

THE STATE OF MICROFINANCE REFORM IN MODERN
JAMAICA: CULTURAL BARRIERS, CLIENTELISM,
DISPARATE LENDING PRACTICES, AND THE FORGOTTEN
FEMALE ENTREPRENEUR

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I believe that we can create a poverty-free world because poverty is not created by poor people. It has been created and sustained by the economic and social system that we have designed for ourselves; the institutions and concepts that make up that system; the policies that we pursue.¹

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1. Muhammad Yunus, Nobel Peace Prize Lecture (Dec. 10, 2006), *available at* http://www.nobelprize.org/nobel_prizes/peace/laureates/2006/yunus-lecture-en.html. Yunus was awarded the Nobel Peace Prize in 2006 in conjunction with Grameen Bank. *Id.* Grameen Bank is located in Bangladesh and gives “collateral-free income generating, housing, student and micro-enterprise loans to the poor families.” *Id.* Yunus created Grameen Bank in 1983, and as of 2006, Grameen Bank had loaned \$6 billion at a repayment rate of 99 percent. *Id.* Seven million people have benefited from Grameen Bank loans, 97 percent of which were women. *Id.* Since receiving loans from Grameen Bank, 58 percent of borrowers have crossed the poverty line. *Id.*

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INTRODUCTION

Microfinance, in its simplest terms, is the lending of small amounts of money, which commercial banking institutions consider trivial, to unbankable² but entrepreneurial citizens throughout the world.³ Generally speaking, microfinance lenders seek to serve the world's poorest citizens, 70 percent of whom are women.⁴ Incidentally, 85 percent of microfinance loan recipients throughout the world are women.⁵ Microfinance loan applicants typically have no access to physical collateral, effectively closing the doors to commercial banks.⁶ In sum, microfinance is the developing world's response to entrepreneurs being cut off from traditional financial channels. This response, however, is imperfect and cannot be considered a standalone solution.

When microfinance institutions (MFIs) took hold in the 1980s, they were touted as the cure to world poverty.⁷ More than thirty years later progress toward a poverty-free world has been made, but the altruistic vision presented

2. The author uses the term *unbankable* throughout this article to refer to individuals who are unable, for economic reasons, to utilize the services of a traditional bank either because they would not qualify for traditional services or because their financial needs are considered too small-scale to be profitable.

3. See Eoin Wrenn, *Micro-Finance Literature Review 1*, available at http://www.dochas.ie/Shared/Files/2/MicroFinance_literature_review.pdf.

4. *Small Change, Big Changes: Women and Microfinance*, INT'L LAB. OFF. – GENEVA, http://www.ilo.org/wcmsp5/groups/public/—dgreports/—gender/documents/meetingdocument/wcms_091581.pdf.

5. *Id.*

6. See, e.g., PHILIP BOND & ASHOK RAI, COLLATERAL SUBSTITUTES IN MICROFINANCE 1 (2002), available at <http://finance.wharton.upenn.edu/~pbond/research/limits-jul2-02.pdf>.

7. See Claire Provost, *The Rise and Fall of Microfinance*, GUARDIAN (Nov. 21, 2012, 11:16 pm), <http://www.theguardian.com/global-development/poverty-matters/2012/nov/21/rise-fall-microfinance>.

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above has not been fully realized due in part to four unfortunate, but nonetheless realistic, economic realities.⁸

First, increasing income is not necessarily conducive to decreasing poverty.⁹ If that increased income is spent on gambling, alcohol or any plethora of thriftless expenditures, decreased incidences of poverty will not necessarily follow from an increase in income.¹⁰ Personal budget allocation is not discussed in this article but can result in further economic disparities for both male and female¹¹ entrepreneurs in developing countries.¹²

Second, microfinance funding falls in line with a basic financial concept: money lent to different parties will not yield a constant result.¹³ In the simplest example of this concept, consider a loan of \$500 given to both Party A and Party B. Party A sees a potential business opportunity and invests its money into a basket-weaving business, a much-needed service in the local community. Party A has substantial success in the community, repays its loan and realizes a net gain in its business. Meanwhile, Party B invests its money in tools and starts a general repair business. However, Party B does not realize the members of its community do their own in-home repairs and do not require a repairperson. Party B cannot make its loan repayments and its business runs a net loss. Both parties, after receiving the same amount of money, have seen a substantially different result. Thus, the effect of a microfinance loan becomes

8. In 2011, 17 percent of people in the developing world lived on or less than \$1.25 a day. This compares to 43 percent in 1990 and 52 percent in 1981. Even with a sustained decrease in poverty incidence, an estimated 1 billion people will still live on or less than \$1.25 a day in 2015. *Poverty Overview*, WORLD BANK, <http://www.worldbank.org/en/topic/poverty/overview> (last updated Oct. 8, 2014).

9. Wrenn, *supra* note 4, at 4-5.

10. *Id.*

11. The author would like to acknowledge that her use of the terms *female* and *woman* are used interchangeably due to a lack of distinction between the two in her sources. This does not reflect her personal understanding of the difference between biological sex and gender, nor is it meant to exclude transgender and genderqueer individuals from the scope of her research.

12. For more information on budget allocation in developing countries, *see generally* INT'L FOOD POLICY RESEARCH INST., *INTRAHOUSEHOLD RESOURCE ALLOCATION IN DEVELOPING COUNTRIES: MODELS, METHODS, AND POLICY* (Lawrence Haddad et al. eds., 1997). From a purely gendered standpoint, budgetary distinctions between male and female spending should reduce the impact of this economic reality: "[i]t is widely perceived that men spend a higher share of their income on goods for their personal consumption than do women. Alcohol, cigarettes, status consumer goods, and even 'female companionship' have been noted. In contrast, women are believed to be more likely to purchase goods for children and for general household consumption." John Hoddinott et al., *Testing Competing Models of Intrahousehold Allocation*, in *INTRAHOUSEHOLD RESOURCE ALLOCATION IN DEVELOPING COUNTRIES: MODELS, METHODS, AND POLICY* 129,130 (Lawrence Haddad et al. eds., 1997).

13. DAVID ROODMAN, *DUE DILIGENCE: AN IMPERTINENT INQUIRY INTO MICROFINANCE* 140-41 (2012) (noting that "[i]f you lend three friends \$1,000 each, they will do different things with the money and achieve different outcomes by luck or skill. . . . Among the millions of borrowers, microcredit no doubt lifts some out of poverty even as it leaves others worse off."). "Microcredit" is a specific type of microfinance defined as "loans of \$50-\$1,000. . . given to people typically earning no more than \$2 per day." *Id.* at 1.

contingent on the economic climate, the individual lender, and their business choices.

Third, statistical inequities and shortcomings indicate that measuring the ability of microfinance to lift lenders out of poverty is difficult, if not altogether unavailing.¹⁴ Four factors are said to make the measurement of microfinance problematic:

- 1.) Different people use microfinance [in] different ways, 2.) Even people who use it in the same way can experience different outcomes, 3.) Families, villages, and neighborhoods are complex webs of causal relationships, which are hard to disentangle, [and] 4.) Average effects depend as much on the ability of microfinance institutions to *select* those most likely to use finance as well as it does on the potential effects on each user.¹⁵

These factors make it difficult to affirmatively measure the ability of microfinance loans to alleviate poverty-ridden citizens, and all four factors are considered in this article.¹⁶

Finally, several critics point to the commercialization of microfinance: the shift from an emphasis on bringing citizens out of poverty to the sustainability and profit of the lending institutions themselves.¹⁷ Critics here note the existence of a profit-driven mission drift¹⁸ creating a “sort of zero-sum game: more profit = less service and, implicitly, fewer benefits to clients.”¹⁹ While it would seem counter-intuitive that more profit leads to a reduction in services, the method for creating higher profits is suspect in this analysis: “. . . efforts to reach a significant scale by securing financial sustainability may lead to a tendency to provide larger loans to less poor clients and to employ stricter loan screening procedures. In other words, scale-up could lead to a drift from an

14. *Id.* at 143-71 (noting the existence of mere *correlation* between lending money and poverty reduction and not addressing *causation*, *selection bias*, and further statistical issues).

15. ROODMAN, *supra* note 14, at 172.

16. Factors 1 and 2 are addressed above at pp. 2-3. Factor 3 is specifically addressed *infra* Parts II.A and III.A. Factor 4 is addressed *infra* Part II.

17. See, e.g., *Road to Redemption: The Industry is Starting to Revive*, ECONOMIST (Jan. 12, 2013), available at <http://www.economist.com/node/21569447/>.

18. In general, *mission drift* “occurs when an institution experiences an ‘unplanned or hidden change in preferences and resulting behaviors’.” MARC MOSER, COMMERCIAL INVESTMENTS AND MISSION DRIFT IN MICROFINANCE 64 (HAUPT BERNE 2013). *Microfinance mission drift* is “the de-emphasis of the social mission in pursuit of higher financial returns.” *Id.*

19. Robert Peck Christen & Deborah Drake, *Commercialization: The New Reality of Microfinance*, in THE COMMERCIALIZATION OF MICROFINANCE: BALANCING BUSINESS AND DEVELOPMENT 2, 2- 4 (Deborah Drake & Elizabeth Rhyne, eds. 2002) (further noting that “[n]ot only are traditional nongovernmental organizations (NGOs) dedicated to microfinance transforming into licensed banks and non-bank financial intermediaries in order to access public funds or small savings deposits, but some banks and finance companies are noticing the potential of microcredit to enhance their product mix and bottom line.”).

