

CHAPTER 12

INSTITUTIONS MATTER

“God helps those who persevere.”

—THE KORAN

When looking at what happened in the Rwandan genocide, we can conclude despairingly that the nature of humanity is evil—or we can focus on the things that endured: the extraordinary power of the human spirit, the exquisite dignity of some individuals on even the darkest days, and the number of people who helped one another during and after the tragedies in Rwanda simply because it was the right thing to do. It is from a place of hope, of the possibility of rebirth, of retribution, and even of optimism that Rwanda now has a real chance to become one of the developing world’s success stories.

I have been touched deeply by what happened in Rwanda not only because it revealed our potential for untold cruelty, but also because it will forever remind me that in any good society, nothing justifies the powerful excluding the powerless from basic opportunities. And if the genocide reminded me of our fragility as human beings, it also reinvigorated my belief that providing incentives for people to do the right thing matters a great deal. Institutions are key in reminding us who we are meant to be and how we are expected to behave as community members and citizens.

We founded the microfinance bank Duterimbere on the assumption that women could not be excluded from the economy if Rwanda were to develop. The Rwandan founders dreamed that women could improve their conditions themselves if only they were given access to loans, markets, and some degree of business training. Though we made a lot of mistakes in the beginning, we created an institution that, for all its flaws, outlasted its founding group and has a life of its own, being run by and for Rwandan women and taking risks traditional enterprises would not consider. In retrospect, there is much I would have done differently, but seeing the Bank making an impact in so many lives 20 years later remains a deeply fulfilling experience.

Imagine Kigali in 1994, a few months after the genocide: Houses everywhere had been looted and many were burned to the ground. Computers and phone lines had been ripped out of nearly every school and building, and the public infrastructure had been entirely destroyed. Stunned survivors walked through streets in a state of collective shock and inconsolable grief while more than a million of their countrymen, nearly all Hutus, lived along with Liliane and her family in the refugee camps in Zaire.

To add to the overwhelming confusion, Tutsis who had lived in exile, some for more than 30 years as a result of earlier pogroms, returned to Rwanda. Those who had lived most of their lives in Uganda, including the new President Kagame and most of the soldiers of the Rwandan

Patriotic Front, spoke English in addition to Kinyarwanda, not French, Rwanda's national language since colonial days. An entire nation needed to reinvent, rebuild, and reclaim itself.

A group of determined members of Duterimbere came together to be part of the country's rebirth, though the building housing its offices had been ransacked and the furniture and equipment had been destroyed. Most account records had disappeared, and loan documents were scattered in the streets and in nearby houses. Step-by-step, women borrowers began retrieving far-flung documents and slowly rebuilding the institution.

By 2007, I had a chance to see for myself what had become of their efforts. By then, Rwanda had again become a favorite cause of philanthropists and international aid specialists. I found myself in awkward conversations with wealthy individuals who spoke enthusiastically about the country: "An economic miracle," they called it, citing its 6 percent rate of economic growth, arguably a near-impossibility for a country still in a postconflict situation. They said it was "the perfect investment opportunity," a "democratic" nation with a population that "had moved on from the genocide."

Indeed, the country had seen extraordinary growth while maintaining peace, and has also demonstrated a commitment to women that stands as a model for the world. Rwanda proportionally has more women in parliament today than any other nation—something we only dreamed would happen when Prudence, Constance, and Agnes were the first. Moreover, women represent more than 40 percent of the country's entrepreneurs. President Kagame has also done a remarkable job of communicating that all of his country's citizens are Rwandans and should not define themselves by their ethnic identity. There is so much to be hopeful about—and proud.

At the same time, I bristled whenever I heard talk of Rwandans being "over the pain of genocide." I wanted to ask these philanthropists—and sometimes did—if they would be able to "move on" within a decade if they had to live next door to someone who had murdered their children in cold blood. I also wished for more humility and more answers about whether there was real equity in who was benefitting from growth.

Over 20 years, I'd changed. At one time I sounded just like those wealthy philanthropists, looking for ways to make a difference with an uncritical eye, certain of my ideas, not questioning whether there were countervailing forces that had to be reckoned with in order to achieve long-term success. The genocide had exposed the dangers of a country overly reliant on aid, illuminated the perils of government power concentrated in too few hands and dependent on systems lacking accountability, and shown the fault lines of idealism without tough pragmatism. I was returning more humble and ready to listen at a deeper level.

