

CULTURAL BARRIERS TO MICROFINANCE IN MADAGASCAR

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SUMMARY

Microfinance has continued to evolve over the course of the early 20th century. In terms of the number of borrowers, it has more than 139 million in 2017 versus 132 million in 2016. Their expansions are not simply in terms of increases in borrowers or outstanding loans, but also in the level of offerings provided by these institutions. At the very least, according to the 2018 Microfinance Barometer, the number of microfinance institutions worldwide has seen a decrease of 131 MFIs or 11.78%. In Africa, a decrease of 59 microfinances compared to 2016 or 26.94% is noted. And in Madagascar in 2014, a decrease of 5 service points, 15% for outstanding loans and 25% for outstanding savings were observed among non-mutual MFIs compared to 2013. This decrease is related to various endogenous and/or exogenous parameters. This article attempts, then, to provide a possible approach to microfinance. We refer to the specificity of Madagascar's cultures and customs with respect to financial inclusion and the use of formal financial services such as microfinance. These cultures and customs focus mainly on the existence of Fady, prohibitions, traditional financial cultures, traditional gender equality cultures... Our study tries, through the method of building a database and a diagnosis, to bring out the importance of these notions with microfinance. Case studies from the regions of Madagascar form our field. And, we ask ourselves how the cultures and customs of the Malagasy constitute a blockage to microfinancialization?

Keyword: Microfinance, culture, customs, savings, credit

INTRODUCTION

Microfinance has not stopped evolving over the course of the early 20th century. In terms of the number of borrowers, it counts 139 million in 2017 compared to 132 million in 2016. And rural borrowers used the service of this institution globally. A growth rate of 5.30% in 2017 compared to the previous year. This development is still seen in the size of the microfinance portfolio. It currently stands at USD 114 billion. In contrast, in 2016, the portfolio size was USD 102 billion. A growth of 11.76% is noted. On the other hand, according to the microfinance barometer in 2018, the number of microfinance institutions in the world has experienced a decrease of 131 MFIs or 11.78%. In Africa, a decrease of 59 microfinance compared to 2016 or 26.94% is noted. This decrease is related to various parameters such as the failure of microfinance, which can be associated with the bankruptcy of microfinance, the disinterest of Africans but also the existence of blockages related to state policy, the incompetence of MFI staff and the cultures of the population.

In this article, despite the existence of various parameters that are responsible for the decrease in the number of MFIs at the global level as well as in Africa, we refer to the specificity of Madagascar's cultures and customs with regard to financial inclusion through microfinance. Indeed, Madagascar is the 4th largest island in the world

with a surface area of 578,041 km² (after Borneo - 725,500 km² -, New Guinea - 786,000 km² -, Greenland - 2,130,800 km²). The first European to settle there was Diego Dias, in 1500. It presents a particular characteristic in terms of its origins, its cultures and its climates. The Malagasy settlements are made up of Indonesians, Malaysians and Arabs who settled in the different regions of Madagascar. Concerning one of the cultures of the Malagasy population, considers that the woman is inferior to the men in all the field.

In 2015, it records a population of 24 million of which 50% are under 20 years old and 50.6% represent women and 90% of this population lives in poverty. Moreover, more than 80% of this population still represents rural areas.

Microfinance is considered as a way to help poor people through access to financial services in order to fight against poverty. It is defined as a small savings and/or credit for people excluded from the formal financing system such as the traditional bank. Indeed, this means of financial inclusion allows poor people to boost their activities and also to enjoy the existence of an insurance for the families members or contracting savings. On the other hand, due to simple prejudices, some people seem not to be influenced by these activities.

On this point, the problematic of knowing how the cultures and customs of the Malagasy constitute blocking to the microfinacialization?

The objective of this work is therefore to detect the Malagasy cultural parameters that prevent the population from contracting with microfinance. Assuming that Malagasy cultural practices push the population to reject microfinance, this work is based on documentary analysis of the evolution of microfinance in the country and its relationship with Malagasy culture.

I- CONCEPTUAL BASIS

Since the establishment of traditional financial institutions, the rural area is often left out because the risks involved are considerably high. However, after the success of microfinance in Bangladesh, microfinance institutions are targeting the people excluded from this system and especially in the rural area. This segment of the population is an opportunity for microfinance, in fact, if we focus on the case of Africa. The access rate is below average. It is a window of opportunity.

Historically, microfinance started formally in Bangladesh through Professor Mohamad Yanus. He borrowed a small amount of money from poor women. Through this experience, the professor found that poor people are creditworthy and can repay their debts. And these debts allowed them to improve their standard of living. From that moment on, microfinance has spread to all continents. Currently, all regions of the world are covered by these institutions.

