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Microfinance, Entrepreneurship and Community Resilience in the Context of Countries in Crisis: Case of the Eastern Democratic Republic of Congo

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Abstract

This study focuses on microfinance, entrepreneurship and community resilience in the context of countries in crisis, the case of the Eastern Democratic Republic of Congo. It is based on a descriptive and qualitative approach based on observations, personal experiences and the results of the work of Western authors and a few African authors on the informal sector in developing countries. The objective is to analyze and describe the contexts in which microfinance and community entrepreneurship evolves in the eastern Provinces of the DRC. In a specific way, this study attempts to show that community resilience in the East of the DRC is the result of the demand for financial services by businesses in the "informal" sector or at least community entrepreneurship and sustainable supply informal microfinance or social microfinance institutions. It also attempts to demonstrate how training in financial education and pragmatic entrepreneurship of micro, small and medium-sized enterprises as well as digital finance allows the direct or indirect banking of social microfinance institutions. It first describes and analyzes the types of community microfinance institutions: mode of creation, organization, coordination and control. Then it examines the types of financial products, risks, marketing strategies and supply limits. Finally, it highlights the integration of community microfinance into the formal financial system as one of the determining factors of community resilience.

Keywords: Microfinance, entrepreneurship, resilience, community, crisis

Introduction

Over the past five years, the world has faced multiple crises that have negatively impacted the economies and populations of both developed and developing countries. These crises were political, security, health and ecological (AGNES LEVALLOIS).On the political and security front, there is constant rivalry between the United States and China, as well as conflicts such as the war between Russia and Ukraine and the conflict between Israel and Palestine. Terrorist movements and wars in the Middle East and sub-Saharan Africa, particularly in West Africa, Central Africa and East Africa, have also contributed to this instability (PIERRE RAZOUX 2022).The Covid-19 pandemic has had a negative impact on all global economies, particularly those in developing countries, thus worsening the already precarious living conditions of vulnerable populations, particularly in sub-Saharan Africa. In addition, crises linked to global warming continue to claim victims, both in developed and developing countries (World Bank 2020).

As for the Democratic Republic of Congo (DRC), the country was already facing political crises, fratricidal wars, rebellions and epidemics before the Covid-19 pandemic. The volcanic eruption of Nyiragongo, the large-scale massacres in Beni and Ituri, as well as the occupation of part of the territory of North Kivu by M23 rebels have further aggravated the situation. These crises have led to extreme poverty among the most vulnerable populations, such as displaced people, survivors of massacres and epidemics, as well as victims of natural disasters (COVID19SADC 2020, BCC 2019-2020).

Economically, the consequences result in a limited supply of basic goods and services, unemployment, lack of income and financial isolation of the majority of households, both in urban and rural areas. Microfinance, which should be an effective solution to this problem, no longer fulfills its role. Microfinance institutions and banks that provide financial services to economically disadvantaged people are mainly concentrated in large cities

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in four of the DRC's 26 provinces (BBC 2019-2020), leaving more than 90% of the population without access to these services.

However, despite this limited offer of financial services, we observe a remarkable dynamism of entrepreneurs, in particular women, who are excluded from the traditional Congolese financial system. These resilient entrepreneurs are supported by a grassroots, unregulated microfinance sector that takes two approaches: an economic approach focused on small and medium-sized businesses in urban and rural areas, and a social approach focused on households and organizations that solve social problems (M. LELART, 1990; B. HAUDEVILLE).

This study aims to analyze the resilience factors of community microfinance that supports community entrepreneurship in the context of multifaceted crises at local, national and international levels. It examines the types of community microfinance institutions, the types of credit and financial products offered the risks they face, and marketing and sales strategies. It also studies the relationships of these institutions with formal microfinance institutions and commercial banks, as well as the determining factors of their resilience and the limits of their offer. Finally, it explores the practical methods of integrating community microfinance into the traditional financial system through financial and digital education of consumers.