After arriving on an evening flight, I was instantly confronted by Kigali's distinctive scent, the sweet, burnt smell of roasted cassava, which made me both apprehensive and somewhat rueful, calling up in one aroma complex emotions about being back in a country so riven with contradictions.

Outside customs, my old friend Liliane stood waiting in the crowd, looking very formal in a cream-colored suit and matching pumps, her hair coiffed in elaborate plaits, her smile clear and brilliant. She enveloped me in a powerful hug, showing real emotion without a trace of

restraint. Standing beside her was her husband, Julien; their 18-year-old son, Augustin; and Valerie, the surviving twin, now an awkward, beautiful teenage girl. Suddenly, I was back, feeling fully alive, ready to see and absorb whatever I could, happier just being in the presence of Liliane's unbridled spirit than I'd imagined I could be.

"We are your welcoming committee," she laughed.

That night we dined on shish kebabs and grilled plantains with chili sauce, like the old days. Liliane described with great animation the changes I would see the next day: high-rise buildings, upscale restaurants, even a posh cappuccino shop. I laughed, remembering my reliance on instant coffee and fat-fortified powdered milk 20 years earlier. At the next table, a group of men were involved in a heated discussion. I was intrigued by the way their voices would rise and then suddenly go quiet, a reminder that people still did not feel it was safe to talk politics in a public place. Later, I fell asleep feeling tenderness for the people and city of Kigali and also a sense that fear and mistrust were understandably embedded in the nation's fabric.

The next morning's light illuminated a frenzy of construction, not only in Kigali's business district but also in new suburbs, where giant houses were springing up for government ministers and a few highly successful entrepreneurs. Hundreds of boys wearing lime green jackets and helmets drove motorbikes that served as taxis, shuttling people back and forth across town for 50¢ a ride. Another league of young men in yellow shirts was selling cell phone cards, connecting people in this once faraway place to the rest of the world. Kigali was on the move, making strides well ahead of other countries in the region in spite of, or maybe partially as a result of, its national crisis. The change was exhilarating.

Still, I was struck by a startling feeling of sameness in the physical aspects of Kigali and found comfort in knowing most of the buildings, stores, banks, and roundabouts along the roads. The hilly streets were still graced with eucalyptus and bougainvillea and walls enclosing neat brick houses. Soldiers on some street corners and a barricade blocking the road housing the president's compound were further reminders that not everything had changed.

At a café where I sat for lunch, I met a Westerner who'd been in the country for decades. I asked him why he'd stayed so long and then remarked on the incredible progress I'd been witnessing. "Sure, things are getting done," the man with weary eyes and salt-and-pepper hair responded. "Rwandans are among the best at that. But there is a growing sense here that only one side is getting most of the benefits of development. The others resent that they've been left out of the system. It looks worse to them because some people here are getting very, very rich. Have you seen the houses being constructed? Mansions, some of them, almost all owned by government officials."

I reminded him that he hadn't answered my question about why he stayed.

"After all this time," he sighed, "this is my home, and I will never leave it.

"Why did you come back?" he asked me.

"Visiting friends" was all I said and then excused myself. I wanted to see what had happened to the women of Duterimbere 13 years after the genocide, 20 years after the institution was first created. I'd been in touch only sporadically since my last visit, 6 years

prior. During that time my attention had been focused on building Acumen Fund, a new organization formed partially because of those early experiences with Duterimbere. But I also didn't have strong connections to the institution; it had seen several executive directors since my previous visit.

As the car moved toward the bank, I wondered how I would be received after so much time and so little contact. Would I be remembered at all? I told myself it didn't matter, though I hoped not to have been entirely forgotten.

It was thrilling to see a long line of people waiting outside the bank. The building looked clean and white, and I smiled at Duterimbere's familiar logo on the sign above the door. The people waiting were obviously poor, and there was a solid mix of women and men, something I hadn't seen in my day. I guessed the men were there for the for-profit credit union that Duterimbere had started, and smiled to myself at thinking about how organizations change and flourish, influenced by many hands and forces. Before entering to talk to the new executive director, I approached an older woman waiting in line, a red and yellow wrap around her waist.