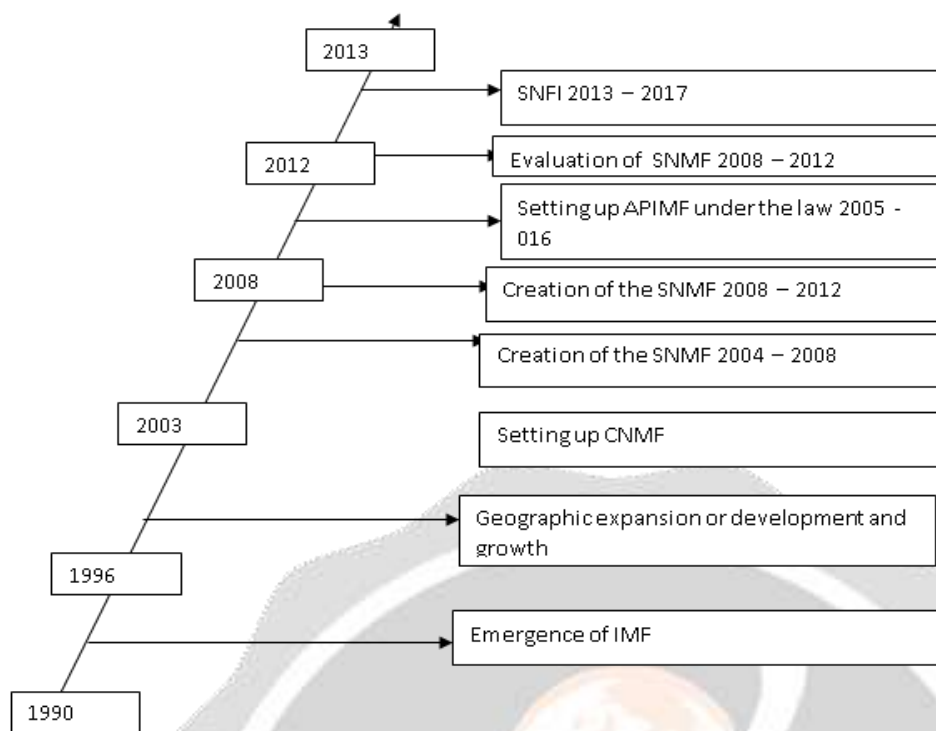
Two-thirds of the world's population aged 15 and over have an account, about 2 out of 3 women have an account, and 66% of the rural population has a financial account. Financial accounts can be a bank account, or an account with microfinance institutions, or a mobile money account, or an account with NGOs and village associations not recognized as microfinance. This phenomenon shows us that financial inclusion is halfway there

II- RESULTS

The results presented below focus on the evolution of microfinance in Madagascar.

Historically, microfinance in Madagascar has surfaced as a result of the failures of the banking system. It offered financial services in rural areas where poor people live. Its creation has been identified for more than twenty years. Its history can be categorized into distinct phases according to the following figure.

Figure 1: L'évolution de la microfinance



Source : Authors, 2022

Microfinance in Madagascar has undergone a flagrant evolution since its creation. This evolution is observed at the level of mutualist MFIs, at the level of non-mutualist MFIs and even at the level of banks offering microcredit.

2.1 For the case of mutualist microfinance

For this category of microfinance, we had the following evolution, presented succinctly in the table below.

Table 1: Evolution of mutualist microfinance

	2010	2011	2012	2013	2014	2015	Augmentation
Number of caisses	483,00	506,00	533,00	556,00	605,00	630,00	30,43%
Number of members (thousands)	606,62	660,60	743,07	770,72	847,62	899,67	48,31%
Outstanding loans (millions MGA)	78 101	105 045	127 467	157 662	173 067	176 733	126,29%
Outstanding savings and/or deposits (millions MGA)	75 712	102 703	119 859	154 943	182 533	213 482	181,97%

Source : CNFI 2016

We note an increase in all areas of mutual microfinance. There has been a significant increase in outstanding loans, representing 181.97% in 2016. It represents 181.97% in 2016. The number of credit unions and members has not stopped evolving since 2010. Between 2017 and 2018, 6 service points of the mutualist microfinance have been abandoned. On the other hand, the number of members have not regressed despite this controversial trend.

And for outstanding loans and savings, it is worth noting that outstanding savings have exceeded outstanding loans since the last quarter of 2013. In 2018, a gap of 92,316,000.00 Ar is noted between savings and credit. The latter represents 38.51% of the outstanding credit. For the mutualist MFIs, in particular, the strategies adopted for the management of the interest rate applied are important at the level of granting credit. They take advantage of the fact that insecurity and the use of mobile money is one of the ways to secure the savings of the population.

Indeed, before joining a microfinance institution, members tend to keep their savings at home. And since insecurity has not stopped deteriorating, it will be difficult to keep their savings. In addition, the herdsmen's

savings are no longer effective since 2009 because of the theft of oxen by the Dahalo¹. And for MFIs, savings are funds collected to be able to lend and provide for users' needs. It should be noted that since the beginning of our research and quest for information, we have noticed that only mutualist MFIs have tended to set up in remote or rural areas.