1. Context of the study

For more than three decades, the problem of informal financing in developing countries has aroused the interest of numerous Western researchers. Several themes are addressed by these different researchers (LELART M 1990) focused one of his reflections on parallel financing circuits: state of the question. Bloy E. and Dupuy C. (1990) addressed the theme of adapting management rules to the constraints of informal financing: Reflection in the context of the African context (HAUDEVILLE B1990), devoted a paper to informal savings and financing of productive businesses (SERVET J.M 1990) devoted one of his works to the representations of money and savings supports and limits of mobilization of informal savings: Working hypotheses for a survey in Senegal.

Few African researchers have been interested in the informal sector and its financing mechanisms for two major reasons. The first reason is that most of these researchers have remained attached to classic theories which present the informal sector as a threat to the economic development of less developed countries.

The second reason is that other researchers consider that this work oriented towards this field of research would be considered unscientific given the absence of quantitative data unavailable on this sector. Among the African authors who have been interested in this theme, we can cite AHWIRENG-OBENG (1995), who shows that the African experience does not support the widespread idea according to which political instability is a factor slowing down entrepreneurial activity. . He shows in his study that the identity of entrepreneurs, the formal or informal character of establishments and the degree of growth or innovation in business were partly determined by instability.

This present study aims to initially contribute to the highly appreciated results of the work produced by Western researchers who do not experience on a daily basis the reality of the facts and phenomena on the problem of the informal sector and the mechanisms of its financing in the contexts of countries in multifaceted crisis such as that of the DRC (E. BLOY, C. DUPUY), it aims secondly to push back the frontiers of knowledge on the evolution of the mutuality and commercial tontine towards new forms of organizations financing associations economic and social activities known under several names: informal sector, informal, traditional or underground economy, informal entrepreneurship, etc. (M. LELART, 1900).

Thirdly, this communication aims to demonstrate how crisis contexts have generated "informal" community entrepreneurship which has been nourished over time by the community financial sector which has existed since the dawn of time. And which has developed according to the ever-growing needs of community entrepreneurship, especially in contexts of multifaceted crisis where the economy and its formal financial system have gone bankrupt (KAMBALE.M). Fourthly, this present study aims to arouse the interest of African and Western researchers to focus their scientific attention more on the immunity and resilience of these two twin sectors "the community financial sector and community entrepreneurship which constitute the alma control of the formal economic and financial system in normal situations and during crises whatever their magnitude (E. BLOY, C. DUPUY).

It is this context which underlies the qualitative analysis based on observations and personal experiences[2] which arises from the development of this theme which focuses on “Microfinance, entrepreneurship and community resilience in the context of countries in crisis, case of Eastern Democratic Republic of Congo.

2. Types of community microfinance institutions: mode of creation, organization, coordination and control.

Before talking about the type of community microfinance organization, it is useful to provide a brief overview of the causes of financial exclusion of Congolese populations and the factors for the emergence of community entrepreneurship and microfinance (KAMBALE M 2016).

2.1. The causes of financial exclusion of populations in the DRC and the emergence of the informal sector (community entrepreneurship): popular strategy to combat poverty (KAMBALE M 2016)

2.1.1. The causes of financial exclusion of populations in the DRC

The main sources of financial exclusion of the Congolese population, especially the poor with low incomes, are mainly of two types. First, there is the evolution of the political context and its negative impact on the economic and social level. And then there is the inappropriate evolution of the political, legal and regulatory framework of the formal microfinance sector, which is fully part of an institutionalism approach (KAMBALE M., 2016).

The evolution of the political context from 1960 to 1990 before the democratization of the DRC and from 1990 to 2023 after democracy had a very negative impact on the main sectors of the economy including the mining and extractive industry, the manufacturing and textile industry and the agricultural sector (food and agric-food products) main sources of income and employment for households. The resulting economic crisis with an inflation rate of more than 4 digits (1980-1990) paralyzed the financial system of the DRC having evaporated not only the savings of companies but also those of households through the failure of commercial banks and savings and credit cooperatives and successive poorly thought-out monetary reforms (KAMBALE M 2012).