"What brings you here?" I asked.

"I'm waiting to deposit my pay," she said, and her neighbors nodded. The woman next to her, holding 2,000 francs—about \$4—was depositing her savings. More people sat patiently inside as three bank tellers tried to keep up with demand.

The bank's new executive director, Dativa, a tall woman with poker-straight shoulder-length hair in a smart pantsuit, welcomed me with a big hello and proceeded to introduce me to everyone in the office, pointing to the separate sections housing the for-profit credit union and the nonprofit, separate microfinance organization, which, together, served 50,000 clients. She then proudly showed me pictures of Duterimbere's 20th anniversary celebration, which had been attended by the first lady of the country and other dignitaries, including several woman parliamentarians and founding members of the organization.

Grateful for Dativa's generous reception, I congratulated her on how far Duterimbere had come, though I knew it hadn't been a smooth journey. Over the years, there'd been a number of severe financial stresses and staffing challenges.

"Yes," she affirmed, "but we're through that and are looking forward to more successful times."

In the third-floor library, a simple room with wooden, glass-fronted bookcases on the perimeter and chairs for meetings in the middle, Dativa found the training manual I'd written. She explained that recently Duterimbere had updated it to reflect the country's current realities. Eagerly I turned the pages of the earlier version, seeing my younger self in handwritten phrases and overly earnest explanations of business finance, such as the difference between *current liabilities*, debts the women could pay off quickly, and *long-term liabilities*. Unable to imagine that I actually went into this level of detail with our mostly illiterate clients who typically sold vegetables in the marketplace, I apologized to Dativa for all the poor women I'd tortured with my Wall Street credit training. We both laughed as she gave me a high five.

As we giggled at my expense, an affable-looking 50-year-old with straight black hair

flecked with gray, wearing a long, traditional cotton dress in black and yellow and green, entered the library. Anne Marie, one of the earliest managers at Duterimbere after the genocide, was in charge of all training and program activities and would be my guide for the day. I liked her energetic style and smile.

I asked Anne Marie if she had grown up in Rwanda. She raised an eyebrow and smiled: “Already, you are placing people. Now I know you know Rwanda,” she said, as if I had broken a code.

Sheepishly, I responded that the country still seemed very complicated; I was just trying to make some sense of things.

“Complicated, yes,” she said. “No doubt. And it is good you understand it instead of ignoring the cultural context and realities of Rwanda. But there is more hope now, more of a sense that we can do something important. This is our chance. But we have to help one another live together as one people. We are trying.”

Born and raised in the Republic of the Congo by Rwandan parents, Anne Marie had been living in Rwanda since a month after the genocide ended. She described coming to the country in 1994: “Kigali was in chaos then, and I was looking for an organization where I would feel proud to work,” she told me. “I had experience with cooperatives and believed in women working together. My mother always said ‘In union we are strong,’ and I thought of her when I first saw Duterimbere’s logo with the women marching together toward the bank.”

I recalled the days when Dieu Donne had created that logo, working with Ginette and me, how he had laughed and said he agreed with Prudence that the women walked more like me than Rwandan women. I thought of so many struggles to conquer oppression or just survive. In union we are strong—all of us.

Anne Marie continued: “At the end of 1994 when I joined, everything was daunting, overwhelming really, but we pulled together. No one was without great suffering, but there was also no crime, nor were there voices raised in anger, even. We all helped one another. Sadly, since then life has changed.”

The group of women members and borrowers who rebuilt Duterimbere went first to UNICEF for support and received a small fund to provide rehabilitation loans to solidarity groups, each formed by four or five women survivors. The group could borrow up to \$50 for each woman on a no-interest basis. When all of the women repaid, they could borrow more. Duterimbere’s team would “accompany” women borrowers trying to re-create their lives, giving them ideas for businesses, at times holding their hands to help them get through the really bad days.