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MFI's poverty alleviation mission."²⁰ Quite simply, when these profit-driven motives of traditional lending institutions take hold, microfinance quickly strays from the altruistic poverty-reduction model, and nascent, unbankable entrepreneurs get left behind.²¹

Using female entrepreneurs in Jamaica as an example, this article points out one country's shortcomings in microfinance lending due to the four economic realities expressed above as well as country-specific influences hindering its microfinance development. Legislative solutions to ameliorate these shortcomings will keep Jamaican MFIs on track with their altruistic origin. Because both entrepreneurial structures and the success of MFIs vary from country to country, it is important to realize that solving microfinance problems will not be a one-size-fits-all solution. However, a Jamaica-specific solution is necessary because Jamaica's female entrepreneurs are being left behind in favor of furthering both cultures of old and cultures of young: the indoctrinated, paternalistic Jamaican social culture of old and the troubled Jamaican political culture of young. These two Jamaican cultures work together to limit access to microfinance loans, placing the female entrepreneur in an economically untenable position.²²

Part I of this note outlines A) comprehensive influences on female entrepreneurs across the globe, B) female entrepreneurs in Jamaica by the numbers, and C) Jamaican history necessary to understand how the political and social climate affects microfinance lending initiatives. Part II outlines the existing barriers to a flourishing entrepreneurial environment in Jamaica, including limited access to microfinance loans and the lack of credit reporting. Part III addresses legislative solutions to these barriers, including existing legislation, pending legislation, and solutions not being considered but which are viable. Part III ultimately concludes the end-goal of microfinance, as the panacea for world poverty, is not lost. Despite facing some serious barriers, the end-goal can be realized at least in part by developing legislative solutions to the problems that have arisen.

I. FEMALE ENTREPRENEURSHIP GLOBALLY AND IN JAMAICA, INCLUDING A HISTORICAL PERSPECTIVE

Jamaica's precarious entrepreneurial environment is best understood by first gaining a bird's eye view of the comprehensive influences on female entrepreneurs across the world. This bird's eye view is followed by a tailored, country-specific overview on female entrepreneurship in Jamaica, including Jamaica's relevant history.

20. Opportunity Int'l. *What is Mission Drift in the context of the microfinance industry?*, ALL PARTY PARLIAMENTARY GROUP ON MICROFINANCE (Mar. 2007), available at <http://www.appg-microfinance.org/files/What%20is%20Mission%20Drift.pdf>.

21. Christen & Drake, *supra* note 20, at 4 (describing "commercialization as a process of something that 'loses quality to gain profit'").

22. *See infra* Part III.B.

A. *Developing a Global Context: Comprehensive Influences on Female Entrepreneurs*

In 2012, approximately 126 million women across the world either began or ran a new business in just 67 economies.²³ Furthermore, 98 million women ran existing businesses.²⁴ A number of factors, including culture and society, politics, education, relevant experiences, family influences, social expectations, and socialization influence female entrepreneurs across the world.²⁵ These factors will have qualities unique to each country and specifically to each female entrepreneur.

Cultural and social influences frame entrepreneurs as possessors of masculine characteristics such as aggressiveness, decisiveness, and risk-taking, among others.²⁶ Similarly, some cultures may ridicule women who wish to become entrepreneurs for unnaturally possessing said masculine characteristics and therefore risking their chances to marry and become commendable mothers.²⁷ Although cultural and social influences may not explicitly encourage or discourage female entrepreneurship, social and cultural practices are forces that significantly impact female entrepreneurs all over the world. For example, Jamaica's paternalistic nature combines cultural and social influences to create a social culture of old that exemplifies the implicit discouragement of female-led entrepreneurship.²⁸

Political influences are nearly impossible to gauge from a global standpoint because of the nature of the political beast – each country has its own political system and political players that can change with election cycles, term limits or even violent uprisings. When compared with cultural and social influences that often take decades or even centuries to evolve, political influences are incredibly volatile and may change on a whim.

As more countries (including Jamaica) work toward gender parity,²⁹ female entrepreneurs are theoretically placed in a better economic position. However, this gender parity may be impractical due to cultural and social influences that take longer to evolve. Female entrepreneurs need not limit their interest in political influences to legislation promoting gender parity. A broader

23. DONNA J. KELLEY, CANDIDA G. BRUSH, PATRICIA G. GREENE, YANA LITOVSKY & GLOBAL ENTREPRENEURSHIP RESEARCH ASS'N, GLOBAL ENTREPRENEURSHIP MONITOR 2012 WOMEN'S REPORT, 6, available at <http://www.gemconsortium.org/docs/download/2825>.

24. *Id.*

25. See DAFNA KARIV, FEMALE ENTREPRENEURSHIP AND THE NEW VENTURE CREATION 80-84 (2013).

26. *Id.* at 81.

27. *Id.*

28. See discussion *infra* Part III. B (Current Inhibitors: Gender as a Legislative Influence).

29. For a survey of the progress that has been made in European Union countries, see generally EUROPEAN COMMISSION, REPORT ON PROGRESS OF EQUALITY BETWEEN WOMEN AND MEN IN 2013 (2014), available at http://ec.europa.eu/justice/gender-equality/files/swd_2014_142_en.pdf.

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viewpoint would also look to the development of economic policies that promote or discourage entrepreneurial development.

Jamaica's political culture of young exemplifies both the implicit and explicit effects of clientelism on gaining access to microfinance loans.³⁰ Clientelism includes "transactions between politicians and citizens whereby material favors are offered in return for political support at the polls."³¹ Jamaica's clientelist political culture is heavily relied on throughout this article.

Women who have had access to educational opportunities are more likely than men to incorporate education into their new business venture.³² Although educational initiatives can promote female entrepreneurship in countries where female entrepreneurs are lagging, this note does not focus on education as a factor in female entrepreneurship.³³ However, Jamaica does have a statistically high amount of female citizens enrolled in advanced degree programs in comparison with other Latin American countries; in fact, female enrollment in advanced degree programs exceeds that of male enrollment in Jamaica.³⁴

A female entrepreneur's relevant experience stems in part from prior entrepreneurial ventures.³⁵ Learning the ropes of being an entrepreneur is not easy, and a subsequent venture can indicate either that a prior business venture failed or that a prior business succeeded. Quantified data on the prior ventures of female entrepreneurs in Jamaica was not available at the time of this writing.

Family influences hinge on the idea that female entrepreneurs more frequently have other entrepreneurs in their own family, suggesting that female entrepreneurs can and should work as mentors and role models to foster in the next generation of female entrepreneurs.³⁶ Where female entrepreneurs do not follow in their familial footsteps, communities can pursue a variation on the "it takes a village" philosophy and ensure that female entrepreneurs have the proper guidance. Jamaica itself is not lacking in the "it takes a village to raise

30. See discussions *infra* Part II.A.d and Part III. A.

31. Leonard Wantchekon, *Clientelism and Voting Behavior: Evidence from a Field Experiment in Benin*, 55 *WORLD POLITICS* 399, 400 (2003).

32. KARIV, *supra* note 26, at 82. ("Education is perceived as the anchor for entrepreneurial success among many women entrepreneurs. Emerging statistics from different parts of the world show that more women than men sign up for academic programs in entrepreneurship to prepare themselves for this undertaking, as well as in areas pertaining to what their future businesses will focus on.")

33. For more information on programs offering educational opportunities in female entrepreneurship, see Tory Burch, *Empowering Women Through Entrepreneurial Education*, HUFFINGTON POST (Apr. 1, 2013, 11:19 AM), http://www.huffingtonpost.com/tory-burch/empowering-women-through-_b_2957017.html.

34. See THE ECONOMIST, *WOMEN'S ENTREPRENEURIAL VENTURE SCOPE 2013*, at 29, 31 (2013) [hereinafter *WE Venture Scope*], available at <http://ois.sebrae.com.br/wp-content/uploads/2013/10/publicacao-Women-Entrepreneurial-Venture-Scope-2013.pdf>.

35. KARIV, *supra* note 26, at 83 ("Prior experience as an entrepreneur is the ideal incubator for women entrepreneurs, offering them the opportunity to manage challenges and difficulties by grasping the overall operation of the business and learning as many aspects of the business as possible, experience that would not otherwise have been accessible to them.")

36. *Id.* at 83.

an entrepreneur” philosophy.³⁷ Two mentoring organizations, WEConnect and Women Business Owners, allow women to network with other female entrepreneurs and seek the guidance they may require in starting their own venture.³⁸

Finally, due to social expectations and socialization, women around the world still face certain expectations in raising a family and being the primary caretaker.³⁹ Women’s aspirations to start a business can decline when these superseding expectations take hold.⁴⁰ Social expectations for women in developing countries can be particularly problematic for the aspiring entrepreneur when the challenges of being an entrepreneur and being a woman intersect.

The primary influences on female entrepreneurship considered in this note are cultural and social, as well as political. These influences reinforce the paternalistic social culture of old and troubled political culture of young. In addition, Jamaica’s social culture works in tandem with persistent Jamaican stereotypes about gender. For example, in one study, 62 Jamaican men and 62 Jamaican women were shown a list of one hundred adjectives.⁴¹ If more than 70 percent of respondents associated males or females with an adjective, that adjective was attributed to either the male or female sex, respectively. Adjectives attributed to men included: “coarse, reckless, aggressive, lazy, tough, arrogant, stern, disorderly, robust, rigid, autocratic, courageous, and hard-headed.”⁴² Conversely, adjectives attributed to women included: “complaining, fussy, sexy, emotional, worrying, affectionate, sensitive, soft hearted, and sophisticated.”⁴³ These stereotypes coalesce with the cultural and social influences discussed above, and give credence to the general perception that female entrepreneurs are attributed with the tendencies of their male counterparts.⁴⁴ These perceptions work to create a hostile environment for female entrepreneurs in Jamaica.

