Mezvinsky runs Women's Campaign International, which coaches women grassroots activists on how to get attention for their causes, run for office, and put together coalitions to achieve their goals. In Ethiopia, where Women's Campaign International trained women to run effective campaigns, the proportion of women in parliament rose from 8 percent to 21 percent.

One rationale for seeking more female politicians is that women supposedly excel in empathy and forging consensus and thus may make, on average, more peaceful and conciliatory leaders than men. Yet we don't see much sign that women presidents or prime ministers have performed better, or more peacefully, than men in modern times. Indeed, women leaders haven't even been particularly attentive to issues like maternal mortality, girls' education, or sex trafficking. One reason may be that when women rise to the top of poor countries—think of Indira Gandhi, Benazir Bhutto, Corazón Aquino, Gloria

Macapagal-Arroyo—they are almost always from elite families and have never directly encountered the abuses that poor women suffer.

On the other hand, the conventional wisdom in development circles is that women officeholders do make a difference at the local level, as mayors or school board members, where they often seem more attentive to the needs of women and children. One fascinating experiment took place in India after 1993, when the Indian constitution was amended to stipulate that one third of the positions of village chief were to be reserved for women. These were allocated randomly, so it became possible to compare whether villages run by women were governed differently from those ruled by men. Indeed, spending priorities were different. In villages run by women, more water pumps or taps were installed, and these were also better maintained. This may be because fetching water is women's work in India, but other public services were also judged to be at least as good as in men-run villages. The researchers could find no sign that other kinds of infrastructure were being neglected. Local people reported that they were significantly less likely to have to pay a bribe in the villages run by women.

Nevertheless, both male and female villagers declared themselves less satisfied with women leaders. The scholars conducting the study were puzzled by this: Services appeared to be superior, yet dissatisfaction was greater. It wasn't just male chauvinists who were upset; women villagers were also more dissatisfied. It seemed that ordinary citizens were discomfited by women leaders forced upon them, or resented the fact that the women leaders were less educated and experienced on average than male leaders. This does suggest that women politicians, at least in India, face a hurdle: Even if they do better than men at providing services, they initially are judged more harshly.

Follow-up research did find that after a village had once had a female leader, this bias against women chiefs disappeared. Women leaders were then judged by gender-neutral standards. Such research suggests that quotas for local female leaders may be worthwhile, because they overcome the initial hurdle that blocks women candidates. An Indian-style quota of women officeholders seems to break down gender barriers so that afterward the political system becomes more democratic and open.

Whatever the impact of women as leaders, we have some direct evidence from America's own history of the broad consequences of

female political participation. As we noted earlier, maternal mortality in the United States declined significantly only once women gained the right to vote: When women had a political voice, their lives also became a higher priority. In addition, there is strong evidence that when women gained the vote, the political system responded by allocating more funds to public health programs, particularly for child health, because this was an issue that women voters were perceived as caring about strongly. Grant Miller, a scholar at Stanford University, has conducted a brilliant study of the health response when, state by state, women obtained the right to vote. He found that when women gained the vote, the politicians in that state scrambled to win favor from women voters by allocating more funds to child health care; this did not happen in states where women remained unable to vote. "Within a year of suffrage law enactment, patterns of legislative roll call voting shifted, and local public health spending rose by roughly 35 percent," Professor Miller wrote. "Child mortality declined by 8-15 percent with the enactment of suffrage laws. . . . Nationwide, these reductions translate into roughly 20,000 averted child deaths each year."

The same thing happened at a national level. A year after the Nineteenth Amendment gave women all across the country the right to vote in 1920, Congress passed the Sheppard-Towner Act, a landmark program for public health. The "principal force moving Congress was fear of being punished at the polls" by the new women voters, one historian wrote. The improvement in America's health during this period was stunning: The mortality rate for children aged one to four plummeted 72 percent between 1900 and 1930, although there are many other reasons for this decline as well, of course. As Professor Miller notes, opponents of women's political participation have often made the argument that if women get involved in outside activities, then children will suffer. In fact, the evidence from our own history is that women's political participation has proved to be of vast, life-saving benefit to America's children.