The period from 1990 to 2023 was characterized by the recurrent looting of companies of all sizes, fratricidal and repetitive wars as well as natural disasters. This resulted in the irreversible drastic decline in national production and all other macroeconomic indicators leading the country to total dependence on imports to meet domestic demand, even basic products intended for households. This situation was the basis for the deterioration of the living conditions of households faced with unemployment, lack of income, famine, in short, the worsening of poverty (Alioune Niang MBAYE, 2023).

Regarding the political, legal and regulatory framework of the microfinance sector since 2000, the DRC has never adopted a national microfinance policy and strategy document validated by all stakeholders and adopted by the government (KAMBALE M., 2016).

The legal and regulatory framework of the microfinance sector has established a single form of microfinance institution divided into two categories, microcredit companies and microfinance companies, thus institutionalizing the commercial approach to the provision of microfinance services (BBC 2011);hence the pure and simple exclusion of organizations whose vocation is to ensure the provision of financial services to the very poor and the poor in per urban and rural areas, including farmers and those displaced by war and natural disasters, survivors of epidemics and pandemics such as Ebola and Covid19.

2.1.2.Emergence of the informal sector of Community Entrepreneurship: a popular tool to combat poverty

The threats of poverty, unemployment, lack of income, the inability to meet basic needs (food, housing, education and health care) have resulted in the awakening of community dynamics. The latter has enabled the majority of households to resolve their socio-economic problems themselves. This search for solutions by the population has varied from one community to another according to two logics: Social logic and economic logic (KAMBALE M, 2016).

2.2.Types of community microfinance institutions: method of creation, organization and operation (M. LELLART, J.M. SERVET)

Each type of community microfinance institution thus depends on the financial needs specific to social logic and economic logic.

[2]The author draws on personal experiences as a patrician of informal and formal entrepreneurship, the creation, organization and management of formal and informal microfinance institutions. Author, teacher, researcher.

2.2.1.Types of community microfinance institutions with a social vocation: Creation, organization and operation mode (M. LELLART)

The nature of the group or community has given rise to two categories of social organizations whose basic principle is solidarity and mutual aid. Organizations based on family, clan, tribal and ethnic relations (cultural ties), and more homogeneous organizations, closed and without official recognition. They operate on an informal basis but whose rules are rooted in traditional culture. To meet their financial needs, organizations in this first category favor the mutual tontine. But the method of creation and organization depends on the objectives pursued by the association but also the events for which the savings are mobilized. For one-off events such as weddings, funerals, parties, etc. The mobilization of financial resources from each member of the group is almost obligatory, the amount to be contributed by each member depends on their financial capacity but also on the budget pre-established for the occasion. As soon as the event is organized, each member is free and continues to go about their business while waiting for another event that could occur (Kambale M.B., 2016).

The second category is made up of organizations whose links between members are extra-family and go beyond the clan, tribal and ethnic level. These are formal organizations (non-profit associations), recognized by the State and fairly structured thanks to the bodies that ensure their governance and management. These include, among others, churches, NGOs, professional or extra-professional associations. To meet the financial needs of members, these organizations rely on the mutual tontine model, the method of creation and organization of which depends on the type of objective pursued. But when it comes to financing the organization's operations, each member participates, either through the compulsory contribution, the amount of which is set by the group, or through a voluntary contribution in the form of a donation for churches. For NGOs and local associations engaged in social promotion activities beyond the financial resources mobilized by members, they sometimes benefit from funding from donors to carry out their projects. Members who work as employees in this project strengthen their contributory capacity to the mutual tontine. This can be illustrated by table number 1.

