

Fringe Banking in Canada: A Study of Rotating Savings and Credit Associations (ROSCAs) in Toronto's Inner Suburbs

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ABSTRACT

Rotating savings and credit associations (ROSCAs) are regarded as a time-honoured tradition practiced by many people around the world. African Canadians value ROSCAs because of how they have helped people adjust to Canadian life. This study examines ROSCAs and the role that African Canadians have played in Canada's social economy. It includes interviews with 77 people, 46 of whom are "Banker Ladies"—African Canadian women who create community-driven financial cooperatives in Canada's largest financial centre, Toronto. ROSCAs have been incubating within the Canadian diaspora for the past 70 years as a way to counteract the business exclusion. For the social economy in Canada to be reflective of society, the research and theories that drive the sector must reflect a cultural awareness of the various cooperative forms led by racialized Canadians.

RÉSUMÉ

Plusieurs personnes dans le monde suivent la tradition vénérable des associations rotatives d'épargne et de crédit (AREC). Les Afro-Canadiens valorisent les AREC pour la manière dont celles-ci ont aidé les gens à s'adapter à la vie canadienne. Cette étude examine les AREC et le rôle joué par les Afro-Canadiens dans l'économie sociale du pays. Elle inclut des entretiens avec 77 personnes, y compris 46 femmes banquières—des Afro-Canadiennes créant des coopératives financières communautaires dans le plus grand centre financier du Canada, Toronto. Depuis 70 ans, les AREC persistent au sein de la diaspora canadienne afin de contrer les défaillances du système bancaire classique. Pour que l'économie sociale au Canada puisse refléter la société telle qu'elle est, la recherche et la théorie relatives au secteur doivent tenir compte des divers formats de coopératives menées par des Canadiens et Canadiennes racialisés.

KEYWORDS / MOTS CLÉS Money pools; Racialized Canadians; Social economy; Money; Collectives; Cooperatives; Gender; Toronto / Pools d'argent; Canadiens racialisés; Économie sociale; Argent; Collectifs; Coopératives; Genre; Toronto

INTRODUCTION

In December of 2014, Haitian-born Canadian Frantz St. Fleur was wrongfully arrested for allegedly depositing a fraudulent cheque of \$9,000CND in his account at a Toronto Scotia Bank location where he had been a customer for ten years (Alamenciak, 2014). It turns out that his realtor legitimately issued the cheque after the sale of St. Fleur's property. Scotia Bank profusely apologized for this humiliating experience (Alamenciak, 2014). Such a confrontation with commercial bankers is an experience that many racialized Canadians encounter when they carry out banking (Hossein, 2015) This case of bias in the bank is one example of the many forms of economic discrimination faced by racialized Canadians (Das Gupta, 2007; Galabuzi, 2006; Gilmore, 2015). It may explain partially why people organize rotating savings and credit associations (ROSCAs). The attitude of commercial bankers toward racialized and low-income people makes it understandable why some Canadians do not trust bankers and will make sure they have a variety of financial devices, including informal ones.

In the book *Fringe Banking*, Jerry Buckland (2012) examines the financial exclusion of Canadians in major cities, and how they turn to alternative financial service providers to meet their business and livelihood needs. Private cash-money places such as *Money Mart* dominate the news on what alternative financial providers are. Citizens and community organizations such as ACORN wage important campaigns fighting to regulate alternative providers. Non-bank institutions such as Calmeadow, Miziwe Biik, Access and the Black Creek Microfinance Program address business exclusion by making credit accessible to small business people; however, these services are limited in their outreach as they reach very small numbers (Foster, Berger, Ross, & Neglia, 2015; Hudson & Wehrell, 2005; Quarter, Ryan, & Chan, 2015; Spotton Visano, 2008). Whereas ROSCAs in Canada are meeting the needs of hundreds of people, they are seldom discussed as an alternative.