37. See *WE Venture Scope*, *supra* note 35, at 64 (noting that “[w]omen in Jamaica benefit from a wide access to business networks.”).

38. *Id.*

39. See KARIV, *supra* note 26, at 84; see also Pamela E. Bridgewater, United States Ambassador to Jamaica, Women’s Leadership: Transforming Self, Community and Country (June 6, 2013) (“Challenges Facing Women Executives” forum, Kingston, Jamaica), available at http://kingston.usembassy.gov/sp_06062013.html (noting that “[a]lthough more men today are happily involved in child rearing more so than their parents or grandparents, it is still women who function as the primary caretakers of their children.”).

40. KARIV, *supra* note 26, at 84.

41. Karen Carpenter & Gavin Walters, *A So Di Ting Set: Conceptions of Male and Female in Jamaica and Barbados*, 15 *SEXUALITY & CULTURE* 345, 345 (Dec. 2011).

42. *Id.*

43. *Id.*

44. See *supra* Part I.A.

B. Breaking Down the Local Numbers: Female Entrepreneurs in Jamaica

Unsurprisingly, the Great Recession did not spare Jamaica. When the economy fizzled out, tourism dollars previously flowing steadily into Jamaica fizzled out as well.⁴⁵ Resulting changes in employment, more often than not, created the *need* for entrepreneurship (i.e., subsistence or necessity-based entrepreneurship) over the independent *desire* to start one's own business. A subsistence entrepreneur must begin their own business to provide for basic goods such as food and shelter rather material goods. In developing countries such as Jamaica,⁴⁶ female entrepreneurs are more likely to start a small-scale business and, unfortunately, are more likely to never see their business develop into anything more than a subsistence-based support vehicle.⁴⁷

Jamaican unemployment figures lend further credence to the importance of subsistence-based entrepreneurship, particularly where women are concerned: in 2011, the female unemployment rate was 14.8 percent compared to the male unemployment rate of 8.6 percent.⁴⁸ Higher rates of female unemployment create an increased need for subsistence-based entrepreneurship and, as a result, also create an increased need for funding in new business ventures.

In a recent study by The Economist, experts on female entrepreneurship and economic development analyzed data from twenty Latin American and Caribbean countries.⁴⁹ The study looked to gauge the encouragement and support provided by governments to female entrepreneurs.⁵⁰ Unfortunately, Jamaica placed last on the list.⁵¹ This last place finish is accompanied by statistical evidence regarding the current state of female entrepreneurship in Jamaica. The study found that only 22.7 percent of Jamaican businesses have top female managers, less than 21 percent of entrepreneurs have taken out a loan from a financial institution in the past year, and only 22.3 percent of female entrepreneurs have access to microfinance loans.⁵²

Statistical evidence indicates that Caribbean women, including Jamaican women, acknowledge the ingrained biases they face with starting their own

45. Hossein, *infra* note 91, at 112.

46. The U.S. Department of State considers to be Jamaica a developing country. *Country-Specific Information on Jamaica*, U.S. DEPARTMENT OF STATE, http://travel.state.gov/travel/cis_pa_tw/cis/cis_1147.html. (last updated Sept. 2, 2014).

47. GLOBAL ENTREPRENEURSHIP & DEV. INST., *THE GENDER GLOBAL ENTREPRENEURSHIP AND DEVELOPMENT INDEX 9 (2013)*, available at http://i.dell.com/sites/doccontent/corporate/secure/en/Documents/Gender_GEDI_Executive_Report.pdf.

48. THE BUREAU OF WOMEN'S AFFAIRS & THE GEN. ADVISORY COMM., *JAMAICA: NATIONAL POLICY FOR GENDER EQUALITY 9 (2011) (2011)*, hereinafter *NAT'L POL. FOR GENDER EQUALITY*] available at <http://www.nlj.gov.jm/files/u8/NPGE-JA-FINALwCover21311.pdf>.

49. *WE Venture Scope*, *supra* note 35, at 8.

50. *See id.*

51. *Id.* at 10.

52. *Id.* at 23, 63.

business, including the prevailing female stereotypes.⁵³ However, Jamaican female entrepreneurs do view their gender as a secondary issue, noting, “*class or race* [emphasis added] were more significant than gender in terms of their access to micro loans.”⁵⁴ This suggests a statistical quandary. While female entrepreneurs are at a statistical disadvantage in Jamaica by simply being female,⁵⁵ they apparently do not view that disadvantage as being driven by their gender.⁵⁶ Still, “Jamaican [microfinance] managers and staff (most of whom are female) grant loans to women who fit within their own social mores without considering the consequences their bias may have”⁵⁷ This suggests that female citizens may engage in their own brand of stereotyping against other women and that “gender oppression is accompanied by class discrimination.”⁵⁸ Jamaica’s paternalistic culture of old may not influence class discrimination but undoubtedly influences any trace of gender oppression, whether that oppression comes from a male or female member of Jamaican society.

C. Jamaican History: The House on the Hill and Control by the Resident Don

A basic understanding of certain aspects of Jamaican history is necessary to understand the modern political influences in Jamaica. Additionally, Jamaica’s recent economic conditions shed light on both the entrepreneurial motivations and limitations of Jamaican female entrepreneurs, and showcases the control exhibited by local Dons.⁵⁹ Jamaica’s “Dons” do not have a uniform definition, but they do share common characteristics in that they collectively come into power under polarized conditions, focus their control on areas with a high incidence of urban poverty, make use of fear tactics, and disburse material benefits in return for continued support and loyalty.⁶⁰ This use of fear tactics and material support allows for Dons to control the actions of local residents.

The prevalence of Jamaica’s Dons is due in part to Jamaica’s young democracy being just over half a century old. Jamaica gained its independence

53. See Hossein, *infra* note 91, at 245 (additionally noting that “they [Caribbean women] also observe that ethnic, racial, and class biases play a role as well in holding them back in society, since these structure a women’s place in her community”); See Carpenter & Walters, *supra* note 42.

54. Hossein, *infra* note 91, at 245.

55. Cf. *WE Venture Scope*, *supra* note 35, at 10 (the overall rankings of the Women’s Entrepreneurial Venture Scope 2013 study, with Jamaica’s last-place finish suggest that Jamaica’s female entrepreneurs are at a greater disadvantage than their male counterparts).

56. Hossein, *infra* note 91, at 245.

57. *Id.* at 246-47.

58. *Id.* at 248.

59. See HUME JOHNSON, CHALLENGES TO CIVIL SOCIETY: POPULAR PROTEST & GOVERNANCE IN JAMAICA 240 (2011). (“Jamaica’s dons are considered to be a prime example of rogue leadership in the civil sphere. Rogue leaders in civil society evolve where and when the state is too weak or too involved with other priorities to control the monopoly of violence and ensure good governance, safety, and public order in everyday life.”).

60. See Damion Blake, *Garrisons: Empires of the Dons*, THE GLEANER (Feb. 27, 2012), available at <http://jamaica-gleaner.com/gleaner/20120227/cleisure/cleisure4.html>.

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from the British Crown in 1962.⁶¹ However, this democratic independence has been referred to as a squandered opportunity.⁶² Due to Jamaica's unrealized advancement, a modern plantation system remains "where brutality is meted out against the defen[s]eless, and every little shanty-town Napoleon wants to be an overseer with a team of servants at his call."⁶³ These rogue leaders come into informal power when a young democracy, such as Jamaica, is too weak to provide good governance and public order.⁶⁴ Once in a position of alternate authority, Dons undercut the legitimacy and authority of the establishment itself, forming a *de facto* dictatorship-based society within the larger democratic country.⁶⁵

Beyond the political strife, the topography and modern housing disbursement of Jamaica quite literally reinforces the class system and modern mindsets: prosperous Jamaican citizens live on hilltops in spectacular homes which look down upon the impoverished shanty towns at the base of the hill.⁶⁶ In this respect, both Jamaica's institutional history and institutional geography create an intensely disparate class system. This disparate class system adds a hierarchical element to Jamaica's prevailing social culture.

There are two dominating political parties in Jamaica's political slums,⁶⁷ the Jamaica Labor Party and the People's National Party.⁶⁸ Entire communities vote for the same candidate, and an informal Don (as compared to a more formal, democratically elected representative) dominates the individual communities' affairs.⁶⁹

Jamaican citizens refer to these modern political methods as *politricks*, or "politics characterized by dishonesty."⁷⁰ Through *politricks*, Dons have created "states within a state."⁷¹ Each state within a state is unique, and the loyalty shown to a Don can vary greatly. One extreme example of Don loyalty is that

61. IAN THOMSON, *THE DEAD YARD: A STORY OF MODERN JAMAICA* 4 (2009).

62. *Id.* at 283.

63. *Id.* at 284.