Moreover, this type of institution is subsidized by international organizations such as the UNDP and the European Union. In the case of the ASARA project, for example, in southern Madagascar, MFIs are subsidized by creating service points for a given target population. This subsidy has an impact on the increase of service points.

2.2 For the case of non-mutualist microfinance

Non-mutual microfinance has evolved in terms of location as well as outstanding loans. On the other hand, according to the table below, outstanding savings have experienced a controversial trend since 2010. The following table simply reflects and elaborates on this point.

Table 2: Evolution of non-mutual microfinance

	2010	2011	2012	2013	2014	2015	Augmentation
Number of service points	197	200	210	214	209	225	14,21%
Number of clients (in thousands)	59,87	74,28	89,97	94,94	98,98	113,41	89,43%
Outstanding loans (millions MGA)	37 594	53 443	69 560	78 426	66 325	76 887	104,52%
Outstanding savings and/or deposits (millions MGA)	10 270	17 916	31 643	36 724	27 445	26 416	157,22%

Source : CNFI 2016/banque mondiale

All four headings have changed considerably except for the points of service. Because of security and risks at the rural level, mutual MFIs tend to locate in an area that is favorable for funding rather than in an area where the population is served. In this case, these institutions do not take risks by setting up a service point where the studies are not totally favorable.

In terms of numbers of clients, the MNFIs dropped a few service points if we look at this figure between 2013 and 2014. On the other hand, in terms of the number of clients, it has not stopped increasing, but the evolution slows down between 2013 and 2014. It should be noted that, as an institution with the status of a limited company, the shareholders as well as these MFIs are in search of profits to best satisfy these shareholders. During audits, if they consider that a service point is not profitable, they prefer to abandon that fund and pay their debts rather than go bankrupt later, say in 5 years.

And, outstanding loans decreased between 2013 and 2014. And, savings have decreased since 2013 until 2016. A small increase of 1,460,000 Ar is shown between 2016 and 2018. On the other hand, for the year 2018, an increase of 150% in savings is noted. Nevertheless, it is worth noting that savings constitute only 48.16% of outstanding loans. It must be said then that refinancing with primary banks must be considered in order to serve the target clients. This system is used by other credit institutions.

2.3 For other institutions engaged in microfinance activities ²

In general, it is worth noting that the other categories of credit institutions are so different from microfinance institutions. This is due to the fact that their outstanding loans have not stopped evolving over time. According to the table below, these other categories have only 82 points of service: their outstanding loans amount to over 253 million.

Table 3: Evolution of non-microfinance institutions

	2010	2011	2012	2013	2014	2015	Augmentation

¹ Phénomène qui a trouvé un terrain favorable depuis un certain temps

² Ces sont des Banques territoriales ou autre établissement de crédit exerçant des activités de microfinance telle que l'Accès banque Madagascar, le Baobab Banque « Microcred avant », l'IFRA et la SIPEM Banque

Number of service points	20,00	33,00	41,00	50,00	76,00	82,00	310,00%
Number of clients	67 378,00	109 466,00	151 640,00	232 416,00	341 836,00	382 788,00	468,12%
Outstanding loans (millions MGA)	62 173,00	88 437,00	117 763,00	151 594,00	204 752,00	253 326,00	307,45%
Outstanding savings and/or deposits (millions MGA)	50 461,00	74 873,00	82 027,00	117 766,00	172 203,00	247 563,00	390,60%

Source : CNFI/Banque mondiale/Nos propres calculs

In terms of evolution, this institution showed a considerable evolution in all four areas of analysis. Like all the other two institutions, the savings outstanding showed a considerable variation of 390.60%.

The increase in the number of clients was spectacular between 2010 and 2014. A relentless rise that is not proportional to that of the number of service points. The latter is experiencing a slow progression in any case. Outstanding savings exceeded outstanding loans between the last quarter of 2016 and the beginning of the first quarter of 2017. For the year 2018, outstanding credit exceeds outstanding savings with a difference of 4.74% or 25.028 million. It should be noted that non-mutual microfinance is evolving in the same way. On the other hand, as we noted later, only mutualist microfinance is concerned with managing savings to finance their activities.

III- DISCUSSIONS

Discussions revolve around the assumption that Malagasy cultural practices cause people to shun microfinance.

3.1 Cultural blocks related to heritages, religion and the concept of fihavanana

In Africa, children are expected to participate in family activities and carry out family tasks in order to provide for the household. The son creates his own home, takes on more and more responsibility by training more and more in the trade is considered an heir. In other words, the father hands over all his property to the sons when he dies. This transfer is automatic and verbal. No wills have been registered with the notary. These are the customs. The spirit of the transfer is based on the fact that men have the responsibility to provide for their households. Girls, on the other hand, are expected to perform only domestic tasks and participate in family cultivation. They are not, in this case, destined to work with a third person. This discrimination is also observed at the level of decision-making at the family level. All important decisions or investment decisions or participation in family expenses by members of the groom's or bride's family must be validated by the head of the household.