Ordinary people dismayed by the greed and elitism of commercial bankers after the 2007–2008 financial crisis have turned to people-run banks (van Staveren, 2015). In 2015, during the financial crisis and Grexit vote, Greeks were coming up with financial self-help groups to cope when the banks crashed (North, 2015). In the U.K., British citizens have created a network called “peer-to-peer lending,” and they are pushing for legislation to recognize non-bank lending (Jones, 2014). People who find themselves in a state where they cannot access monies from a bank, usually low-income women, have always had to rely on their peers through ROSCAs to do the main part of their banking because of the business of exclusion in their society.

ROSCAs are rotating savings and credit associations and they are also referred to as mutual aid groups, where the members make the rules and make regular contributions to a fund that is given in whole or in part to each member in turn.¹ These collectives, practiced for centuries by people in the global south (Bouman, 1977), have become part of the financial landscape in large cities and towns. ROSCAs—locally known as susu, tontines, partner, meeting-turn, box-hand, *sol*, and many other names—are long-standing traditions of pooling resources that have historically helped excluded groups engage in alternative financial services.

As people migrate they bring their version of ROSCA to their new countries, and these financial devices are embedded into a specific culture. Members use ROSCAs alongside the many devices they already use (Smets, 2000). The “Banker Ladies”—a term coined by participants themselves while I carried out research in the Caribbean region (Hossein 2016; 2013)—organize the ROSCAs in a voluntary manner in an effort to meet their own economic needs and to develop community projects. The ROSCAs have also become a common practice

among second-generation Canadians who also refer to themselves as Banker Ladies and who manage and participate in these institutions (Blackman & Brooks, 2002).

KNOWING THE CONTEXT: CANADA'S BANKER LADIES AND ROSCAS

In the United Nations International Decade for People of African Descent 2015–2024 (United Nations, 2011), it seems very fitting to examine one of the most well-known banking interventions, i.e., ROSCAs, and its effect on the Canadian diaspora. African Canadians make up one of the largest non-European ethnic groupings and the fastest growing racial groups in the country (James, Este, Bernard, Benjamin, Lloyd, & Turner, 2010). There are about one million African Canadians (Mensah, 2010; Statistics Canada, 2011). Ryerson University's Grace Galabuzi (2006) found that African Canadians are twice as likely as those in the overall population to have low incomes, to be unemployed, and to encounter systemic bias that interferes with equal access to goods and services. Media reports on gang violence reinforce stereotypes that African Canadians do not contribute to society (Galabuzi, 2006; James et al., 2010). However, behind these social problems, the data indicates that 50 percent of racialized Canadians feel discriminated against because of their cultural identity and the fact that they are excluded from many opportunities (Das Gupta, 2007; Galabuzi, 2006; Statistics Canada, 2011). Despite these challenges, African Canadians have social economy projects on the go, and they are often outside the purview of development practitioners and the state.

ROSCAs are embedded in the financial social lives of low-income people (Handa & Kirton, 1999; Hossein, 2016c; Rutherford, 2000). Defined as self-help and mutual aid groups in which people voluntarily come together to assist one another financially, ROSCAs are characterized as peer-to-peer lending (Arderner & Burman, 1996; Baradaran, 2015; Chiteji, 2002), and are a highly gendered phenomenon. To manage their exclusion from business, people who are unbanked and underbanked turn to “fringe” banking practices (Baradaran, 2015; Buckland, 2012; Spotton Visano, 2008). ROSCAs, although an alternative, are not seen by the mainstream financial community—or alternative finance providers—as a viable way to bank (Figart, 2014).

MAIN ARGUMENT

The “Banker Ladies” have been around since at least the 1500s, when slaves from the Dahomey (today the Republic of Benin) were taken to Haiti; in captivity Africans organized their economic cooperatives in secret (Hossein 2016a; 2013). In *Collective Courage*, Gordon Nembhard (2014) traced economic cooperatives by enslaved people to the seventeenth century, and argued that African-Americans created intentional communities to resist violence, yet their cooperation in business was viewed as subversive. This study examines rotating savings and credit associations (ROSCAs) and the role that African Canadians have played in Canada's social economy. Counting ROSCAs as part of the social economy allows us to pay attention to these women-led informal cooperatives in the Canadian context.