One of those early borrowers was Charlotte, now the proprietor of an established restaurant in Kigali. Tall and fit with high cheekbones and black hair neatly pulled into a long braid down her back, she carried herself with no-nonsense professionalism in her matching black-and-white top and skirt. Anne Marie introduced me as one of the founders of Duterimbere, and Charlotte greeted me with the characteristic warmth of Rwandans: three strong kisses on the cheeks, each time accompanied by a hug in the direction of the kiss, and then completed with a handshake in a gesture of solidarity. Though she must have been in and

out of her restaurant's kitchen all day, I was surprised neither by her freshly scrubbed scent nor by her firm grip, for everything about her seemed well cared for in a no-fuss way. We sat down at one of the white plastic tables on the back terrace to talk over a cup of coffee.

Her story began with 4 liters of milk.

"I had absolutely nothing but the clothes on my back after the genocide," she told me. "I was starving to death, and my daughter and I were eating grass around the abandoned house where we had taken refuge. But a friend in Kigali had heard of my plight and came to me and gave me 4 liters of milk. I handed one glass to my daughter to drink and sold the rest to a nearby cabaret that had been set up in town. I began to see what I had to do."

A year before the genocide, Charlotte had discovered she'd contracted HIV from her husband, and that through pregnancy she'd transmitted the disease to at least three of her four children. They and her husband all died of AIDS in 1993. "I am a fearful woman, not a courageous one," she told me through bursts of tears, "and I could only imagine death for myself then."

She paused to catch her breath and then said, "I am Tutsi and there was so much hatred then. How could I want to live?"

I had no words.

"In fact, when the fighting started," she continued, "I thought it better to die from a bullet than AIDS. I would walk into the streets when I saw the men with guns coming and ask them to kill me. They said they didn't want to waste their bullets on me. They knew I was going to die anyway ... they didn't want to waste their bullets... ."

"My daughter was safer because she was Hutu, given my husband's ethnicity, and so she stayed with my in-laws. I should have been a victim. I hid when I saw machetes but not when I saw guns."

With the \$3 she earned from those first 4 liters, Charlotte bought more milk, earning enough to buy stock for the next day and to keep herself and her daughter alive. While visiting a friend's husband in Kigali's Central Prison, she met a woman from Duterimbere who told her about the rehabilitation loans. The next day, she formed a solidarity group with four women and took a \$50 loan to buy more milk, a few glasses, and a table. Finally she was in business.

She sold milk from a roadside stand. Over time, Charlotte repaid her loan and then borrowed again, repeating the cycle several times over until she found herself able to operate a small café. She graduated from Duterimbere to its for-profit credit union COOPEDU and then to the commercial bank in her effort to buy shares in the cooperatively owned building that housed the restaurant. Duterimbere helped her with business planning and encouragement. She did the rest.

In Charlotte's busy open-air restaurant on the second floor of a building overlooking one of the main industrial market areas at the edge of Kigali, men and women sat at white plastic tables with red umbrellas, talking and laughing, sipping Fantas, drinking beers, and eating samosas. We nodded to the customers, said hello to the young woman behind the cash register, and walked into the kitchen, where a dozen men wearing blue cotton jackets stirred steaming pots of meat and vegetables, fried potatoes, chopped vegetables, and washed dishes.

Charlotte showed us the kitchen with a flourish of her hand and a self-satisfied it's-been-a-long-time-coming expression. The main cook took orders from the waiters through a hatch in the wall, the kind you see in diners the world over. Serving 250 meals a day, Charlotte's restaurant attracted lines of customers that ran down the stairs and into the street. In addition to the successful restaurant, she was running a catering business on the side. A government ministry rented one of the rooms for daily breakfast for 40 of its workers. She rented out chairs for events and owned the majority of the multistoried building housing her restaurant. She keeps growing the place, she said, to give herself "a sense of security."

I pushed her on what security really meant, and she told me she was not a philosopher. "I must spend a lot of time focused on remaining healthy," she said. Though antiretrovirals were free in Rwanda, she said, only Indian generics were *available* under that program, and her body would not absorb them. Her income from the restaurant enabled her to pay for European generics—but doing that entailed keeping her income level fairly high.

To grow her business, she was always seeking loans, but the banks rarely lent to HIV-positive borrowers, according to Charlotte, and they demanded 150 percent collateral. "So I found the collateral, purchased life insurance, and got a letter from my doctor explaining that I had been healthy for a decade." Ultimately, she borrowed more than \$30,000 to continue her expansion: Charlotte would not wait for handouts.