We observed two types of microfinance disincentives. First, general constraints related to family assets. Verbal inheritances or vivisected land (Geneviève Bédoucha, 2000) are not generally registered at the state level, so their existence is not supported by a title deed or land title. In fact, the land was acquired for a fee and the houses built do not need a building permit. Also, transfers of inheritances are usually done verbally. This situation has a negative impact on microfinance. The latter only accept movable or immovable property registered in the name of the applicant with the administrative services of the state concerned. The guarantees offered have no administrative value at the level of these institutions. Secondly, there are gender-related obstacles. Inheritances are only for sons. They do not have the right to carry out their activity in the family property without the agreement of the sons. In this sense, they do not have land or rice fields to exploit. And this lack of capital translates into the lack of guarantees to be presented to microfinance. And before the loan, the men have the absolute power to manage it. Women who want to undertake money-generating activities will have to ask for their agreement. On the other hand, men are not entirely removed from their power as head of household. Their influence is still observed in the management of the activity. It should be noted that microfinance is increasingly concerned with vulnerable women (social performance) because women are more responsible than men in repaying their loans (financial performance). In addition, the parcelling out of land to sons is not a new term in inheritance. This parcelling out leads to poor crop yields. Consequently, the eldest son resorts to excluding certain brothers (Blanca Zeberio, 2004) in order to monopolize the inheritance when their

father dies. In this sense, it is difficult for the dictator to reconstitute the necessary papers to regularize the administrative papers. The signatures of the daughters and sons of the deceased will have to be affixed in the application for title. Due to the existence of disagreement at the family level, it is impossible to convince others. This truth is channeled into the impossibility of formalizing the guarantees with the financial institutions.

And the formality at the level of the State is one of the brakes favoring exclusion from microfinance and other formal financing systems. Indeed, people always have a tendency to cling to tax evasion or falsification of declarations (Pierre Rondot, 1960). This means that family entrepreneurs or family businesses have had customs or a culture of inserting themselves into the informal domain. Informality is defined as the carrying out of activities that are not regulated by the Malagasy State. In other words, the activities carried out are considered illicit and undeclared from a legal point of view. In order for the sector to be considered informal, the following criteria must be considered: ease of entry, unregulated competitive markets. (Sylvain Bureau and Jacqueline Fendt, 2010), the degree of uncertainty about profitability, sustainability, and insufficient funds for tax payment. In other words, it is a ghost activity vis-à-vis the state. These activities are well and truly financed by microfinance. In other words, it is a phantom activity vis-à-vis the state. These activities are well and truly financed by microfinance. Moreover, they guide these entrepreneurs to the insertion of the formality. In other words to regularize the administrative files related to the payment of taxes. In spite of this objective, it constitutes an obstacle to microfinancing. In other words, the entrepreneurs consider that the development of their activity is a source of visibility and a source of observation by the tax collectors. They are reluctant to request financing from microfinance and other formal financial institutions.

Religions often play an important role in the development of the country (Pierre Rondot, 1960). Indeed, they promote social relations and particularly prohibit theft and corruption. In this aspect, these religions minimize the factors of non-development. On the other hand, if we focus on the urban environment of Madagascar and also on the rural level, certain religions do not give their endorsement in the matter of credit borrowing. In this sense, borrowing is an element that favors the search for wealth and influences inner peace. At the same time, the prohibitions foresee in any case to the difficulties of repayment. On the other side, a form of traditional religion is established. The "mpimasy" also have their reasoning and their perceptions of the loan. Most of them consider that financial credits at the level of financial institutions are money from demons. And they argue that the use of this money will influence the income of the household and their close families. On the other hand, if one bases oneself on the culture of Madagascar, credits have been observed in different forms even before Jesus Christ. In any case, when plowing the rice fields or the land, the inhabitants help each other in turn: it is a mutual aid (Rabemananjara, 2001). In addition, in the event of household bankruptcy, some households borrow salt or rice from their neighbors. This form of credit is called material credit. The loan contract is made verbally and is based on the trust of both parties. This trust is mainly due to the "fihavanana" favoring mutual agricultural assistance in the form of valintàna or mifampindrana, i.e., respectively "giving back the hand" and "reciprocal borrowing (of arms)" (Frédéric Gannon and Frédéric Sandron 2006), as well as mutual material assistance - borrowing of materials (agricultural materials or transport materials or even land or rice fields) - and consumption (borrowing of consumer products) - ... Indeed, the fihavanana has been considered, according to the basic meaning as a link of kinship or a link created due to the Fati-draha or a verbal acceptance between societies a set of rules and norms defining the code of good conduct in society (Frédéric Sandron) and as a personalization outside the Fihavanana it risks to run a depersonalization (H. M. Raharilalao, 1991) where the strength of the fihavanana decreases when one moves away from the basic community (Frédéric Sandron)