In Toronto's African diaspora, for example, Somalis use *hagbad*, Ghanians use *susus*, and Ethiopians use *equub*—which are all community banking collectives. The inner-workings of a ROSCA are so varied within cultural groups. Generally, members voluntarily organize a group with people they know well (or someone must “vouch” for a new person), and then they elect an executive with a main person in charge: “the Banker Lady.” The Banker Lady and the executive decide on the rules of the ROSCA, with the consent of the members. The ROSCA has a finite period and it can range from a few months to several years, but a one-year time period is most common. Members make a fixed deposit every cycle (e.g., weekly, monthly) and the Banker Lady (with the executive) create a lottery system of the order in which a member can access a lump sum of money from the

“pool.” The members decide the needs of individual members and allocate or distribute the “hand” (the sum of money to that member) accordingly. There is no set rule for ROSCAs and the members of the group are the ones to come up with its own particular style of disbursing and collecting money. Some will organize a social event (e.g., tea parties, dinners) and others will just “drop-off” the payment to the Banker Lady’s house. Some groups are professionalized and charge fees to administer the pool and others do not. For example, many Muslims do not charge a “service fee” whereas a number of Caribbean groups in a partner bank require a fee of \$20 to go to the person managing the fund.

Pooled banking systems are embedded in social relationships, and business is there to support people’s social lives. Most research on ROSCAs, including my research in the Caribbean (Hossein forthcoming; 2016a; 2013; 2012), has focused on the Global South (Bouman, 1977; Geertz, 1962; Rutherford, 2000). What is certain is that collective banks are not new, and this project can shed insights into ROSCAs in a developed country such as Canada. This research is an outgrowth of the Caribbean-based research I did examining professionalized microfinance institutions (Hossein 2016a). In my prior research, the women I interviewed in Jamaica, Guyana, Grenada, and Haiti revealed that they organize self-help groups to spur on local economic development (Hossein 2016a; 2014b; 2013). Important findings from the Caribbean revealed that the “Banker Ladies” had ties to and members in North American cities such as Miami, New York, Montreal, and Toronto (Hossein 2016c). The transnational aspect of ROSCAs questions the idea of the social economy rooted in one place (Amin, 2009; Blackman & Brooks, 2002; Hart, Laville, & Cattani, 2010;).

I carried out interviews in Toronto’s Jane/Finch community and learned that Canadians engage in ROSCAs to meet personal as well as community needs. African Canadian women entrepreneurs contend with exclusion when they try to access business services, both in terms of being Black and female (Knight, 2012; 2005; Mirchandani, 2002). Little is known about the phenomenon of ROSCAs in developed countries such as Canada. At the start of this project, key informants told me that such ROSCAs would be scarce and few; but the empirical work has shown the reverse: ROSCAs are very much vibrant in Toronto.

The Banker Ladies create community-driven financial systems in Canada’s financial centre of Toronto. ROSCAs cannot be viewed as a “foreign” activity, as they have been in practice for decades in Canada and have been moulded in ways that suit the Canadian diaspora. In the early 1800s, slaves from the Underground Railroad who fled to Canada organized “true bands” to help people build their lives (interview, 2016). Caribbean immigrants have participated in ROSCAs for 70 years to supplement their incomes. The *Montreal Community Contact* newspaper documented the work of an Antiguan-Canadian, Daisy Tonge known as the “Sou Sou Lady,” who ran a ROSCA for 47 years in Montreal (no author, December). In the last three decades, African immigrants from Somalia and Nigeria have also brought their own version of ROSCAs to Canada. Yet, no research explores the ways in which African Canadians, both immigrant and Canadian-born, organize money collectively. African Canadians using ROSCAs show that racialized people create business options for themselves as a way to adjust to their new countries and to deal with exclusion. This work also recognizes that ROSCAs are very much part of the alternative banking and cooperative sectors in Toronto.