64. JOHNSON, *supra* note 60, at 240.

65. *See id.*

66. Hossein, *infra* note 91, at 70; *see* THOMSON, *supra* note 62, at 284.

67. The evolution of Jamaica's political slums has been described as follows: "In the 1970s, Jamaica's two main political parties enlisted gangs to intimidate voters, including arming them to enforce partisan loyalty Successive debt-wracked governments of both parties gradually ceded power in the slums to gang leaders who were the only real providers of social welfare. Slum powerbrokers called "dons" received government contracts for public works projects that included building clinics and schools With the gangs firmly entrenched, most poor people were forced to affiliate themselves with a party and an affiliated gang since they relied on patronage for jobs, houses and landSuch pork barrel politics siphoned taxpayers' money into constituency development funds in a loyal don's turf." David McFadden, *New Jamaica Leader Targets Political Slums*, *THE SEATTLE TIMES* (Nov. 23, 2011), *available at* http://seattletimes.com/html/nationworld/2016830247_apcbjamaicaslumpolitics.html.

68. Hossein, *infra* note 91, at 72.

69. *Id.*

70. *Id.* at 73.

71. *Id.*

of Don Christopher “Dudas” Coke, the source of international controversy in a 2010 extradition initiative by the United States that led to widespread rioting in Kingston.⁷² The intense loyalty shown to Christopher “Dudas” Coke by neighborhood residents and his involvement in the lives of citizens provides an example of the influence that community Dons have in the economic and political systems of Jamaica. This influence affects every facet of citizen life in Jamaica, including female entrepreneurial initiatives and access to microfinance loans.

Despite the influence of Dons in local regions, the Jamaican government as a whole is aware of entrepreneurship’s importance in furthering the development of the Jamaican economy. Jamaica’s comprehensive development plan, titled, *Vision 2030 Jamaica, National Development Plan*, looks to the entrepreneurial future of the country.⁷³ The plan’s vision specifically provides for entrepreneurs, saying, “we seek out and support the entrepreneurial talents and creativity of our people.”⁷⁴ The plan goes on to note that a specific challenge facing the Jamaican government is “insufficient promotion of entrepreneurship.”⁷⁵ This insufficiency results from a lack of training for entrepreneurs and a countrywide lack of promotion for an entrepreneurial culture.⁷⁶

Entrepreneurial culture stems from the three-fold idea that culture influences attitudes toward work and consumption, economic structures and methods, and the building of social networks and confidences.⁷⁷ This three-fold approach to the integration of culture into Jamaica’s economic sustainability

72. Mattathias Schwartz, *A Massacre in Jamaica*, THE NEW YORKER (Dec. 12, 2011), available at <http://www.newyorker.com/magazine/2011/12/12/a-massacre-in-jamaica>. Coke was referred to as “President” in his neighborhood of Tivoli Gardens, and government officials were not allowed to enter the neighborhood without his permission. When an extradition order was authorized, Coke turned the neighborhood into his own personal fortress and neighborhood citizens defended him against government intervention. Thousands of Tivoli Garden women marched on streets bearing signs that read, “Taking Di Boss Is Like Taking Jesus,” “After God, Dudas Comes Next!,” and “Jesus Die for Us. We Will Die for Dudas!” When all was said and done, one soldier and 73 civilians were killed before Coke was finally captured and extradited to the United States. Coke’s “state within a state” had its own penal system, provided funds, legal aid, food, and medicine to residents. Despite this involvement at every level of neighborhood citizens’ lives, a U.S. Embassy Deputy Chief described: “Coke was like Moriarty from the Sherlock Holmes books He was at the center of the web, but was never caught doing anything himself.” *Id.* Don Moriarty ultimately was brought down through a D.E.A. and Jamaica Ministry of National Security alliance. *Id.*

73. PLANNING INST. OF JAMAICA, *VISION 2030 JAMAICA: NATIONAL DEVELOPMENT PLAN* (2009), available at <http://www.vision2030.gov.jm/> (click on “Reports,” then click on the “Vision 2030 Jamaica” icon on the left).

74. *Id.* at VI.

75. *Id.* at 65.

76. *Id.*

77. HEIKO BERGMANN, ORG. FOR ECON. CO-OPERATION AND DEV. (OECD), *KEY POLICY ISSUES IN ENTREPRENEURSHIP AND SME DEVELOPMENT 4*, available at <http://www.oecd.org/site/cfecpr/42202841.pdf>.

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also falls in line with the theory of New Institutional Economics.⁷⁸ While an in-depth analysis of the theory of New Institutional Economics⁷⁹ is beyond the scope of this article, it is sufficient to point out that economists recognize a link between a country's institutions, including their laws, political & social systems and cultural values, and their economic performance.⁸⁰ As examined throughout this article, various Jamaican institutions, including the social culture of old and the political culture of young, are stifling microfinance development and further disenfranchising female entrepreneurs in the process.

II. INSTITUTIONAL BARRIERS TO FEMALE ENTREPRENEURSHIP IN JAMAICA

The two primary barriers to female entrepreneurship in Jamaica are: 1) lack of access to microfinance loans, and 2) lack of credit reporting systems. Credit reporting systems are valuable, but they are only valuable if loan funds exist in the first place. The most important barrier, and the centerpiece of this article, is the lack of access to microfinance loans. Without access to microfinance loans in the first place, credit reports are rendered moot. This lack of access stems from the engrained stereotypes in Jamaica's social culture of old and also from a political culture of young ripe with strife and dishonesty.

A. Access to Microfinance Loans

To understand the microfinance loan system in Jamaica it is necessary to look at microfinance lending in general, what types of institutions have a role in the industry, and how that industry remains viable while helping entrepreneurs. The discussion then turns its focus toward Jamaica and the political influences on MFI (microfinance institution) success. Finally, alternative funding methods and business models are considered for context.

1. Microfinance Lending, Generally

The World Bank recognizes three categories of microfinance lenders.⁸¹ Category A lenders use other people's money.⁸² Broadly speaking, this category consists of three different types of lenders. The first type of lender is "non-profit NGOs [non-governmental organizations] using grants and

78. New Institutional Economics is "an interdisciplinary enterprise combining economics, law, organization theory, political science, sociology and anthropology to understand the institutions of social, political and commercial life." *About ISNIE*, INT'L SOC'Y FOR NEW INSTITUTIONAL ECON., <http://www.isnie.org/about.html> (last visited Oct. 25, 2014).

79. For an in-depth analysis of New Institutional Economics, *see generally* EIRIK G. FURUBOTN & RUDOLF RICHTER, *INSTITUTIONS AND ECONOMIC THEORY: THE CONTRIBUTION OF THE NEW INSTITUTIONAL ECONOMICS* (Timur Kuran ed., 2d ed. 2005).

80. *See* Ronald Coase, *The New Institutional Economics*, 88 *The AM. ECON. REV. (PAPERS & PROC.)* 72, 73 (1998).

81. HENNIE VAN GREUNING ET AL., *A FRAMEWORK FOR REGULATING MICROFINANCE INSTITUTIONS* 4-6 (1998) (World Bank, Financial Sector Development Department), available at <http://elibrary.worldbank.org/doi/pdf/10.1596/1813-9450-2061>.

82. *Id.*

donations to provide micro-loans.”⁸³ The second type of lender is “non-profit NGOs that augment grants and donations with members’ savings and limited borrowings from commercial banks.”⁸⁴ Finally, the third type of lender is “non-profit NGOs that have changed their organizational format into incorporated entities and exercised some leverage by mobilizing some ‘wholesale’ funds through wholesale deposits, commercial paper or bank credit lines.”⁸⁵

Category B lenders use members’ money and “consist of membership-based credit unions and savings and credit cooperative associations whose services are limited exclusively or primarily to members.”⁸⁶ Finally, category C lenders use the general public’s money and consist of “corporate entities authorized to operate as specialized banks of finance companies,” “licensed banks with mutual ownership of capital by members,” and finally, “licensed regular banks with equity capital owned by individual investors.”⁸⁷ Discussed in more detail below, Jamaica has category A, B, and C MFIs.⁸⁸ The category and type of MFI are essential in considering what policy initiatives can be implemented towards addressing shortcomings in the institutional system. This comes from the fact that each MFI sources loans differently and therefore, policy measures are not one-size-fits-all. The best fix for one type of MFI is not the best fix for another type of MFI.

2. Seeking a Double Bottom Line

Unbankable entrepreneurs, those who are not able to get financing from traditional banks, are often pursuing their last form of relief when they look to MFIs and other less conventional forms of financing. While this financial relief for entrepreneurs can be a last hope, the motivations of lending institutions themselves are quite different as “[t]he promise of micro-credit was to achieve a double bottom line: first, the financial sustainability of the lending institution itself, and second, the social benefit of providing loans to poor business people.”⁸⁹ This double bottom line lends itself to competing motivations. Lenders look to provide for the sustainability of the institution; lenders will not lend when they are unsure about the viability of a lende. This is where personal stereotypes resulting from an engrained social culture of old can have a negative impact on lende. Lende work to ensure their own survival; if money is not coming into a business, lende will be less likely to make payments on their loans as they will likely be using whatever comes in to provide for their families and themselves first. The ultimate result is that while lenders and lende need each other to profit, they are warring allies in economic development.

83. *Id.*

84. *Id.* at 6.

85. *Id.*

86. *Id.*

87. *Id.*

88. *See, e.g.,* Hossein, *infra* note 91, at 117.

89. *Id.* at 113.

3. The Jamaica Microfinance System by the Numbers

The statistical implications of cultural influences, social influences, and political influences (specifically, clientelism) are quite telling. In one study, as many as 61 percent of interviewed Jamaican entrepreneurs, both male and female, were unable to access microfinance loans.⁹⁰ The study's author concluded that 41 percent of interviewed entrepreneurs were excluded due to class bias, or chose to self-exclude for, among other reasons, the ill effects of clientelism.⁹¹

4. The Negative Impact of Political Persuasion on Repayment Loans

The explicit and implicit goals of Jamaican MFIs invariably contrast with both the explicit and implicit implications of cultural, social, and political influences. In ideally situated countries and under the original model of microfinance, these explicit and implicit goals and socio-political influences would work together, putting the entrepreneur first and the needs of the country and the MFI second. However, the commercialization of MFIs and the Jamaican political influences (including the influence of local Dons and the clientelist practices) have collided to create a microfinance system which ignores the very people microfinance loans initially sought to lift from poverty.