### *A CARE Package for Goretti*

The lush landscape of northern Burundi constitutes one of the loveliest spots in Africa, with jutting hills looming over dark green fields and coffee trees swaying in the breezes. The climate is more pleasant here than in the lowlands, and the mud-walled huts are sparse. Yet this picturesque land is home to some of the most impoverished people on the planet, and one of the most forlorn of these was Goretti Nyabenda.

Goretti was largely a prisoner in her hut, which was made of red adobe clay. Women here are supposed to get their husband's permission each time they leave the property, and her husband, a grouchy man named Bernard, didn't like to give it. Goretti was thirty-five years old and a mother of six, but she wasn't even allowed to go to the market by herself.

Bernard and Goretti grew bananas, cassava, potatoes, and beans on a depleted half-acre plot, but they barely earned enough to survive. They were too poor to afford mosquito nets for all the children, even though malaria kills many people in the area. Bernard typically goes three times a week to a bar to drink homemade banana beer, spending \$2 a session. His trips to the bar cost the family 30 percent of its disposable income.

Goretti, who had never been to school, was not permitted to buy anything, or to deal with cash at all. In her entire life, she had never touched even a one-hundred-franc note, worth less than ten American cents. She and Bernard would walk together to the market to shop, he would hand over the money to the seller, and then she would carry the goods home. Goretti's interactions with Bernard consisted mostly of being beaten, interspersed with having sex.

When we talked, she sat on a grass mat behind her hut. It was a sunny day, but the air was pleasantly cool and refreshing, and a chorus of insects serenaded her. Goretti was wearing a brown knit shirt—some American had donated it to charity and it had migrated to central Africa—over a colorful yellow wraparound skirt. She keeps her hair close-cropped, almost in a crew cut, because it is easier to manage that way, and she frowned as she described her mood: "I was wretched.



Because I always stayed in the house, I didn't know other people and I was all on my own. My husband said a wife's job is to cook, stay in the house, or work in the fields. I lived that way, so I was frustrated and angry."

Then Goretti's mother-in-law told her about a program started in the village by CARE, the venerable American aid organization that has focused increasingly on the needs of women and girls. Eagerly, Goretti asked Bernard if she could go to one of the CARE meetings in the village. "No," Bernard said. Goretti sulkily stayed home. Then her grandmother began telling her how wonderful CARE was, reviving her longing to participate. Goretti pleaded with Bernard, and he continued to refuse. Then, one day, Goretti went without his permission. Bernard was initially furious, but Goretti had been careful to prepare dinner early and to attend to his every need.

CARE's program operates with "associations" of about twenty women each. So with her grandmother and other women anxious to get involved, Goretti formed a new CARE association. The members promptly elected Goretti as their president. Often the members work together, cultivating one family's field one day and another's the next time. So the twenty women all came to Goretti's fields and tilled her entire parcel of land in one day.

"When my husband saw this, he was very happy," Goretti said slyly. "He said, 'This group is really good.' So he let me continue."

Each woman brings the equivalent of a dime to each meeting. The money is pooled and loaned to one of the members, who must invest it in a money-making effort and then repay the sum with interest. In effect, the women create their own bank. Goretti borrowed \$2, which she used to buy fertilizer for her garden. That was the first time she handled money. The fertilizer produced an excellent crop of potatoes that Goretti was able to sell over several days in the market for \$7.50. So after just three months Goretti paid off her loan (\$2.30, including interest), and the capital was then loaned to another woman.

Flush with cash from her potatoes, Goretti used \$4.20 of the remaining profit to buy bananas to make banana beer, which sold very well in the market. That led her to launch a small business making and selling banana beer. When it was her turn to borrow again, Goretti took out another \$2 loan to expand her beer business, and then she used the profits to buy a pregnant goat. The goat had its kid a month later, so

Goretti now has two goats as well as her beer business. (At night she brings the goats into the hut so that no one can steal them.)

Bernard looks longingly at Goretti's jars of banana beer, but she insists that he must not touch it—it is for sale, not consumption. Since Goretti is making money for the household, he grudgingly restrains himself. Her status rose when Bernard caught malaria and needed to be hospitalized. Goretti used the money she earned from selling beer, along with a loan from her CARE association, to pay the bill.