SITUATING THE RESEARCH WITHIN RELEVANT SCHOLARLY LITERATURE

The social economy is defined as a sector in which organizations have both social and economic objectives at the core of their mission and mainstay activities (Amin, 2009; Hart et al., 2010; Quarter, Mook, & Armstrong, 2009; Southcott, 2015). Organizing alternative financial services is deeply grounded in the French Canadian tradition of the *economie sociale* (Fontan, Hammel, Morin, & Shragge, 2009). Alphonse Desjardins and his wife, Dorimene, first created the *caisses populaires* (credit unions) in North America to address financial exclusion of

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rural French and Catholic minorities in the 1900s (Mendell, 2009b; Shragge & Fontan, 2000). Yet the credit union movement in Toronto (possibly Canada) has not reached Black women in Toronto. The social economy literature is too focused on formal cooperatives and nonprofits (Amin, 2009; Bridge, Murtagh, & O'Neil, 2009; Laforest, 2009; Mowat Centre and the Ontario Non-profit Network, 2013; Quarter, Mook, & Armstrong, 2009; Thériault, 2012; Williams, 2007); it has not included ROSCAs.

ROSCAs form a part of the social economy because they are focused on the social and financial lives of excluded women (Hossein, 2016c). However, the social economy literature has often relegated the important work of such self-help banks in both developed and developing countries to the sidelines. The norm has been to discuss credit unions, which are European in orientation, without recognizing the work of ROSCAs in society. Shirley Ardener and Sandra Burman (1996) document the role of ROSCAs as grassroots collectives that evolve within communities to counteract social exclusion.

ROSCAs are part of an ancient tradition for people around the world. These collectives speak to the functionality of getting things done by a historically oppressed group through the group's own perseverance to push against racial and class exclusion. Yet the story of how the social economy came to be often begins in the nineteenth century with the German Raiffeissen cooperative banks or the Rochdale weavers in England (Fairbairn, 1994; Guinnane, 2001). While these stories are important in the timeline, it is important to also acknowledge the role of ROSCAs by people of the south. India has a history of self-help banking groups, and has laws to protect consumers (Datta, 2000; Sethi, 1996; Wilson, 2001). The African social economy also predates a European starting point because persons of African descent have relied on financial cooperatives to meet their livelihood needs (Du Bois, 1907; Gordon Nembhard, 2014). Around the world people engage in a dizzying array of ROSCAs. Canada's own social economy story points to the Desjardins *caisses populaires* movement in Quebec (Mendell, 2009a; 2009b; Shragge et al., 2000) and the Maritime Antigonish movement (Alexander, 1997), but missing from the literature are the vibrant ROSCAs of racialized Canadians.

CANADA'S SOCIAL ECONOMY

Many people who control the purse strings for the social economy share a European cultural heritage that does not consider the ways racialized people can be active participants in the social economy, and not simply as beneficiaries. It is most unfortunate in a worldly city such as Toronto—where fifty percent of the residents are foreign-born (Quarter et al., 2015)—that the leadership in the nonprofit and social economy sector is extremely white (Mowat Centre et al., 2013). To racialized Canadians, the third sector seems to be run by privileged white Canadians who are connected to each other, and the funding appears tied to personal relationships (a number of interviews with community leaders, names withheld on purpose). Ontario premier, Kathleen Wynne, launched the Social Enterprise Development Fund, valued at \$1.4 million, in 2015 (Brennan, 2015). It does not have one recipient organization that is led by an African Canadian. In fact a recipient organization that sells real-estate space (or office-sharing) to the nonprofit and social enterprise sector received significant funding, despite its location in trendy areas such as Toronto's Annex and Spadina neighbourhoods, and Chelsea in New York City. For the social economy to be truly reflective of a society, the research and ideas that drive the sector must be aware of organizations led by racialized people. Outing the exclusion within the social economy is one way of rethinking how this sector operates.

Making social change may mean starting with ideas that are rooted in culture. It is not a secret that the social economy literature has not considered ideas by Black thinkers. In Canada, the social economy story should start with recognizing the brave work of Harriet Tubman who helped hundreds of enslaved people escape from

the U.S. into southern Ontario in places such as Buxton through an intricate network of informal cooperatives. Yet Blacks engaging in the Canadian social economy are missing in the literature. Jessica Gordon Nembhard (2014) has argued that throughout history African-Americans created intentional communities through the use of informal cooperatives under extreme forms of oppression. Ancient African traditions such as ROSCAs have helped Black diaspora peoples to build strong communities in their new lands (Ardener et al., 1996; Hossein, 2013). Engagement of the diaspora in Canada's social economy may be possible if these communities' efforts are better understood. ROSCAs are a form of liberation—a concept that resonates with the very people who engage in them because of their commitment to ethical business practices.