Forty percent of Jamaican lenders maintain a material connection with politicians and thus often act under the auspices of the political system by taking referrals from their political associates.⁹² Lenders who maintain a political association are viewed as political entities subject to the whims of democracy, and as such, have poor repayment rates.⁹³ Sub-par repayment rates result from the reality that lenders are less motivated to make payments on their loans when they know that a lender may be de-funded or altogether eliminated when the next election cycle occurs. The election cycle itself is rendered moot when considering how a lender is still at the whim of a politician in power even when elections are not an issue. These sub-par repayment structures undercut the lenders themselves (thus injuring future lending objectives) and hurt the integrity of the microfinance system as a whole.

90. See Caroline S. Hossein, *The Politics of Microfinance: A Comparative Study of Jamaica, Guyana, and Haiti* 139 (2012) (unpublished Ph.D dissertation, University of Toronto) (on file with author). In this Doctorate of Philosophy Dissertation, Hossein traveled to Jamaica, Guyana, and Haiti and interviewed 233 Jamaican entrepreneurs on their experiences with the Jamaican microfinance system. *Id.* at 42. Hossein determined the microfinance system in Jamaica was broken and overtaken by *identity politics* and the *engrained prejudices* of microfinance lenders. *Id.* at 20. As a result, entrepreneurs are either excluded by the system due the prejudices or voluntarily exclude themselves due to political strife. *Id.* at 33. Jamaican entrepreneurs instead look to informal banks for financing. *Id.* at 115.

91. *Id.* at 115. While Hossein did not see gender as a *primary* determinative influence in microfinance lending, this note merges and resolves her research with studies that do suggest gender is a primary determinative influence. *Id.* at 245.

92. Hossein, *supra* note 91, at 116.

93. See Hossein, *supra* note 91, at 137.

Economically, all businesses, including traditional and nontraditional lending institutions, are exposed to the volatility of the market. Jamaican MFIs deal with a second source of extreme volatility – a charged clientelist political system.

As previously discussed, incoming political leaders may fund micro lenders differently than their predecessors, especially if there is a shift in party control. There is evidence that, while politicians want to see money in the hands of Jamaica's poorest entrepreneurs, they are completely unaware that money is not reaching the entrepreneurs who need it the most.⁹⁴ Furthermore, "[p]olicy responses that *do* address this failure do not consider that personal prejudices in the allocation of micro-credit may account for it."⁹⁵ Personal prejudice is one of the main barriers when attempting to access microfinance loans.⁹⁶

5. Sources of Development: If Not Microfinance, Where and What Business Model?

Micro and small enterprise businesses are the main benefactors of microfinance loans.⁹⁷ Furthermore, most micro businesses operate as a sole proprietorship and 80 percent of micro businesses operate out of a permanent site.⁹⁸ A sense of permanence adds to the consumer appeal of a new business and increases the likelihood that established businesses will seek out a consistent micro lender or group of micro lenders. Despite this, almost 50 percent of new business funding in Jamaica comes from personal savings.⁹⁹ Beyond personal savings, around 20 percent of funding comes from family and friends and 20 percent comes from business partners.¹⁰⁰ Loans from family and friends and business partners are the result of informal finance techniques.¹⁰¹ This leaves a mere 10 percent of funding from other sources, including microfinance institutions.¹⁰²

The idea that 10 percent of funding comes from other sources likely results from both a combination of rejection by micro lenders and from removing oneself from the microfinance system altogether in favor of more informal methods of financing. Both aspects create significant barriers for female entrepreneurs.

94. *Id.* at 113.

95. *Id.*

96. *See id.* at 116.

97. AKHIL MALAKI, *INFORMAL FINANCE AND MICROFINANCE IN JAMAICA AND TRINIDAD & TOBAGO: AN INSTITUTIONAL STUDY* 77 (2005).

98. *Id.* at 78-79.

99. *Id.* at 79.

100. *Id.*

101. *Id.* at 80.

102. *Id.* at 79.

B. *Lack of Credit Reporting and Microfinance*

As measured by the Economist Intelligence Unit,¹⁰³ Jamaica's most recent Credit Information Index is zero.¹⁰⁴ An index of zero means that credit information¹⁰⁵ is not readily available to micro lenders or any lending institution for that matter.¹⁰⁶ Thus, a potential lender's repayment history cannot be taken into account when making loan decisions because the history effectively has no record of existence. To put this lack of institutional credit reporting into perspective, consider that in a recent survey of 143 economies across the globe, only six surveyed economies, including Jamaica, did not have a public credit registry or a private credit bureau.¹⁰⁷ Because credit information can be "one of your most valuable assets" in building a future,¹⁰⁸ entrepreneurs are in a particularly precarious situation when they reside in a country with no formal or informal credit reporting system. Fortunately, with the implementation of new legislation as discussed below, the Jamaican credit reporting landscape is improving.¹⁰⁹

Generally speaking, any credit reporting system has three main players: consumers, credit bureaus, and financial institutions.¹¹⁰ Consumers are those

103. The Economist Intelligence Unit is a business within the Economist Group that prepares studies, forecasts economic climates, and advises business clients throughout the world. *About Us*, ECONOMIST INTELLIGENCE UNIT, <http://www.eiu.com/public/who-we-are.aspx> (last visited Oct. 26, 2014).

104. *WE Venture Scope*, *supra* note 35 at 64, 82. A Credit Information Index measures "rules affecting the scope, accessibility, and quality of credit information available through public or private credit registries. The index ranges from 0 to 6, with higher values indicating the availability of more credit information, from either a public registry or a private bureau, to facilitate lending decisions." *Credit Depth of Information Access*, WORLD BANK, <http://data.worldbank.org/indicator/IC.CRD.INFO.XQ> (last visited Oct. 26, 2014).

105. *Credit information* includes "information about a person's or company's ability to pay debt, examined especially by banks before they decide to lend money." *Credit Information*, CAMBRIDGE DICTIONARIES ONLINE, <http://dictionary.cambridge.org/us/dictionary/business-english/credit-information> (last visited Oct. 26, 2014).

106. WORLD BANK, *supra* note 105.

107. WORLD BANK, *WOMEN, BUSINESS AND THE LAW 2014*, at 22 (2013), *available at* <http://wbl.worldbank.org/reports>. The other five countries besides Jamaica are the Democratic Republic of Congo, Lesotho, Malawi, Sudan, and Tanzania. *Id.*

108. Duke Univ., *What is a Credit Score and why does it matter?*, PERSONAL FINANCE @ DUKE, <http://www.personalfinance.duke.edu/manage-your-finances/credit-scores/what-credit-score-and-why-does-it-matter> (last visited Oct. 26, 2014) ("Your credit score will play an important role in your financial future: it can mean the difference between being able to purchase a home with a mortgage or having to continue renting. It can also drastically affect the rate of interest you pay on your loans (car loans, home loans, privately consolidated student loans, etc.). The higher (and better) your credit score, the less interest you will have to pay each month and overall. Your credit risk is evaluated, largely by reference to your credit score . . .").

109. *See infra* Part III.

110. Layla Brown, *Credit Reporting Effects on Consumers*, THE GLEANER (June 9, 2013), *available at* <http://jamaica-gleaner.com/gleaner/20130609/business/business8.html> (discussing the interplay of the three parties: "[t]he credit bureau collects and stores

who need to invest in items, which vary from credit card purchases for weekly consumables to the bank loans necessary to finance a new business or purchase a new home or car. Credit bureaus are put in place in order to monitor the repayment activity on consumer debts and put together informational reports on repayment histories.¹¹¹ Financial institutions rely on credit bureaus to provide information on consumer credit history because this history helps an institution predict a return on their investment.¹¹² In the United States the most popular credit model is FICO¹¹³, which has been in use since 1989.¹¹⁴ Developing economies, such as Jamaica, do not have the same or similar credit tracking methods in place.

Without the use of credit reporting, lenders cannot adequately judge potential lenders' viability. As a result, decisions are based more on guesswork and less on models of repayment history.¹¹⁵ Credit history is a seemingly objective standard available to potential lenders, and without credit history models, lenders have no choice but to be more subjective in their lending decisions. When subjectivity is all a lender has to work with, stereotypes can quickly play into lending decisions. This is especially the case when one considers the divided political landscape in Jamaica, the prevailing stereotypes, and the female entrepreneur.

Furthermore, the stereotypes women in developing countries face due to engrained social biases further challenge this subjectivity.¹¹⁶ The end result creates a hostile environment for female entrepreneurs seeking microfinance loans, therefore creating a vicious cycle: female entrepreneurs cannot prove their creditworthiness on an application for an initial loan, and if they are approved for a loan, there is no credit tracking system available to prove future viability on loan repayments. Without the use of credit tracking, female entrepreneurs are unable to build confidence with lenders. Each trip to a lender becomes distinct and completely detached from prior loans. For this reason, a credit history reporting system is essential to the success of microfinance loans

consumers' loans and credit-card activities reported to them on a regular basis by the creditors - for example, banks and credit unions.").

111. See Credit Bureaus and Credit Scoring, USA.GOV, <http://www.usa.gov/topics/money/credit/credit-reports/bureaus-scoring.shtml> (last visited Oct. 26, 2014).