Table No. 1: Social organizations in a crisis context in the DRC

Organizations	Type	Nature of aid	Source(funding)
Informal organizations not recognized by the state	Mutuality, "likelemba", circles, support group	Material, Financial Intangible	Contribution in cash or in kind, in labor
Formal organizations recognized by the State	Churches, Non-Profit Organizations (NPO), NGOs	Spiritual, intellectual, professional, material, financial	Contributions, donations, offerings, tithes, generosity, legacies

Source: Designed by us based on our own documentary analysis

In a country where there are no universal insurance (health, old age, death) and social security organizations, it is these informal financing social organizations that provide these services as best they can to the population, especially the poor in the DRC.

2.2.2.Types of community microfinance institutions with an economic vocation: Method of creation, organization and operation

As highlighted in the previous section, the development of the informal sector is both an individual and community response to the death threats weighing on the Congolese populations in general and those of the eastern provinces in particular, who have been facing multifaceted crises for more than 3 decades (KAMBALE M., 2016).The development of this sector required financial resources adapted to the size and nature of income-generating activities (community organizations according to economic logic) implemented by households/communities in distress. This is what was at the origin and emergence of community microfinance (informal microfinance sector).This community microfinance has enabled the improvement of the mutual tontine model and that of the commercial tontine according to the financing needs of "informal" companies according to the size, sector of activity and financing needs (B. HAUDEVILLE, ...).

The target group of community microfinance is made up of 2 main categories: The first is made up of economic enterprises including nano, micro, small, medium-sized enterprises, crafts, agriculture, livestock and fishing. The second category is made up of "social enterprises" other than NGOs and churches. These include, among others, organizations in the education sector (nursery, primary; secondary and university) and health (KAMBALE M 2015).

a) Types of community microfinance institutions: evolution of the mutual tontine (M. LELART, 1990)

The evolution of the mutual tontine comes in two forms:

- The traditional mutual or "likelemba"

- The solidarity mutual

- The village savings and credit associations

The traditional mutual is present in all companies according to their size. It brings together entrepreneurs who have grouped together to strengthen their financial capacity necessary for the development and growth of their companies. All members of the group contribute during a meeting an equal amount, generally fixed, that each member of the group pays into a common fund. Each member in turn benefits from the periodic contributions of the others after the last member is served the cycle begins again; there is no interest, membership fees or operating costs. To solve social problems, the members of the mutual set up a social fund where each member periodically pays their contribution for this purpose. This makes it possible not to draw on the money received and intended for the development of the company.

The solidarity mutual (B. HAUDEVILLE), It is a group made up only of members with a common link, which is generally professional. At the creation each member contributes a fixed amount to participate in the share capital of the mutual then he undertakes to regularly deposit a variable amount according to his capacity for his urgent needs (current account) finally he undertakes to regularly contribute a fixed amount of which a part is allocated to the social and another to the operation. All of these three types of payment of each member constitute the savings to be redistributed in the form of credit according to the conditions unanimously agreed by the members (interest rate, maximum amount, maturity) at the end of the accounting year, a part of the interest is allocated to the various reserves to strengthen the fund of the mutual and another part is distributed equitably to each member. Here the members benefiting from the credit decide alone on its allocation either to invest, strengthen the working capital or acquire consumer goods. Solidarity mutual are generally created by small and medium-sized enterprises, both informal and formal. They are also present in formal social organizations in the education, health, NGO and even public sector sectors and are created by employees whose common link is professional. This allows these employees and civil servants to obtain consumer goods (household equipment, housing, medical care, schooling of children thanks to credit received on very favorable terms that they cannot obtain from formal financial institutions).

Village Savings and Credit Associations (ALFRED HAMADZIRIPI), these are groups with a common bond that collect contributions from members regularly according to a frequency agreed by all and according to the contributory capacity of each. The savings collected are used to give loans on very favorable terms (amount, interest rate, maturity) to members. At the end of the financial year, the amounts borrowed are fully repaid. After calculating the interest earned, each member recovers the entire amount he paid to the AVEC plus the amount of interest received. AVECs specialize in offering financial services generally to nanoand micro enterprises in the small trade, service and crafts sector in urban areas, agriculture and livestock in rural areas.

b) Types of community microfinance institutions: evolution of the commercial tontine (J.M. SERVET)

The commercial tontine comes in two variants: the first variant is similar to the traditional tontine; the second variant is more evolved and more structured.