Theorizing for racialized Canadians

Black people have created social economies for themselves in inhospitable environments for centuries. And they did this because they had to. Studies by Caroline Shenaz Hossein (2016), Gordon Nembhard (2014), Sidney Mintz (2010; 1955), Maurice St. Pierre (1999), and W.E.B. Du Bois (1907) show that African people in the Americas use cooperative businesses to uplift their racial group and have done so under hard times of slavery and colonization. Black theorizing in the social economy is crucial to understanding the social economy of racialized peoples. Community practitioners and residents are aware of these Black thinkers. In Toronto, African Canadian women who organize ROSCAs ensure that the dividends are shared by members, and practice a quiet form of resistance. The women who use ROSCAs as a form of banking are ultimately pointing out the exclusionary nature of commercialized banks.

In Patricia Hill Collins' (2000a; 2000b) classic, *Black Feminist Thought*, she argues that Black women need theorizing that comes from people who know the experience they speak about because this resonates with marginally racialized people. Hill Collins (2000a) also pushes the idea that the life experience of Black women can only be fully understood when one considers her "lived experience" as a poor, Black, and female. The concept of "lived experience" is therefore crucial in analyzing the impact of ROSCAs on Black women. Almost all of the women in this study have a household income of less than \$40,000 after-tax per annum, and they have always had to work. Understanding what the social economy means for Black lives means drawing on lived experience and drawing on theorizing that can speak directly to the systemic oppression that racialized people experience. This is the first work in the social economy literature that examines the ways in which African Canadian women and their use of ROSCAs contribute to the social economy. It is important to document the ways in which Black people are not only on the receiving end of aid but how they initiate self help solutions on their own terms.

Black political economy, produced by Black liberation scholars such as Booker T. Washington, Marcus Garvey, and W.E.B Du Bois, argued for self-reliance and group economics as resistance strategies for oppressed people everywhere. In *The Souls of Black Folks*, Du Bois (2007; 1907) describes communal forms of business among Bantu tribes in southern Africa, and this historical grounding has inspired the Black diaspora. The concept of "group economics" is a fundamental aspect of Black liberation theory, and one that can assist in the theoretical framing of the social economy. Booker T. Washington's (2013) *Up from Slavery*, gave meaning to Black business, and how persons of colour could create alternative businesses that mattered to Black communities.

The well-travelled Jamaican-born Marcus Mosiah Garvey, a Pan-Africanist social entrepreneur, put forward a philosophy of racial self-reliance in business to counteract mainstream business practices, and he brought this message to his conferences in Toronto, Halifax, and Montreal (Hossein, 2016a; 2016b; K'nife, Bernard, & Dixon, 2011; Martin, 1983). Garvey toured Toronto and Halifax to uplift African Canadians about their social

economic lives. His own upbringing in colonial Jamaica and lived experience as a migrant worker in Panama and Costa Rica no doubt had a mark on his teachings. Many of the Banker Ladies I met with are inspired by the racial pride and business ethics of Marcus Garvey, and find that the work they do is in honour of what he did for them.

Using Black liberation theorizing makes it clear that financing organized by local people can be a source of camaraderie and a way for excluded Black women to build strong economic lives. The study will shed light on the various ways Black people engage in business in a developed country as well as contribute to Canada's social economy literature using Black liberation theories.

METHODS

It is important to use theories and methods that fundamentally take into account the lived reality of the oppressed. Drawing on Black liberation and feminist theories enabled there research to go beneath the surface to unearth practices that were hidden. Both liberation and feminist theorizing has politicized the need to consider the ways in which Black people collectively organize in the social economy (Hossein forthcoming).