112. *Id.*

113. FICO score weights for an individual: payment history (35 percent), amounts owned (30 percent), length of credit history (15 percent), new credit (10 percent), and the types of credit used (10 percent). *What's in my FICO Score*, MYFICO, <http://www.myfico.com/crediteducation/whatsinyourscore.aspx> (last visited Oct. 26, 2014).

114. *FICO Credit Score*, BAY COAST BANK, <https://www.baycoastbank.com/home/fiFiles/static/documents/FICO%20score.pdf> (last visited Oct. 26, 2014).

115. See Hossein, *supra* note 91, at 151. One female entrepreneur acknowledged this guesswork in an interview by noting that stereotypical gestures were made before an application was even completed.

116. See *supra* Part I.A.

and female entrepreneurs. This is especially the case in developing countries like Jamaica.

III. LEGISLATIVE SOLUTIONS: ADDRESSING THE BARRIERS VS. IGNORING THE BARRIERS

Discussed below are both the inhibitors of microfinance access on a theoretical level (including clientelism and gender as a legislative influence) and the practical on-the-ground solutions being implemented in order to provide more access to microfinance programs for female entrepreneurs. The theoretical implications rise to a more advanced level that may make for good conversation in academia, but is both disillusioned and impractical when facing the political and economic realities of a developing economy. The practical on-the-ground solutions are those currently being considered by the Jamaican government (the Micro Credit Act), those having been recently implemented (the licensing of credit reporting bureaus and implementation of crowdfunding initiatives), and those solutions that exist on a more novel and experimental level (the creation of a new tax-exempt entity).

A. *Current Inhibitors: Clientelism and the Lack of Regulation*

Jamaica's lack of direct regulation in the area of microfinance recently contributed to the country ranking 42 among 55 countries studied to gauge the microfinance business environment.¹¹⁷ The study focused on three aspects; regulatory framework (ranked 49), institutional development (ranked 28), and country stability (ranked 4).¹¹⁸ The composite result of these three criteria (a rank of 42 out of 55) indicates that the lack of a microfinance regulatory framework is preventing Jamaica from reaching its full potential.¹¹⁹ However, the question of what regulatory framework is best suited for Jamaica, their lenders, and their female entrepreneurs is not easy to answer, and the effects of clientelism on each proposed solution are even more nebulous.

At first glance it would seem counter-intuitive to solve the burden of clientelism in MFIs with more government legislation. However, in Jamaica, this lack of regulation allows for the furtherance of clientelist practices.¹²⁰ Some basic political science theory helps in understanding why younger

117. Steven Jackson, *Jamaica Hurt by Lack of Regulation – Microfinance Report*, JAMAICA OBSERVER (Oct. 18, 2013), available at http://www.jamaicaobserver.com/business/Jamaica-hurt-by-lack-of-regulation-microfinance-report_15271506. Cf. ECON. INTELLIGENCE UNIT, GLOBAL MICROSCOPE ON THE MICROFINANCE BUSINESS ENVIRONMENT 2013, 45 (2013), available at <http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=38098109> (“The [microfinance] industry remains underdeveloped and is composed of a small number of non-regulated non-governmental organisations (NGOs), along with credit unions (CUs), which have only recently come under regulatory scrutiny, and a few private companies and banks that offer micro-credit.”).

118. Jackson, *supra* note 117.

119. *See id.*

120. Hossein, *supra* note 91, at 74.

democracies, such as Jamaica, are more prone to the ills of clientelism.¹²¹ At their core, “[p]olitical competitors in younger democracies have had less chance to develop policy reputations with voters and their political parties are likely to be less well-established as vehicles for conveying credible policy stances.”¹²² As a result, the politician acts as a patron¹²³ or allies with a patron, who provides benefits (either tangible or intangible) to the supporting voter (or client).¹²⁴ When these benefits are provided to the client, the result is an under-provision of public goods to the public at large.¹²⁵

In Jamaica specifically, “[w]hitened political elites make promises of money, lodgings, and jobs to very poor political activists who, if they fail to deliver the vote for their candidate, will lose the political hand-outs.”¹²⁶ When these political elites maintain a tie to microfinance institutions, the success and failure of these institutions rises and falls as a country’s power structure shifts. While regulatory schemes are subject to the same changing tides of democracy, clientelism is not a political necessity. Eradicating the clientelist system at work in Jamaica will improve Jamaica’s young political culture and pave the route for effective legislation.

B. Current Inhibitors: Gender as a Legislative Influence

The *Women, Business and the Law 2014* report on removing restrictions to enhance gender equality found that Latin American and Caribbean countries had made significant reforms towards enhancing gender parity.¹²⁷ Specifically, the report depicts that these countries have approximately 25 percent of the gender-based restrictions still in place today that existed in the 1960s.¹²⁸ Jamaica itself has contributed to the progression of the greater Latin American and Caribbean region.¹²⁹

Jamaica only recently amended their Constitution to include both a gender equality clause and a clause prohibiting discrimination based on gender.¹³⁰ In 2011, the Jamaican Parliament passed the Charter of Fundamental Rights and

121. See generally Philip Keefer, *Democratization and Clientelism: Why are Young Democracies Badly Governed* (World Bank Policy Research, Working Paper No. 3594, 2005), available at <http://elibrary.worldbank.org/doi/pdf/10.1596/1813-9450-3594>.

122. *Id.* at 4-5.

123. See THOMSON, *supra* note 62, at 4.

124. Keefer, *supra* note 122, at 4.

125. *Id.*

126. Hossein, *supra* note 91, at 71.

127. See WORLD BANK, *supra* note 108, at 11.

128. *Id.* at 12. Comparably, other developing regions did not show similar progression. Sub-Saharan Africa still had roughly 50 percent of 1960-era restrictions in place and the Middle East and North African region had roughly 85 percent of 1960-era restrictions still in place. *Id.*

129. Jamaica was the first English-speaking Caribbean country to benefit from full suffrage rights and was also the first to grant women the ability to be elected to Parliament. NAT’L POL. FOR GENDER EQUALITY, *supra* note 49 at 9.

130. WORLD BANK, *supra* note 108, at 14,.

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Freedoms.¹³¹ The Charter amended Chapter Three of the Jamaican Constitution, and is one of the most significant changes to the Jamaican Constitution since the creation of the Jamaican independent state in 1962.¹³²

Such a sweeping amendment to Jamaica's Constitution stands as a watershed moment in the promotion of gender equality in Jamaica. Furthermore, and central to this note, the adoption of gender parity legislation ideally increases access to various institutions, including MFIs.¹³³ However, while the movement toward gender parity in Jamaica through legislative enactments is a far cry away from mere propaganda law, evidence discussed in this note suggests more targeted legislation is needed.

Unfortunately, shortly after the gender equality amendment was passed, the Jamaican Bureau of Women's Affairs acknowledged that "[l]ittle political will exists for enforcing gender-balanced legislation and gender-specific policies in particular."¹³⁴ Without the political will to enforce gender specific laws, the sad fact is that all the parliamentary *ayes* in the world will not create even the most nominal change on the ground.

A change in the law, be it an amendment at the highest level of judicial authority or a local ordinance in a small town or village, works in three broad stages: "1.) [*r*]egulation is implemented, which leads to changes in 2.) the *behavior* of individuals or entities targeted or affected by regulation, which ultimately leads to changes in 3.) [*o*]utcomes, such as amelioration in an underlying problem or other (hopefully positive) changes in conditions in the world."¹³⁵ The amelioration of disparate lending practices still lies out of reach for Jamaican female entrepreneurs, even with the passing of the gender equality clause to the Jamaican Constitution. As discussed above, one possible explanation is the lacking will to enforce gender specific policies.¹³⁶ Another possible explanation for this breakdown in legislative impact comes from the very culture indoctrinated through generations of Jamaican citizens: there are set gendered roles creating a "proper" social order.¹³⁷

Functionally, the result is a government purporting to seek change, and even enacting legislation which, on its face, promotes change, but which cannot fight against an embedded culture and once more does not have the political will to do so. At this point, it would be remiss not to acknowledge that this

131. Charter of Fundamental Rights and Freedoms (Constitutional Amendment) Act (Act. No. 12/2011) (Jam.), available at http://www.japarliament.gov.jm/index.php?option=com_content&view=article&id=779&Itemid=71 (follow "The Charter of Fundamental Rights and Freedoms (Constitutional Amendment) Act, 2011").

132. *Id.*; see also Gary Spaulding, *Finally!*, THE GLEANER (March 27, 2011), available at <http://jamaica-gleaner.com/gleaner/20110327/lead/lead8.html>.

133. See WORLD BANK, *supra* note 108, at 13.

134. NAT'L POL. FOR GENDER EQUALITY, *supra* note 49, at 11.

135. CARY COGLIANESE, MEASURING REGULATORY PERFORMANCE: EVALUATING THE IMPACT OF REGULATION AND REGULATORY POLICY 8,(2012), available at http://www.oecd.org/gov/regulatory-policy/1_coglianese%20web.pdf.

136. NAT'L POL. FOR GENDER EQUALITY AFFAIRS, *supra* note 49, at 11.

137. See NAT'L POL. FOR GENDER EQUALITY, *supra* note 49, at 15.

divide is not confined to Jamaica itself. Similar conflicts of interest pervade countries across the globe, especially those with developing economies.¹³⁸

When the functional issue with gender-based legislation is paired with the lack of regulation to address clientelism, on the one hand there is a government that is slowly enacting gender-based legislation but is not effectuating a change in behavior at the citizen level. On the other hand, there is a government that is holding back microfinance development by refusing to mitigate clientelist practices because those same practices are in the best interests of the party in power.