In this sense, the links due to the Fihavanana are diverse. And this linkage strengthens the trust managing the core of the loan. Moreover, the loans without interests evolved and create a new form of credit: credit of the usurers. This type of credit combines material and financial credit and includes interest. At the rural level, this type of informal credit is quite identified in most villages. Borrowers ask the moneylenders for bags of rice or something else, and at harvest time they repay the moneylender with the agreed interest. This is identical to the way financial credit works. All this is not forbidden at the village level by the Mpimasy if there is one. In Madagascar, the Islamic religion has dominated the coasts of the country. According to this religion, it is forbidden to borrow a person if this action obliges him to pay financial interests. Based on this reality, practitioners are not interested in borrowing money with interest. These phenomena lead us to confirm that modern and traditional religion can not be excluded from the participation in the development of a country.

As we have already mentioned, the concept of "Fihavanana" is a way of coordinating social life. It facilitates mutual aid and also implements a morality in the sense that the inhabitants carry out an action of reciprocity (Frederic Gannon and Frederic Sandron 2006). Thinking further, this concept excludes changing habits. People who want to change are constrained by a fear of exclusion. Based on the entry of official microfinance into the 20th century in Madagascar, it is considered a modern evolution of the world of financing. This novelty is explained by the fact that these inhabitants did not need any financial support other than the member of the fihavanana circle (friends and others). This aspect is supported by the rate of bancarisation of 12%, the rate of

microfinanlisation of 17% and a rate of borrowing of 30% from family and friends (Finscope, 2016). In this sense, this fear of exclusion by changing their source of financing is another brake on microfinancing. It should be noted that in Madagascar, Fihavanana is sacred and its non-respect leads to expulsion resulting in a person being lost in a literal sense. The excluded person cannot participate or attend an event in their village and should not set foot in the vicinity.

On the other hand, the close relations between villagers or the so-called Fihavanana have a significant impact on the society. In this sense, the basic concept of this relationship is based on mutual aid and the rules of Fihavanana. In this perspective, farmers stop working at the time of a death, when they collect rice and money for the family of the deceased (Dubois, 1978). A cessation of activity is observed in this axis. This cessation of activities influences the profitability of the activities undertaken. If we take the example of traders whose income is daily, and if we consider that this cessation of activity occurred during the rainy season for farmers, we will undoubtedly observe a decrease or even a non-existence of income during the period of cessation of activities for traders and a minimization of the harvest for farmers. All these parameters related to working conditions or time management in particular are unpredictable and unknown in advance. The MFIs borrow their money from people who want to evolve in their social life, starting with their involvement in the work undertaken. In this sense, these institutions indirectly push borrowers to work and save their money in order to repay what they owe. But in our case, we have observed the existence of stoppages in activities that can generate a loss in the activity. In other words, this maximizes the risk of non-repayment of loans and also the reluctance to participate in society's events (compulsory savings). In addition, the social responsibilities of the households located in the circle of the Fihavanana on the one hand because the populations are invited in an indirect way to use their cattle savings, their financial savings and their consumption savings. And on the other hand, we observe the use of all the savings of the family of the deceased. These phenomena of unfreedom and use of savings funds promote exclusion from microfinance. In this case, the borrowers feel guided by a new concept of connection with microfinance. On the other hand, it orients them in an exclusion little by little to the Fihavanana (H.M. Raharilalao, 1991)

3.2 Cultural diversity and savings culture

The Malagasy people have several cultures about touching the ancestors. In some ethnic groups in Madagascar, among others, Antemoro, Antesaka, Antanala and Antefasy, physical contact with the ancestors (deceased), commonly called "Famadihana" is forbidden. In other words, it is a curse to touch the ancestors.

On the other hand, in the highland ethnic groups such as the Betsileo and the Merina, the Famadihana is observed between June and October (Didier Mauro, 2001). This festival of requesting blessings from the ancestors generates enormous costs because it is the organizing family that takes on all the expenses related to this event. In other words, it is a feast for a fee... (and the Ancestors) reimburse the sums advanced by their descendants through donations (Didier Mauro, 2001). In this figure, the descendants do not set any limits and make the expenses in order to honor their ancestors. This situation leads families to take out loans from MFIs. On the other hand, it should be noted that this credit does not generate any value in the future. In other words, it is a consumer loan. For disadvantaged borrowers or those who do not have a monthly income, it will be difficult to repay the amount due with interest. In this axis, the granting of credit to carry out family duties lead him to impoverish. This reality leads the neighbors to conclude that granting credit to MFIs only makes people poorer. This rumor will spread throughout the villages and thus hinder microfinancing.