"Now Bernard doesn't bother me," Goretti says. "He sees that I can do things, so he asks my opinions. He sees that I can contribute." The association members also use their meetings to trade tips on how to manipulate husbands, as well as to learn how to raise animals, to resolve family conflicts, and to start businesses. Visiting nurses provide health education, teaching the women when to take children for vaccinations, how to detect STDs, and how to avoid HIV. The women were also given the chance to take HIV tests, and Goretti tested negative.

"Before, some of the women here were sick with STDs, but they didn't know it," Goretti says. "Now they have been cured. I got injections for family planning, and if I'd known about this earlier, I wouldn't have had six kids. Maybe just three. But if I hadn't been in the group at all, I would have wanted ten kids."

The CARE meetings are also teaching women to go to a hospital to give birth, and then to register the babies so that they have legal IDs. A vast challenge for girls in many countries is that they never get birth certificates or other legal documents, and so in official eyes they don't exist and aren't eligible for government assistance. There is a growing recognition in the aid community that a system of national ID cards, difficult to counterfeit, would help protect girls from being trafficked and would make it easier for them to get health services.

More fundamentally, women in the CARE program learn that appropriate behavior for a female doesn't consist of hanging back, that they can contribute at meetings and take firm positions. "This was a culture where women couldn't speak," Goretti said. "There was an expression: 'A hen cannot speak in front of a rooster.' But now we can speak up. We're part of the community." Many of the women, including Goretti, are also attending special literacy classes through CARE; she painstakingly wrote her name for us to show that she could.

The men here in northern Burundi tend to focus their efforts on the

big local cash crop, coffee—either growing it themselves or working as paid laborers on the plantations. At the end of the harvest, flush with cash, many men traditionally use the money to take what is called a second wife—a mistress, often just a teenager, who stays until the money runs out. The second wives are paid in clothing and jewelry, and they are a big drain on household income as well as an avenue for the spread of AIDS. Now, however, the women in the CARE program are trying to eradicate this tradition. If the husband of any woman in the association tries to take on a second wife, the other wives band together in a vigilante group and drive the mistress away. Sometimes they then go to the husband and announce that they are fining him \$10; if they sound authoritative enough, he sometimes pays up, and the money goes into the association's coffers.

In a sign of how much times have changed, Bernard now goes to Goretti to ask for cash. "I don't always give it to him, because we need to save," she said. "But sometimes I give him some. He allowed me to join the group and that gave me joy, so I want him to have the chance to have fun as well." And Goretti has stopped asking permission every time she leaves the house. "I do tell him when I'm going out," she explained. "But I inform him; I don't ask."

Goretti is planning further expansion of her business. She wants to breed goats for sale, while continuing to peddle her beer. Plenty can still go wrong: Bernard may get jealous and take it out on her; wild animals could kill her goats; a drought could destroy her crops and leave her with debts; continued instability in Burundi could lead armed groups to pillage her crops. And all the beer she is making may simply turn more local men into drunkards. This rural microfinance model can help families, but there are limits.

Yet so far, so good—and the program is a bargain. CARE pays out less than \$100 per woman over the three-year life of the project (after that, Goretti graduates, and the project begins in a new area). That means it costs a donor sixty-five cents a week to help Goretti. It improves life for her, but it also means that Burundi now has another person contributing to GNP. Likewise, Goretti's children now have money for pens and notebooks to further their education, as well as a model of what a woman can become.

"She has changed," said Pascale, Goretti's eldest child, a sixth-grade girl. "Now if Dad isn't home, she can go to the market and buy us something that we need."



*Goretti with her goats in front of her home in Burundi (Nicholas D. Kristof)*

As for Bernard, he was a bit reluctant to be interviewed, perhaps realizing that he was being cast for the least flattering role in the family drama. But after a bit of casual chatter about banana prices, he acknowledged that he was happier with a partner than he had been with a servant. "I see my wife making money now, and bringing cash into the house," he said. "I have more respect for her now."

It's possible that Bernard was just telling us what we wanted to hear. But Goretti is gaining a reputation as a husband-tamer, so she is in increasing demand. "Now if there's a conflict in the neighborhood, I'm asked to help," Goretti said proudly. She added that she wanted to become even more active in community projects and attend more village meetings. Bernard was listening and looked horrified, but Goretti wasn't fazed.

"Before, I underestimated myself," Goretti said. "I wouldn't say anything to anybody. Now I know I have good ideas, and I tell people what I think."