Awed by her discipline, ambition, and audaciousness, I teased her for describing herself as a fearful soul. Charlotte smiled a gap-toothed grin. "My friend, I *did* know fear and wanted to die, but I am strong now and have my own business and hope for the future. Still, I have known every kind of prejudice. I was hated because I was Tutsi, hated even more because I was married to a Hutu, hated because I was HIV positive, judged because I was a woman. What does it matter who accepts me? Most of all, I must accept myself.

"I am not a philosopher," she continued. "I have only a simple dream: to get old without ever having to beg and to live without having to see that terrible violence again."

As I sat across the table and peered into her eyes, so full of life, I thought about how my dignity rests on hers and hers on mine. Though I wanted to collapse into a puddle of tears, I was glad I'd come back to this complicated land that had witnessed some of humankind's cruelest acts, but also some of its most courageous, generous, and beautiful.

I was astonished by what she had overcome and wondered how many Charlottes there could be. I knew I would meet Duterimbere's success stories, but what about the bigger impact a single strategy to make small loans available to the very poorest people so they could improve their lives had had? Charlotte was a true entrepreneur made even stronger by the trauma of having survived genocide. But real entrepreneurs account for a small percentage of the population. Most people are uncomfortable taking continual risks and imagining a future others cannot see. Microfinance is one important part of the solution, but it is not the only one.

My questions would have to wait a few days until I'd met more borrowers—and most of these women were successful, too. Alphonsine, stocky in stature and huge in personality, lives outside Gitarama on a farm where she raises European cows, pigs, and chickens and grows sorghum, bananas, tomatoes, and eggplants. After losing her husband, she started raising ducks

in 1996 with a small loan, but no one in the marketplace wanted to purchase them. Though she lost money, she repaid the loan anyway and started borrowing to produce other agricultural products. Today, Alphonsine is one of the wealthiest members of the community. She told me she feels so lucky that now she spends a large percentage of her time training and showing other women how to build their businesses.

Asumpta, strong and straightforward with a decidedly urban image, returned from the refugee camps with no home, no goods, and few skills, but with a caring, stable husband by her side. An uncle loaned her money to buy a few pieces of children's clothing, which she turned around and sold for a few francs' profit. Over time, she expanded her business, always with loans and management support from Duterimbere. Today she travels twice a month to Dubai to procure at least some of the products she sells.

Proudly, Asumpta showed me her recently purchased SUV outside her tiny shop. "None of this would have been possible without those loans," she stated.

"Things used to be easier," she told me, "but now people like me who are just making it to the middle class are feeling so many stresses, yet we are the lucky ones. The poor are suffering more than they used to, and they are feeling poorer all the time. My old customers can't afford to buy children's clothes anymore. I'm worried that more must be done to help the people."

I thought back to the day in Veronique's living room when we had shared so many big dreams. Now the women who had dared to open bank accounts without their husbands' signatures for the first time in their lives were *running* the banks and holding major positions in government and business. Women could inherit land from their fathers for the first time. At least part of the change we had only dreamed about had happened.

Still, how could we reach the very poor with greater opportunities? I visited a few borrowers who were still making baskets and selling them to charities at a profit level that would surely keep them living in poverty for the near future. I met with people who bragged about fair-trade coffee projects as if they were the only answer to poverty in Rwanda, and yet history has taught us that change is rarely so straightforward.

Recently I heard a fair-trade promoter say in a speech, "You can change the world by drinking a cup of coffee." Those simple slogans are great for marketing, but should alert people to something false in easy promises. Poverty is too complex to be answered with a one-size-fits-all approach, and if there is any place that illustrates this complexity, as well as a better way forward, it is Rwanda.

Technology is one of the greatest drivers of change. When I moved to Rwanda 20 years ago, the tiny landlocked country had one radio station, no television, and a single newspaper that was printed weekly. People were more provincial because the exchange of ideas had been paltry. Everywhere I went recently, I saw young people with computers and MP3 players talking about international politics and thinking about a different kind of future.

Before coming, I'd e-mailed Liliane to ask her what gift I could bring for her. She begged me not to give her anything, so I asked on behalf of her children. The next day I received an e-mail that "Augustin had inquired about a new musical instrument called an iPod."