The first variant is generally organized by a merchant who runs a shop selling food products or other miscellaneous products, he gives the opportunity to his customers but also to households in the surrounding area to save, so he provides each member with a card containing at least 31 boxes. The member subscribes an amount of his choice for the daily payment called "remittance". When he comes to deposit his savings, the shopkeeper records this amount in the corresponding box. At the end of the month, the member comes to withdraw his savings, leaving the shopkeeper with the amount of one day's payment. Regardless of the number of payments recorded, which is less than 30, the member has the obligation to pay the agreed amount. In this variant, it is the shopkeeper who benefits from the members' payments by strengthening his working capital with the savings at his disposal. Some entrepreneurs have tried to organize this tontine on a large scale by mobilizing several circles of members; unfortunately these promoters have escaped into the wild, bringing all the money saved by the members. Some savings cooperatives have tried to duplicate this model by allocating the savings mobilized by the collectors recruited in the form of microcredit to the members. Unfortunately, these experiences have been painful because the collectors of the savings and the beneficiaries of the microcredit have disappeared into thin air.

Commercial tontines of the second variant are institutions created by traders and entrepreneurs to meet their financial needs for investment and working capital. They take the form of a SICAV (Investment Company with Variable Capital).Upon creation, each member subscribes and releases shares according to their capacity to participate in the share capital. Each month, each member agrees to pay the amount equivalent to one share, so each year the subscribed and released capital will be increased by twelve shares. Members also agree to pay a monthly contribution including a portion intended for the operating costs of the tontine, another portion for social purposes. Members are also given the option of opening a savings account for emergencies. This tontine can take two forms: a tontine with a board of directors and a tontine without a board of directors. The first has a general meeting, a board of directors and a control committee. Daily management is provided by one or two permanent agents, depending on the case. The second has a general assembly, a management committee and a control commission; no agent is permanent. The members of these different bodies work voluntarily, the conditions of their remuneration and the operating procedures of their bodies are recorded in their statutes and the internal regulations having been adopted by the members during the constitutive assembly. The funds collected are lent to members who need them in accordance with the credit policy recorded in the aforementioned texts.At the end of the accounting year, 30% of the result is allocated to reserves and 70% is redistributed to members in proportion to the number of shares held since the beginning of the year. Concretely, these community microfinance institutions are organized and operate exactly like formal microfinance institutions by trying to rigorously respect good practices in microfinance. The greatest characteristic of these different types of community microfinance institutions is that they are invisible without a physical address displayed, without personnel and without advertising.

3. Types of financial products, risks, marketing strategies and limits of supply

Community microfinance institutions including mutual tontines, AVECs and commercial tontines essentially offer two types of credit to their members/clients. These are micro-savings and micro-credit products.

3.1.Financial products and risks of mutual tontines (MIKE GOLBERG, ERIC PALLADINI, 2010)

The traditional mutual or "likelemba" mobilizes savings in the form of contributions and which are immediately paid to one of the members at zero interest rate. The total amount of savings paid by each member is the sum of periodic payment for the benefit of all the other members. If there are 30 of them and if the periodic contribution is $100 at the end of the cycle each member will have received $3000 but will have repaid the sum of $2900.Here the cost and the actualization of the capital are not taken into account. The solidarity mutuals for their part effectively offer the financial products of micro savings and micro credit. Micro savings come in two forms: term savings made up of the number of shares subscribed and released by members when the mutual was created, it is re-enumerated at the end of the financial year by the portion of the interests distributed to members, the second type is life savings made up by members as an emergency provision, it is not re-enumerated because the member can use it at any time they need it. The savings mobilized allow members to benefit from micro credits either for financing a new activity, acquiring equipment or strengthening working capital depending on the sector of activity. Micro credit generally comes in two forms: the cash facility or express credit whose maturity varies between 1 and 30 days and the overdraft whose maturity varies between 30 and 365 days (12 months).This deadline can be up to 24 months for investment credit, the maximum amount of credit to be granted to a member is set unanimously by the group but also according to the amount of savings mobilized, this amount can increase by decision of all the members of the mutual when the savings mobilized allow it and this during the general meeting at the end of the financial year, the interest rate varies between 2 and 3%.