Race, class, and gender mediate people's experiences in how they access resources, and paying attention to these interrelations of power can create more inclusive research and public policy initiatives that promote dynamic social economies. My interview methods are driven by the overarching question for this project: how does the same racial group in the south use ROSCAs when they move to a different political and institutional environment? This study is of interest because it examines ROSCAs in a developed country (see Table 1). This study is a preliminary one and additional research will be carried out to expand this sample size.

Table 1: Interviews with the African-Canadian Banker Ladies in Toronto (2015)

Method	Scarborough (East end)	Downsview (West end)	Total
Number of women in focus group to speak about money pools	26	20	46
Individual interviews with Banker Ladies	3	4	7
Individual interviews with leaders in business, government, and community			24
Total	29	24	77

Source: Author's own data collection in Toronto, ON, February to June 2015

I use qualitative methods, individual interviews, and focus groups to conduct the research with members of ROSCAs and individual stakeholders over a two-year period in Toronto. Toronto has been selected because Ontario has 59 percent of Canada's Black population (Statistics Canada, 2007). This study draws its findings from two focus groups held with 46 women in Warden Woods in southeast Scarborough (Toronto's east end), and Firgrove in the Jane/Finch community in Downsview (Toronto's west end). It should be remembered that a

number of the women present in the focus group represent many members in their ROSCAs, which have between 5 to 70 members each. If the most common group size is about 30 members, the 46 women I met with represent about 1,380 women. I chose Jane and Finch and Warden Woods because of the high concentration of African Canadians. These two communities are quite dense inner-suburbs and are also low-income with household incomes of less than \$25,000 (Pagliaro, 2014). This research is limited in that it is concentrated in the Toronto area.

As shown in Table 1, I carried out a total of 77 interviews, of which 24 were with leaders in the private sector, and government and community organizations. It should be noted that in about 40 percent of the sample the women who participated were the ones in charge of their ROSCAs and they represented groups with memberships between 5–70 people. Some of the questions I asked to the women in the focus groups included: What financial services are available to women in your community to engage in business and meet other economic livelihood needs? How do you organize your specific money pool? Given all the banking options in Toronto, why do persons join ROSCAs (e.g., susus, partner, hagbad, ayuto)? How do you feel about ROSCAs? Why do you join ROSCAs? How do these collectives meet the needs of people better than the commercial banks? The women debated the issues. At times these turned out to be heated discussions between the participants on the ways in which they organize their groups and why. In addition to analyzing the data from the aforementioned interviews and focus groups, I also conducted an analysis of the secondary literature to understand ROSCAs.

FINDINGS

The findings in this study show the ways that ROSCAs help racialized women organize and meet their livelihood needs and that they are active participants in building vibrant social economies in Toronto. The findings also show the negativity and stigmas surrounding the work Banker Ladies do and this is unique from the practice in the Caribbean or Africa. And more importantly, the interviews with the 46 women suggest that business exclusion occurs in formal banks against people of colour. And the Banker Ladies are not waiting for conventional banks to figure out how to do banking with them; they are redefining cooperative banking in a financial centre such as Toronto.

How do ROSCAs contribute to the social and financial lives of Black women?

Who knows me here when I first come from Sudan ... [pause] ... No one. I cant [could not] even speak English back then. My children help me. My friends help me.... Sandoq (a ROSCA) give me friends and a chance in life. I was able to do much. I buy [bought] my airplane ticket back home and bring my children there [for vacation]. Sandoq helped me so much when I came to Canada. ("Natla," 35-year-old married Sudanese-Canadian, focus group, Toronto, March 26, 2015)

The African Canadians in this study come from diverse countries in Africa and the Caribbean—many are also first- or second-generation Africans who were born in Canada. The countries represented include Jamaica, Trinidad & Tobago, Grenada, Barbados, Guyana, St. Kitts and Nevis, Antigua, Ethiopia, Ghana, Nigeria, Sierra Leone, Kenya, Tanzania, Somalia, Sudan, Egypt, and Liberia. Many of the women interviewed are comparable to "Natla" in the quote above—English is her second language and it was hard for her to adjust, but she used her knowledge of ROSCAs to meet other Sudanese women. This diversity is great as the women are divided along various identities such as class, language, and religion. Despite these cultural variations, the participants in the focus groups had lively internal debates and discussions about the mechanics of their own ROSCAs.