When these two governments are one in the same, as is the case in Jamaica, the citizen, in particular the female citizen with an entrepreneurial venture, is left without recourse in funding. In these two legislative respects, the Jamaican government is failing its citizens. However, the government is not without some relief. The Money Lending Act and its pending successor, The Micro Credit Act, do seek to directly aid microfinance institutions. However, these pieces of legislation are not without conflict.

C. Pending Legislation: The Micro Credit Act

Category A and B MFIs¹³⁹ are currently governed by the Moneylending Act.¹⁴⁰ The Moneylending Act “is designed to ensure that interest charged on loans by lending institution[s] does not exploit the ‘public.’”¹⁴¹ Lenders governed by the Moneylending Act are currently limited to charging a maximum of 40 percent per annum interest.¹⁴² However, evidence suggests that more often than not MFIs exceed the 40 percent ceiling, “citing higher operating costs associated with processing the numerous small loans and the higher credit risk associated with [a] lack of collateral.”¹⁴³ Category A and B MFIs are able to permissibly charge higher interest rates by applying for an exemption from the limitations of the Moneylending Act.¹⁴⁴

138. See generally, Allan Drazen, *Is There a Different Political Economy for Different Countries? Issues, Perspectives and Methodology* (Aug. 13, 2006) (unpublished paper, University of Maryland), available at http://econserver.umd.edu/~drazen/Working_Papers/PE_of_Development_final.pdf.

139. See *supra*, Part II.A.a. for a description of Category A and B MFIs.

140. Moneylending Act (1938) (Jam.), available at <http://moj.gov.jm/sites/default/files/laws/Money%20Lending%20Act.pdf>; see, e.g., Hossein, *supra* note 91, at 117. Although not the focus of this note, category C MFIs are governed by the Central Bank of Jamaica and must be licensed by the Ministry of Finance. *Moneylending Act, supra*.

141. Gov’t of Jam. *What is the purpose of the Moneylending Act (MLA)?*, MINISTRY OF FINANCE, <http://www.mof.gov.jm/financial-regulations/what-purpose-moneylending-actmla> (last visited Oct. 24, 2014).

142. Avia Collinder, *Money Lenders To Be Licensed Under Micro Credit Bill*, THE GLEANER (Nov. 3, 2013), available at <http://jamaica-gleaner.com/gleaner/20131103/business/business5.html>.

143. *Id.*

144. See Gov’t of Jam., *supra* note 142. Entities must apply for an exemption from the constraints of the Act on an annual basis and the Ministry of Finance is currently

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Unfortunately, evidence from the former Jamaican Minister of Industry, Investment and Commerce calls into question the truth-in-lending practices of certain MFIs.¹⁴⁵ In one instance, a bus driver borrowed \$40,000 from a MFI in July 2013, made \$144,000 in loan payments, and subsequently fell behind.¹⁴⁶ His bus was seized and his outstanding loan balance grew to \$126,000.¹⁴⁷ Further reports of industry abuse show that some companies charge an interest rate of 93 percent per annum.¹⁴⁸ Contextually speaking, consider that the median global MFI interest rate in 2011 was 27 percent, but that the Latin American/Caribbean region was more prone than other regions to variations in interest rates.¹⁴⁹

Predatory lending practices reinforce the profit-driven motives of MFIs who prioritize their own profitability ahead of the sustainability of the entrepreneur's business (and in the process do not achieve the ideal double bottom line). In addition, predatory lending practices lead to the erosion of the public trust, undoubtedly adding to the conscious decision of entrepreneurs to self-exclude from the microfinance industry on the whole (recall that 41 percent of Jamaican entrepreneurs choose to self-exclude for reasons that include clientelist practices¹⁵⁰).

From a theoretical standpoint, an MFI must have some measure of sustainability to remain in business. The industry question, both in Jamaica and across the globe, asks where to draw the line between prioritizing lender profitability and helping poverty-stricken citizens.¹⁵¹

withholding all exemptions. See Meghan Gillis, *MICROCAPITAL BRIEF: Jamaica's Ministry of Finance Delays Microfinance Institutions' Exemptions from Money Lending Act, Blocking Wholesale Funding from Development Bank of Jamaica*, MICRO CAPITAL MONITOR (June 17, 2013), available at <http://www.microcapital.org/microcapital-brief-jamaicas-ministry-of-finance-delays-microfinance-institutions-exemptions-from-money-lending-act-blocking-wholesale-funding-from-development-bank-of-jamaica/>; see also *Moneylenders Locked Out of Cheap Loan Poll*, THE GLEANER (May 15, 2013), available at <http://jamaica-gleaner.com/gleaner/20130515/business/business3.html>.

145. Tufton Urges Regulation of Microfinance Sector, JAMAICA OBSERVER (Mar. 3, 2014), available at http://www.jamaicaobserver.com/news/Tufton-urges-regulation-of-microfinance-sector_16172552.

146. *Id.*

147. *Id.*

148. *Id.*

149. See Richard Rosenberg et al., *Microcredit Interest Rates and Their Determinants*, 2013 ACCESS TO FINANCE REFORM 7, 5, available at <http://www.cgap.org/sites/default/files/Forum-Microcredit%20Interest%20Rates%20and%20Their%20Determinants-June-2013.pdf>.

150. See Hossein, *supra* note 91 at 115.

151. This debate has been reduced to a spectrum analysis. On one extreme lies the promotion of poverty lending and the sustainability of the entrepreneur's business. The opposite end of the spectrum looks to the profitability of the financial system and places lender sustainability as first priority. Legislative policies can be placed on the spectrum and analyzed based on their ability to balance the two competing motivations of MFI industry participants. See generally Hege Gulli & Marguerite Berger, *Microfinance and Poverty Reduction Evidence from Latin America*, 10 SMALL ENTER. DEV. 3, 16-28 (1999).

There is no singularly-accepted answer to this question, but Jamaica's Micro Credit Act purports to bring some semblance of balance back into the MFI fold and reduce the practices of predatory lending. The Micro Credit Act looks to replace the Moneylending Act in governance of MFIs altogether and provide a new regulatory scheme for Category A and B MFIs.¹⁵² Specifically,

[t]he micro credit bill proposes to raise the standard of business practices by incorporating new provisions to deal with full disclosure of all rates, fees and charges on the principal debt. It is also recommended that loan repayments should be stated in both percentage and dollar value so that borrowers can readily understand the required payments in each time period.¹⁵³

While this straightforward approach to contract terms is protective of the consumer, there is a tradeoff. The Micro Credit Act seeks to change the maximum allotment for annual interest rates and instead will allow lenders to charge according to the needs of the market.¹⁵⁴ This results in more safeguards to protect the consumer but fewer restrictions on interest rate maximums. The statutory tradeoff balances the double bottom line of lender profitability and entrepreneur sustainability. Further analysis of the proposed legislation supports its enactment and implementation.

D. Pending Legislation: An Analysis

A 2007 United Nations panel discussion, titled *Regulation of Microfinance*, rendered five policy considerations for any country engaging in microfinance regulation.¹⁵⁵ The first consideration was “[w]hether different agents should be subject to the same type of regulation or whether tiered regulation should be implemented, [such as] regulation[s] tailored to different institutions.”¹⁵⁶ The second consideration was “whether regulation[s] should target agents or activities.”¹⁵⁷ The third consideration was “who regulates: state regulation, industry regulation, internal regulation, [or] market discipline.”¹⁵⁸ The fourth consideration was that “supervision is very challenging in developing countries due to the multitude of small institutions and limited supervisory capacity.”¹⁵⁹ From an economic standpoint, this consideration is crucial because “[r]egulation without supervision would cause costs without

152. Collinder, *supra* note 143. The Money Lending Act will not be repealed in full and will still govern “one-off transactions between private individuals.” *Id.*

153. *Id.*

154. *Id.*

155. United Nations Dep’t of Econ. & Soc. Affairs, Panel Discussion Regulation of Microfinance (Apr. 17, 2007), <http://www.un.org/esa/ffd/events/microfinance/report.pdf>.

156. *Id.*

157. *Id.*

158. *Id.*

159. *Id.*

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benefits.”¹⁶⁰ Finally, the fifth consideration was, “[t]he need for coherence between regulation of microfinance and other national policies.”¹⁶¹

Regarding the five UN policy considerations for microfinance regulation, it is not known¹⁶² if the Micro Credit Act will enact a tiered regulatory scheme. The Act will look more to the *activities* of the lender, over the lender as an *agent* themselves.¹⁶³ One important change is the installation of a regulatory authority over the member lenders.¹⁶⁴ The regulatory authority will have the power to enact standards for transparent practices and accept, reject, or revoke member registrations.¹⁶⁵ It is not known if this regulatory authority will rest in a branch of the Jamaican government or if the regulatory authority will be an independent office. Strictly speaking, from an economic approach, an independent regulatory board will shield MFI oversight from changing political winds. Unfortunately, supervision and coherence with other laws will continue to be subject to the clientelist political system.

All in all, the Micro Credit Act is a positive step toward increased loan transparency and will optimistically appeal to those 41 percent of entrepreneurs¹⁶⁶ who choose to self-exclude from the MFI industry. The value of such legislation cannot be understated given Jamaica’s struggling entrepreneurial culture.