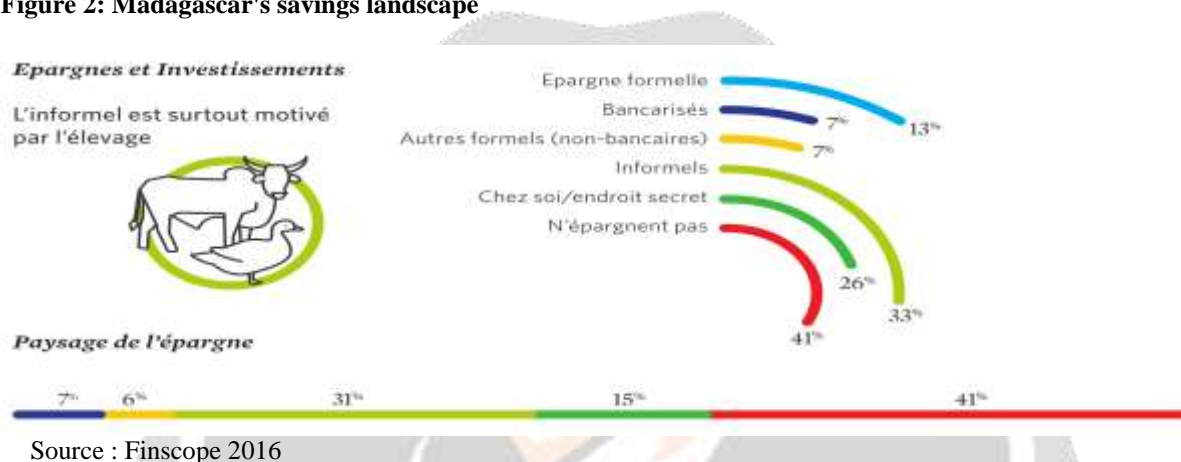
In addition, ethnic groups that do not participate in this ritual are an obstacle to the inclusion of microfinance because the famadihana is fady. In this sense, all taboos are forbidden at the ethnic level. For the Antemoro, the consumption of pigs is fady. Related activities are not allowed and thus limit the field of activity. Recently, the Mayor elected in the commune of Vohipeno prohibited the sale of pork at the market. It should be noted that MFIs are involved in all areas of income-generating activities except for the sale of alcohol, tobacco and illegal activities vis-à-vis the Malagasy state.

We feel it is important to point out that the financial culture in Madagascar is not fully mastered. The Malagasy population only gets into debt when they have to fulfill an urgent family duty and to keep their image in front of the villagers. It is in this sense that credits linked to weddings, famadihana, circumcisions and illnesses have been created.

In addition, there are multiple savings cultures in Madagascar. Some villages, such as the Androy and Ihoay regions, prefer to use cattle savings such as beef and sheep. And in the Vatovavy Fitovinany Region, the types of savings are concentrated on poultry savings where the breeding of this type of animal is accentuated. And in the Analamanga Region, savings related to consumer goods are the most used (e.g., rice savings). Recently, during the 20th Century, some people have opted for a new category of savings: building and land savings. This type of

saving is more observed in the capital of each region of Madagascar. The principle consists in building or buying a house or a land for their descendants. These savings categories are observed in all the capital of each region of Madagascar. These results lead us to consider that the Malagasy favor material and animal savings in order to face future problems. These cultures have been inked in the people during a system of Takalo in Madagascar where the currency is not yet used. This savings culture hinders microfinance because monetary savings are excluded from their system. Despite the use of fairly convincing rates of return on savings and the use of a strategy to change people's habits related to the security of funds, most Malagasy are not entirely convinced. It must be recognized that according to the figure below, the rate of savings banking is still low. On the other hand, it is lower in microfinance.

Figure 2: Madagascar's savings landscape



On the basis of this figure, we note that livestock breeding is the first mode of saving of the Malagasy population. Indeed, it represents up to 31% of the savings landscape. In addition, a bad reality linked to the culture of saving is noted in the fact that more than 40% of the population have not yet saved.

Apart from the culture of saving in cattle, livestock and equipment, one of the cultures that constantly hinders inclusion in microfinance is the culture of saving. On this point, this culture is linked to the very perception of the meaning of the term. At the level of society, several economic actors, rural entrepreneurs (informal) and disadvantaged populations have their own meanings. For formal economic actors, financial savings means anticipating future expenditures. For rural and informal entrepreneurs, it means securing funds against burglars. On the other hand, at the household level and in the rural world, where the underprivileged population is quite observant, the term savings is considered as a residual of non-usable funds. In other words, savings are made after all family and other expenses have been incurred.