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ROSCAs have helped women settle and develop their own projects. The Banker Ladies interviewed in this project attest that ROSCAs have helped them when nobody else would. “Mabinty” in the quote below is involved in a Susu because she is able to invest in real estate in her homeland, and she is doing this for her children’s future. For her, susu can help improve their standard of living. These ROSCAs are made up of peers who give underbanked people a way to engage in small business activities and find support networks.

I make a house and I work hard all my life for my money. I am building [my] house for me and my kids. It’s my foundation. It is what I am doing here. Let’s play this and win, [economic collective, susu] and to make it a different [lifestyle] standard. (“Mabinty,” 42-year-old married Sierra-Leone-Canadian, focus group, March 20, 2015)

The misperception about ROSCAs

In the Caribbean and Africa, ROSCAs are regarded as a time-honoured tradition. African Canadians also respect and value these informal banking systems because of what they have done in assisting people to adjust to Canadian life. However, as I moved around talking to people, and elites and stakeholders in the private and public sectors in Canada, I noted a negative perception about ROSCAs. While some stakeholders (e.g., bankers, finance experts, policy-makers) admitted they knew very little, others held onto the opinion that these informal banking systems were a guise for illegal activity. Tying these systems to drug and trafficking activities, is what makes the Banker Ladies turn inward and move their groups from the public domain.

After conducting interviews on ROSCAs in Toronto, lenders, including alternative ones, do not recognize (or simply are not aware of) the role that ROSCAs play in Canadian society. In fact, there is a negative perception around ROSCAs as illicit or illegal, and they are typecast as “gambling,” “money laundering,” or “pyramid schemes.” New work in the Somali community suggests that some members feel that when they “throw” (participate in) *hagbad*, they are viewed as sponsoring terrorist groups such as Al-Shabaab. In the quote below, there is a dismissive attitude toward informal banking systems and the tendency is to make them look bad.

As far as I know these things are illegal. Aren’t they? The underground economy is thriving. Informal banks are part of the underground economy and these systems are not legitimate. Why would people do this? Toronto has many banks and unless these people are into other things then it makes no sense why they do this. Anyways there is plain risk involved in these systems. (Senior expert on debt, interview, February 15, 2015)

Most bankers make negative comments about ROSCAs, except for those who knew someone who it was involved with one. Banker Ladies resist any negative statements about these systems. People who use ROSCAs and those people who were raised in families who use them understand the power of peer-to-peer lending systems. As one person stated, “Susu is like a secret club, only those in it know about it and its value.” In Canada the knee-jerk reaction by bankers is to criticize these systems, and become defensive as to why racialized people may turn to these forms of banking instead of commercial banks. This is very different from research conducted in the Caribbean, including in the region’s financial capitals such as Port-of-Span and Kingston, where bankers understand the affinity local people (including their own family members) have for informal banks.

ROSCAs in Canada point to business exclusion in Toronto

Moving to a new place can be lonely and hard. Some people move from places where technology is not as valued or necessary. However, in Canada banks have made automated machines and internet banking the

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norm. And some Canadians, particularly the elderly and newcomers, prefer person-to-person contact, and do not do online banking. While most said they have used ATMs to withdraw money, a significant number will not do large transactions at ATMs and far less (30%) do internet banking. In this study only 14 of the 46 Banker Ladies interviewed ever did online banking. In Warden Woods, “Monica” stated:

Banks inna 'here [are] too much into technology and dem cyant see a person. Wit mi money I want to see you. I want to see a man to gaff ... not a computer. Mi Susu is all about face-to-face [banking]. It's like old time style. And mi a never give it up. [Translation: Banks in Canada are too much into technology and they cannot a person. With my own money in the banks I want to see a person. I want to see someone to talk to and not a computer (too impersonal). My susu is all about face-to-face banking. It is familiar “old time style” and I will not change this form of banking for anything.] (“Monica,” 60 year-old business woman/cleaner, focus group, Toronto, March 26, 2015)

Black people are ignored and denigrated. Black immigrants feel rejected and watched in a hostile way when they want to undertake day-to-day mundane activities such as banking. Black women feel that bankers make them feel unwanted. Buckland (2012) in his study on banking exclusion argued that there is a deep-seated elitism among the bankers that makes low-income people (and especially those of colour) feel unwelcome in formal banks. “Shondelle,” for example, a young woman who moved to Canada from Guyana when she was quite young has experienced racial prejudice in the bank. Most women felt that bad treatment at banks is a reason they rather take the “risks” of informal banks, because they know the people who run the ROSCAs and they feel respected.

