



SDI Review Form 1.6

Journal Name:	<u>British Journal of Economics, Management & Trade</u>
Manuscript Number:	2014_BJEMT_10043
Title of the Manuscript:	The Ontological Foundation of the Cooperative Microfinance System in African Philosophy
Type of the Article	

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PART 1: Review Comments

	Reviewer's comment	Author's comment (if agreed with reviewer, correct the manuscript and highlight that part in the manuscript. It is mandatory that authors should write his/her feedback here)
<u>Compulsory</u> REVISION comments	*Page 2 (lines 95-96, highlighted 'yellow') and page 7 (lines 346-352). These two ideas appear contradictory. I suggest that the author need to bring these into one clear idea. ... I suggest that the idea can read (roughly) as follows – <i>"Hunger and poverty resulted in lack of focus and vision on management; i.e lack of business incentive and hard work, and capacity to live fulfilled and happy lives. ..."</i> Indeed, there is a growing consensus of existence of 'Aspiration Failure' in many contexts of poor economies. The best reference is Apparduria (2004) who argues that while aspirations about the 'good life' exist in all societies, the capacity to aspire is unevenly distributed; the rich are more aware of the various manifestations of the good life, which they use to improve their material conditions, while for the poor, they are likely to be more rigid, and less strategically valuable -- not because of any cognitive deficit on the part of the poor but because the capacity to aspire, like any complex cultural capacity, thrives and survives on practice, repetition, exploration, conjecture, and refutation The argument goes on due to 'satisfaction' (or 'happiness') with one's circumstances, and absence of 'role models' in the localities, there is a widespread occurrence of aspiration failure – individuals being unwilling to make pro-active investments to better their own lives.... (see Arjun Apparduria (2004): "The Capacity to Aspire: Culture and the Terms of Recognition," in Culture and Public Action, edited by V. Rao and M. Walton (Stanford University Press, 2004) Page 3 (line 162 – 169) the paragraph seem to offer contradictory idea on interest rate from participation 'Merry-go-rounds" which are common in Kenya and many other African countries (with differing names). ... It should be clear that ... <i>"at the end of the contribution tenure, the served amount is given back to the individual contributors, and the money is usually less a day's contribution which is the collector's charge for coordinating the business...."</i>	
<u>Minor</u> REVISION	*Page 1 (lines 52-58). Please highlight also the recent crisis in microfinance (not based on	



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comments	African 'community' ownership modality) because of exploitative, capitalist greed. This is based on experience from Andhra Pradesh, India, where borrowers were led to 'commit suicide' as a result of over-indebtedness, inability to repay loan, high interest, etc. The threat of similar crisis in African microfinance sector which follow same model is also highlighted (see CGAP (2010): <i>Andhra Pradesh 2010: Global Implications of the Crisis in Indian Microfinance</i>, CGAP FOCUS NOTE No 67, November 2010). *Page 7 (line 371-373). The paper argues here (and in the entire paper) that local, community owned organizations tend to promote 'equality' and inclusive growth ... But there is also growing emphasis that the poorest tend to be marginalized and excluded even in these organizations.... The poorest of the poor are often excluded from Community Based organizations (CBO) participation. Participation in CBOs entails serious commitment from members, a commitment that includes resources contributions: time, labour, financial and material resources. If so, those who can not meet the minimum obligations can not join CBOs. In fact one of the important attributes of the poorest of the poor is the inability to participated in CBOs. Secondly, although characterized as informal, CBOs have some level of organization and leadership. Who organizes and leads CBOs? In relation to this question the critical view underlines that CBOs are 'conservative' and 'elitist' organizations, whose leadership tends to be dominated by men and 'respected' local authority figures.	
<u>Optional/General</u> comments		

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