This last meaning generates a culture that has dominated the world of finance in Madagascar. In this sense, no savings are realized if all financing needs are not met. Underprivileged populations, the targets of microfinance since its inception, have not been saving since their basic needs are not covered by their income. This culture minimizes inclusion in microfinance because savings are considered an expense that households will have to make every month. In other words, it is a fixed expense that can be used to cover unexpected expenses or to finance a scheduled event. In all the senses, the material and not material savings did not convince the Malagasy yet. This last observation is based on the insecurity that has dominated the rural and urban world. The populations are reluctant to save (material, breeding and financial) to avoid the attacks of the bandits. On the one hand, in certain regions where the savings of the herdsman have been substantial, the holders have not slept nights and nights in order to keep their savings, and some have lost their lives in order to ensure their security. The notion of saving has thus generated another risky job. On the other hand, Madagascar has experienced a microfinance crisis linked to the closure of some of the funds and the institution in question, such as the case of TIAVO working in the former province of Fianarantsoa, OTIV Boeny, OTIV Alaotra Mangoro. This closure has caused various problems at the level of repayment of the users' debts and some have lost their lives due to despair. A new culture arises in the framework of Fihavanana of the victim: "Non-use of formal financial services" and "It is better to have a permanent control of their funds than to deposit it to a third party". This new culture hinders insertion into the microfinance service.

The "Fady" is another element influencing the borrowing of credit from the formal financial institution. It is to be respected if the elders or the father of the family forbid the realization, consumption or other to their descendant. Most coastal people still respect it to this day. However, it can be lifted in case of a blessing from the elders in order to break the spell.

CONCLUSION

In conclusion, microfinance has not stopped evolving and is trying to participate in the achievement of the Millennium Development Goals. This evolution has been observed worldwide (in all regions of the world) and concerns all kinds of financial inclusion through the use of bank accounts, microfinance accounts and even the use of mobile money. And even at the level of outstanding loans, developments have been noted. Moreover, this evolution is independent of the number of microfinance institutions operating worldwide. Indeed, only 9 microfinances were created globally in 2017 against a cessation of activities or closure of the 140 microfinances in 2017. The closure or cessation of activities is evident in East Africa and the Pacific with 51 microfinances. And in Madagascar, this situation is marked by the closure or cessation of activities of some mutual MFIs such as TIAVO, OTIV Boeny and others. In addition, the number of funds and members do not stop evolving. In spite of these promising evolutions, the cultures of the Malagasy people are characterized by various parameters. First of all, it is the men who have the right to inherit the family goods. The transfer of goods is done verbally without passing under the validation of the State. These goods and/or materials do not have any administrative value with respect to microfinance. In addition, women do not have the household power to make important decisions, even though MFIs sensitize women to grant credit because of the way they manage their credit. Secondly, some religions forbid the granting of credit and on the other hand the traditional religion considers that credit is made to break the trust and even considers that borrowing is a demon's money. Finally, the concept of fihavanana constitutes one of the factors blocking inclusion in microfinance if we refer to the cessation of work, the existence of fady and all other prohibitions accepted by the villagers and even an ethnic group. In addition, certain customs encourage Malagasy populations to borrow consumer credits that can harm their standard of living in case of non-repayment. One should also not forget the use of savings in steerage or in material. These cultures easily favor exclusion from the microfinance system. Indeed, only 13% of the population uses formal financial savings services and more than 41% of the population prefers not to save by using material or herd savings. Our first hypothesis is therefore validated with reference to this study: the existence of Madagascar's diverse cultures only hinders the evolution of microfinance. In this sense, the existence of prohibitions only minimizes the productivity of the population and thus leads to the non-repayment of their debt. The heirs are necessarily the men and the women are not allowed to make any important decision even if they have obtained a loan from the MFIs. Also, this hypothesis is supported by the existence of a favoring of women to borrow while they are not one of the heirs. And concerning the second hypothesis, the Malagasy have always focused on material savings or steers. The reflection is associated with a financial management by the increase of its financial value whereas the financial saving, for our currency, does not cease undergoing a devaluation. In this sense, microfinance needs more efforts to raise awareness of clients or potential members to choose their services. It should be noted that microfinance in Madagascar has not deepened the possibility of partnering with GEVEC in Madagascar. The latter is a savings and credit group and the granting of credit is limited by the member only who is flexible and know each other perfectly.