I am very fired up about banks. I can't tell you how dem treat me. Bank man watch me when they are still in school. They minimize my credit card. They think I am laundering for drugs when I am not. Who do these people [bankers] think they are? (“Shondelle,” focus group, Warden Woods, March 26, 2015)

Both of the communities where the interviews and focus groups took place are located in Toronto and both are communities with high numbers of low-income racialized groups. “Gloria” has lived in Canada for more than 40 years and worked as a highly trained professional in the health field, and she endured bias in the banking system and this is why she managed a large-scale susu in her retirement.

You can't just go into a bank and say you want [your] money. These banks don't listen. But we know who will. The Banker Ladies can accommodate you. You can go to her and tell her what you need and she will listen to you. Tell me which bank man is doing this? (“Gloria,” 70-year-old Bajan-Canadian retiree who runs a susu with over 50 people, focus group, Toronto, March 26, 2015)

Over and over again in both focus groups, the members stated that commercial banks are unwelcoming. The banking staff persons are rude to them when they make deposits or withdraw money. For instance “Faye,” quoted below, explained that bank tellers are nervous and uneasy when people who come from certain communities want to do banking at their branch. There is a mistrust that exists on both sides. Bankers who are university-educated, and many come from a middle-class background, are not sure how to interact with women from low-income communities (Buckland, 2012). The Banker Ladies also notice the way the tellers behave toward them and will often exclude themselves from banking. Toronto's commercial banking culture is unwelcoming toward Black women as cited in “Faye's” comments below (and all of the women in the focus group agreed with her statement).

What can I say to you. The major reason most people I know felt that there is a stigma against Black people is when live in certain communities here such as Jane and Finch, Lawrence Heights, Weston, Rexdale. Dem [the tellers] does watch you so. The g'yal [in the bank] comes all jumpy and scared when I pass in there. I am there to bank but I wonder what she thinking. I don't feel at ease when I go there. ("Faye," 40-year-old mother, focus group, Firgrove and Jane and Finch, March 20, 2015)

Most Banker Ladies identified their race as being the main reason they feel rejected by mainstream businesses and the reason they believe that are "watched" by tellers in a negative way when they go into a bank. In Toronto, the diversity of banking staff did not make a difference for the women, they felt that those in charge are not of the same cultural or class backgrounds, and there is an exclusionary behaviour present.

CONCLUSION

Commercial banks in Canada's major cities are used in a limited manner by a significant group of racialized people, and mostly women. The 46 women interviewed in this Toronto case study attest that the commercial banks are exclusionary and hostile to them when they try to carry out bank transactions. So they have figured out how to tap into their own cultural networks and friendships to do banking. Banking that thinks about people as human beings. These banking groups are peer-focused institutions and the women involved create their own rules, and it is democratic because all members decide on the rules.

Toronto's Banker Ladies are changing conventional banking through small incremental movements. The Banker Ladies self-help activities count as a major contribution to Canada's social economy. African Canadian women keep their ROSCAs under close guard because they know that activities that Black people do are often under scrutiny and may be criticized for being illegal. So very quietly these women move around their neighbourhoods and organize money groups to help each other. The ROSCAs they organize are legitimate and are a form of cooperative because of their focus on democracy, members, community, and education. There are so many lessons that the African-inspired ROSCAs can teach commercial banks—namely that banking can be done by ordinary women who collect and share funds among members in a way that is caring and supports individual and community projects.

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NOTE

1. This definition borrows from Shirley Ardener and Sandra Burman's (1996) definition of ROSCAs. Other names that Canadians use include informal banks, money pools, and self-help banks.

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