The types of operational risks faced by mutual societies include: Embezzlement by members by withdrawing from the group. Bad or non-repayment of credit by members: if the reasons are related to the bad behavior of the member, he is purely and simply excluded from the mutual society, but if the reasons are justified (theft, fire, kidnapping, natural disasters) the solidarity mechanisms come into play by resorting to the social fund and supporting disaster victims.

3.2.Financial products and risks of AVEC (ISABELLE HILLENKAMP, BEATRIZ SCHWENCK)

AVECs, as the name suggests, offer two types of products to its members: Savings made up of periodic contributions from all members, thus paid back to members who need them in the form of microcredit for a period not exceeding 16 weeks at a flat rate of interest not exceeding 10%.Repayment is weekly. The greatest risk remains the bad or non-repayment of credit generally resulting from the risks inherent in the borrower's micro-enterprise. The other type of risk is when the AVEC is supported by a donor who gives micro credits to members through the AVEC. The latter considers successful micro credits as donations from a donor and is therefore in no hurry to repay. This is the reason why AVECs supported by the donor end up disappearing.

3.3.The products and risks of commercial tontines (SONIA TELLO ROZAS AND BERNARD GAUTHIER)

The traditional commercial tontine generally offers the only savings product, most attempts to offer credit products have led to crises. Here, it is the members who run the most risks in the face of the behavior of the tontine merchant or organizations trying to mobilize the savings of a large number of members and who end up diverting it. The second variant of the commercial tontine mainly offers two types of financial products which are savings and credit but with by-products. For savings, we have term savings including the share paid upon the constitution of the tontine and the share paid periodically and obligatorily and voluntary term savings. Lifetime savings consisting of emergency savings and savings for a short-term project. For credit, we have cash credit (cash facility and overdraft) and medium-term credit (more than 2 years).In relation to the activities financed, we have credit to traders, credit to service companies, credit to artisans, credit to farmers and credit to breeders. Before the development of mobile money, commercial tontines also offered the service of transferring funds. The risks faced by commercial tontines of the second variant are relatively reduced by the system of organization and management set up with the governance bodies including the General Assembly, the CA and the CC. Also the use of material guarantees when the credit granted to members exceeds a certain threshold. Potential risks can arise when the political, governance, administration and control bodies function poorly or do not function at all.

3.4.External risks and marketing strategy of community microfinance institutions (M. LELART 1989, 1990)

Beyond the internal risks, specific to each type of community microfinance institution, all institutions are confronted with all types of external risks, these are the political, economic, social and environmental (ecological) risks experienced by the populations of the East of the DRC. At this precise moment when we are writing this paper, two territories in the South of North Kivu are occupied by the M23 rebels and their allies who have cut off all supply routes for basic necessities to the City of Goma and all other cities, which makes life difficult for all entrepreneurs and their clients in both urban and rural areas. The other territories of North Kivu and Ituri are still the scene of large-scale massacres perpetrated by local and foreign armed groups, leading to mass exoduses of populations towards relatively secure urban centers.

The economic crises that have become structural are a source of serious risks that always paralyze the community development initiatives implemented by the Congolese populations and especially those of the East of the DRC. These include, among others, the ever-rising inflation rate, the continual monetary depreciation of the Congolese franc against the dollar and the deterioration of the terms of trade resulting in total dependence on imports to satisfy basic domestic consumption.