Though it took 13 hours to download iTunes, Augustin could now listen to his favorite

music, Snoop Dogg and Tupac, though he was just learning to speak English. On the walls of his room were small posters of Nelson Mandela and Gandhi and Martin Luther King Jr. This child who spent his fifth through seventh years in a refugee camp was growing up to be like kids on every continent in the world and to know and share many of their myths and music and ways of communicating.

Liliane and Julien moved to a new house. Julien loved his work with an international NGO as a doctor focused on AIDS. Liliane was about to take a break from her work to focus on family, though she said she would seek consultancies. Because she wasn't as occupied with the office, she had time to cook. She spoiled me with nine different courses of Rwandan food, including fried tilapia and green beans, plantains and rice, meat stew, fried potatoes, and salad.

Together, Liliane and I visited the Genocide Memorial Center in Kigali, along with our young Tutsi taxi driver whose uncle is buried there. We held one another's hands as we moved through the rooms recounting the country's history and displaying photographs of loved ones lost, as well as testimonials from survivors.

Afterward Liliane told me, "I think we will not see another genocide in this country. If we have learned anything, it is the horror that can happen when people don't think for themselves, but instead follow authority blindly. We have to teach our children judgment in our schools and our businesses if we are to thrive truly as a country."

As for Prudence, unable to find a job after the genocide, she had returned to school to earn a law degree. Now she oversees standards at a major coffee producer in Kigali. On my last night in the country, I met her and her husband, Ezekiel. After about 30 minutes of small talk and beers, I asked her what she had learned since I'd last seen her.

"Before everything happened," she said, "my family and I had everything: a big house, two cars, four beautiful children, wealth, status, and even the title of being a parliamentarian. And then we lost everything. I was imprisoned, our things were taken, but most important, two of our children disappeared in the march back from the refugee camps. We never saw them again."

She went on to say that her time in prison was terrible for her, but it also was a time that allowed her to reflect on what was important and to develop a deeper faith inside herself.

"When you have everything," she went on, "you start to think that material things are most important. When you lose them all, at first you think you have lost yourself, as well. But with faith, you begin to see that it is *only* those things that you build inside—those things that no one can take away from you—that matter. Now we try to live from a place of love. And we understand that you can only have great joy if you also know great pain."

Though their children are both studying abroad, Prudence and Ezekiel will stay in Rwanda. "We can't imagine ourselves as refugees in another country," Ezekiel explained. "This is our home and we will stay here and grow with it."

Duterimbere had invited Prudence, one of the organization's founders, to attend its 20th anniversary celebration.

"I couldn't make it," she said, "because I had to work. It was still early days, and I was proving myself at the coffee company. But I have the certificate proudly displayed in my living

room. Those were the best days of my life.”

A hopeful little organization built to support women’s economic activities 20 years ago has made a difference. The founding members of Duterimbere also helped create PROFEMME and the Women’s Network and other enterprises that together advanced the women’s agenda in a society that had little official place for them for generations. Hundreds of thousands of people have been touched by the loans made by the women’s bank, and some of them have gone on to create real businesses that provided income and a sense of greater purpose to the borrowers and their families.

When I first moved to Rwanda, I could barely find it on a map. Today, Africa is on the front page of newspapers and talked about at family dinner tables across the world. Celebrities travel there, and many want to help, as do young people focused on learning and service. We are connected in ways we could never have imagined.

I will forever be grateful to Duterimbere and to Rwanda for teaching me about possibility, about the power of markets, the need for smart and carefully invested financial assistance, and the constant hope for rebirth. I learned that microenterprise is an important part of the solution, but it is not the only part. I also learned that traditional charity alone can’t solve the problems of poverty.

Before we made the blue bakery a business, the women were demoralized, dependent, and still desperately poor. Big flows of aid can create as many incentives for corruption and mismanagement as for change. Markets alone won’t solve the problems of poverty. Low-income people are invisible to most entrepreneurs, who don’t see them as paying customers. Poor distribution, lack of infrastructure, and corruption all add up to a failure of markets to deliver to the poor what they want and need at prices they can afford.

What is needed going forward is a philosophy based on human dignity, which all of us need and crave. We can end poverty if we start by looking at all human beings as part of a single global community that recognizes that everyone deserves a chance to build a life worth living.