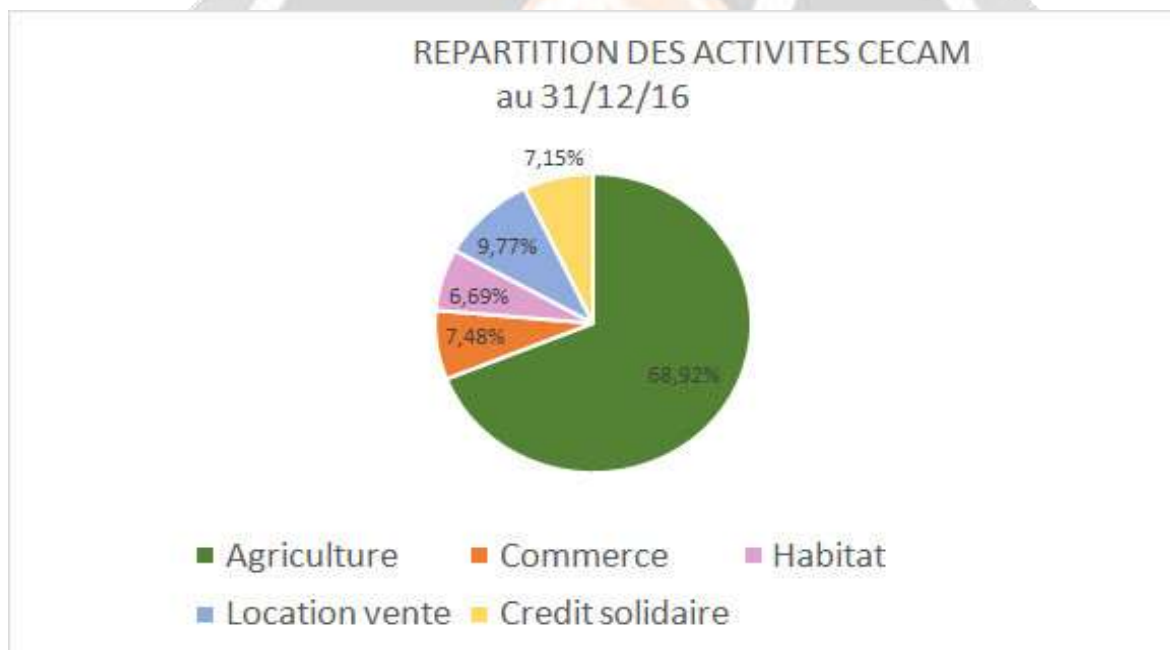
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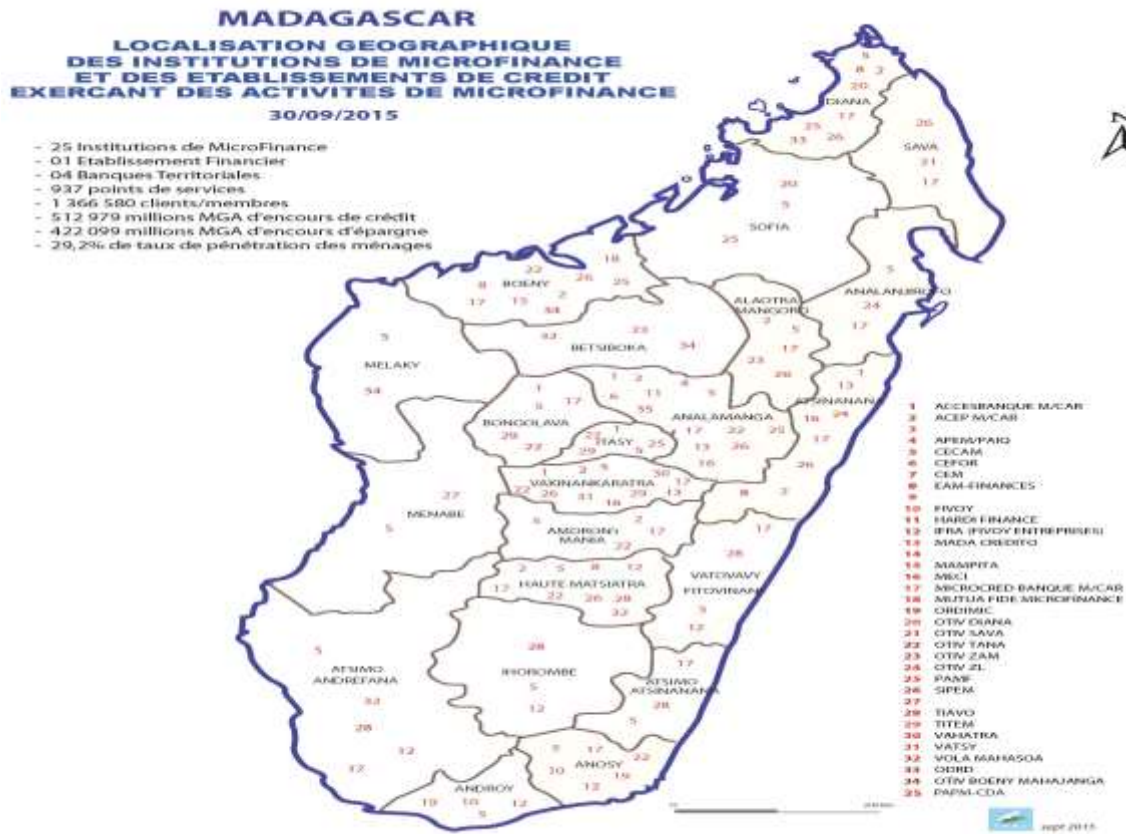
ANNEXES

Figure 3: Distribution of CECAM network activities



Source : CECAM

Figure 4 : MFI coverage in Madagascar



Source : CNFI³



³ http://www.madamicrofinance.mg/images/cartographie/cartographie_stats_300915.pdf