E. Credit Reporting Bureaus

Credit Reporting Bureaus compile credit reports, which are documents that provide lenders with invaluable information about repayment histories.¹⁶⁷ With a credit report in hand, lenders can make decisions about affordable interest rates and project the ability to repay a loan according to set terms.¹⁶⁸ The Economist Intelligence Unit notes that Jamaica has licensed two credit bureaus: CRIF NM Credit Assure, Ltd. and Creditinfo Jamaica, Ltd.¹⁶⁹ Yet so far, only one MFI is registered to receive information from the two bureaus.¹⁷⁰

160. *Id.*

161. *Id.*

162. At the time of this writing, the full text of the Micro Credit Act was not available. Drafting instructions for the Micro Credit Act have been issued to the Chief Parliamentary Counsel. OPM Communications, *Jamaica House Press Briefing Notes*, OFFICE OF THE PRIME MINISTER (Sept. 12, 2013, 9:38 AM), <http://opm.gov.jm/speeches/jamaica-house-press-briefing-notes-september-11-2013/>. This is one of the earliest stages of the legislative process in Jamaica. *Legislation Programmes*, GOV’T OF JAM. CABINET OFFICE, http://www.cabinet.gov.jm/library/legislation_programmes (last visited Oct. 26, 2014).

163. *See* Collinder, *supra* note 143.

164. *Id.*

165. *Id.*

166. *See supra* Part II.A.c.

167. *What is a Credit Report?*, CONSUMER FIN. PROT. BUREAU, <http://www.consumerfinance.gov/askcfpb/309/what-is-a-credit-report.html> (last visited Oct. 24, 2014).

168. *Id.*

169. ECON. INTELLIGENCE UNIT, *supra* note 118, at 53.

170. *Id.*

It is not known at this time how the Micro Credit Act would influence exemptions for credit reporting agencies.¹⁷¹

These two credit bureaus are a step in the right direction, and legislative influences to quicken their associated use with MFIs will ensure that credit histories are accounted for in the loaning of MFI funds. The sooner credit histories figure in to loan decisions, the sooner the subjectivity of loan decisions can be mitigated. As discussed above, the best way to help female entrepreneurs is to make all possible efforts toward removing subjectivity from lending decisions.

Credit histories provide a venue for lenders to make objective decisions. When lenders make objective decisions, they temper the cultural and societal influences hurting female entrepreneurs. However, it is important to remember that a credit history does need to be established before it can take effect. Valuable credit history rests on patterned repayment over a period of time.¹⁷² The longer payments are made on time on varying loans, the better established a person's credit history becomes.

F. Thinking Outside of Microfinance Box: Crowdfunding Through isupportjamaica.com

As distinguished from microfinance, which is funded by MFI loans of small amounts of money, crowdfunding is "the practice of funding a project or venture by raising many small amounts of money from a large number of people, typically via the Internet."¹⁷³ Jamaica launched its first crowdfunding initiative, *isupportjamaica.com*, this past July.¹⁷⁴

Efforts to combine crowdfunding initiatives with MFIs are by no means a novel venture. By doing more to directly link the financing of MFIs with crowdfunding initiatives, the Jamaican government could help prospective entrepreneurs. One novel concept would be to allow part-crowdfunding, part lender-financed businesses. This type of funding would cut down on lender risk at the ground level and would lend credibility to entrepreneurs. Aspiring entrepreneurs could initiate their own hybrid funding mechanism by raising a portion of the funds through crowdfunding before ever going to an MFI for a loan. Conversely, lenders themselves could offer pilot programs wherein they instruct lendees to raise a certain percentage of the funds required to begin a new entity and guarantee that the lender will finance the balance.

171. See *supra* note 163 and accompanying text.

172. Jeremy M. Simon, *How Your FICO Credit Score is Calculated: Length of Credit History*, CREDITCARDS.COM (July 11, 2011), <http://www.creditcards.com/credit-card-news/fico-credit-score-account-length-credit-history-1270.php> (noting that "[g]enerally, the older your length of credit history, the better it is for your [credit] score").

173. See, e.g., Tanya Prive, *What is Crowdfunding and How Does It Benefit the Economy*, FORBES ENTREPRENEURS (Nov. 27, 2012, 10:50 AM), <http://www.forbes.com/sites/tanyaprive/2012/11/27/what-is-crowdfunding-and-how-does-it-benefit-the-economy/>.

174. *JN to Launch Jamaica's 'First' Crowd-funding Website*, *supra* note 174; I SUPPORT JAMAICA, <https://www.isupportjamaica.com>.

Hybrid funding mechanisms have several benefits. To begin, lenders can mitigate their risk by putting less on the line for each individual transaction. Second, when lenders only need to apportion a certain percentage of requested funds, they can spread the same amount of money over a larger canvas and help more entrepreneurs. Third, by requiring entrepreneurs to take additional initiative in seeking outside funding, lenders can ensure that nascent entrepreneurs are truly motivated by long-term success. Finally, allowing the general public to make investment decisions brings an even stronger sense of community to local businesses. When local citizens shop at a new business, they can have peace of mind knowing that their early investment helped open the doors on day one. Citizens become invested in the success and eventual growth of community businesses. In the future, new entrepreneurs may be more likely to heed the kindness shown to them and pay it forward when looking toward new investment possibilities. By getting as many people as possible invested in the development of a new business in a developing country such as Jamaica, citizens can work together.

G. Microfinance Tax Incentives: The Creation of a New Entity

The least likely and most drastic solution involves the creation of a new entity, a *microfinance limited partnership*. This idea was first explored generally in a 2012 New York University Journal of International Law and Politics article, noting that a drastic solution was necessary because the demand for MFI funds outpaces the supply by an estimated \$300 billion globally.¹⁷⁵

A microfinance limited partnership seeks to “bridge the gap between the capabilities of nonprofit MFIs and for-profit MFIs.”¹⁷⁶ As such, the proposed firm operates as a for-profit entity, but enjoys tax-exempt status.¹⁷⁷ On a tax policy level, exemption is appropriate here because an MFI (whether nonprofit or for-profit) is performing the function encouraged by tax exemption: the provision of a service for the public good.¹⁷⁸

The microfinance limited partnership is not in place in any specific country, and research on its viability is limited. However, the basis for a drastic solution stems from a significantly grim picture:

[u]nder current circumstances, the only way for MFIs to continue to operate and obtain capital in the nonprofit form is to charge exorbitant interest rates, rely on charity, or leverage their assets by assuming debt. Each of the aforementioned methods of obtaining capital is limited and cannot be sustained in the long term. High interest rates will exploit the poor that MFIs intend to assist out of poverty. Charitable giving is inconsistent and subject to decline in

175. Michelle S. Paul, *Bridging the Gap to the Microfinance Promise: A Proposal for a Tax-Exempt Microfinance Hybrid Entity*, 47 N.Y.U. J. INT’L L. & POL. 1383, 1385 (2010).

176. *Id.* at 1385.

177. *Id.* at 1392-93.

178. *Id.* at 1393.

bad markets or recessions. And banks are generally reluctant to issue large amounts of debt to nonprofit entities. Thus, when charity and debts falter, MFIs rely on interest from their loans to cover costs.¹⁷⁹

When those loans payments do not come in, there is no source of income left to sustain an MFI. The microfinance limited partnership looks to avoid this domino effect by allowing MFIs to succeed while also allowing aspiring entrepreneurs access to the funds they desperately need.

CONCLUSION

When you consider the barriers facing nascent female entrepreneurs in Jamaica, including access to microfinance loans and the lack of credit reporting, an already tenuous environment that ordinarily affects female entrepreneurs is made even more delicate. This tenuous environment results from a paternalistic culture of old making subjective and rash judgments toward female entrepreneurs, and from an embattled culture of young trying to gain a democratic foothold without the intimidation and violence Jamaican citizens have come to expect from local Dons.

The Jamaican government is considering varying policy initiatives for microfinance improvement, including a Micro Credit Act to help restore consumer confidence in a broken and sometimes abusive lending system.¹⁸⁰ This piece of legislation is important, but may easily miss its mark. Female entrepreneurs (along with male entrepreneurs) chose to self-exclude from the microfinance industry for reasons that go beyond the potential for predatory lending practices (including class bias and the distrust of clientelist practices).¹⁸¹ Until female entrepreneurs feel comfortable with the microfinance loan process as an objective economically-driven venture, rather than a subjective social judgment or political device, little may be accomplished in terms of bringing entrepreneurs to the lender's table.

One of the most important factors in this equation is that the Jamaican government knows there is a problem; they know their political, cultural, social and legal institutions are stifling female-led entrepreneurial development. However, knowing there is a problem is a far cry from creating solutions to the problem, especially in a developing country with an untoward political environment.

The microfinance sector should not and cannot become a casualty of opposing political sides. Until clientelism is addressed in Jamaican political culture and until political and cultural wills shift to do more than just pass legislation without enforcing it, this author feels little will be accomplished. Without change, disparate lending practices will continue and the female entrepreneur will be left behind. This does not have to be the course of future entrepreneurial development in Jamaica. As Mohammad Yunus said, “[w]

179. *Id.* at 1387-88.

180. See *supra* Part III.C.

181. See *supra* Part II.A.c.

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have created a slavery-free world, a polio-free world, an apartheid-free world. Creating a poverty-free world would be greater than all these accomplishments while at the same time reinforcing them. This would be a world that we could all be proud to live in.”¹⁸²

182. MOHAMMAD YUNUS & ALAN JOLISBY, *BANKER TO THE POOR: THE STORY OF GRAMEEN BANK* 289 (PublicAffairs 2003).