The Ebola virus epidemic and the Covid 19 pandemic are the greatest risks that community microfinance and its clients have faced with disastrous consequences over the past decade. Risks related to natural disasters including the volcanic eruption of 2002 and 2021, floods; tremors and landslides recurring in South Kivu have wiped out tens, hundreds if not thousands of nano, micro, small and medium-sized enterprises with their informal financing system over the past two decades.

As for marketing and sales strategies, they are limited to the level of each institution given their non-official recognition; they are forced to work without fanfare and without formal advertising. Communication is done by word of mouth between members, no written invitations to convene meetings of these ordinary or extraordinary general assemblies.

4. Integration of community microfinance into the formal financial system: relationships and determinants of resilience

4.1.Relations between community microfinance institutions and formal microfinance institutions through financial and digital education (Georges Gloukoviezoff)

Since 2015, the DRC government, through the central bank, in partnership with GIZ, has implemented the DRC Financial System Development Program (PDSF).It was based on the results of studies conducted by SGAP[3] 2013 and UNDP[4] 2014, which demonstrated that one of the factors worsening poverty among populations in the DRC is the poor management of individual and family money. Thus, since 2017, the DRC government, in partnership with GIZ, has implemented the National Financial Education Program (PNEF), which included 4 modules including budgeting, savings, credit and financial negotiation. The latter has enabled the training of more than 5,000 nano, micro, small and medium-sized entrepreneurs in North Kivu from more than 60 community organizations of an economic and social nature from 2017 to 2020.From 2020 to 2022, the PNEF was transformed into a financial inclusion program (PROFI) which integrated the digital education module into the 4 PNEF modules. The PROFI extended financial and digital education to businesses, mining cooperatives and local

[3]CGAP : Consultative Group to Assist Poor
[4] UNDP: United Nations Development Program

populations in partnership with financial institutions. By the end of 2023, more than 20,000 nano, micro, small and medium entrepreneurs had benefited from financial and digital education training. Thanks to this training, the beneficiary community microfinance institutions established business relationships with cooperatives and formal microfinance institutions. Mutual societies and commercial tontines have opened accounts in their names with financial institutions, which constitutes an indirect banking of the members of these different mutuality and tontine organizations, thanks to these open accounts and the relations between the 2 financial partners (formal and informal), the coopecs and the MFIs have been able to directly and indirectly increase the amount of credit to the nano, micro, small and medium-sized member enterprises. The expansion of this training in financial and digital education to the majority of the populations of the East of the DRC and the entire country will be able to accelerate this process of their financial inclusion.

4.2.Factors determining the community resilience of microfinance and the limit of their offers

4.2.1.Factors determining the resilience of community microfinance

The resilience of community microfinance is closely linked to that of community entrepreneurship, which includes nano, micro, small and medium-sized enterprises. To paraphrase the statement of former United Nations Secretary-General Kofi Annan, As everywhere else, the informal sector has played a rearguard role that allows a majority of the Congolese population (more than 80%) to live and survive (United Nations, 2006). 4 factors determine the resilience of community microfinance in the context of the multifaceted crisis in eastern DRC. The first factor is the anchoring in the imagination and individual and collective consciousness of the Congolese that business and entrepreneurship are a vital reality for the life and survival of populations during crises, whatever their magnitude. This reality has been demonstrated particularly in eastern DRC during the Ebola epidemic and covid19.Indeed, while all activities in the formal economy were completely paralyzed by the containment measures, the majority of community entrepreneurship activities (informal sector) proved to be "uncontainable". During these health crises, all markets continued to operate, and transporters by motorcycle, bicycle or tricycle continued their activities. For these entrepreneurs who live from day to day, confining their activity meant declaring death for them and their families. The resistance of this community entrepreneurship was guaranteed by the awareness that community microfinance is the only source of financing itself based on solidarity. (ANDRE MODESTE ABATE).

The second factor is the indissoluble link between microfinance and community entrepreneurship because one cannot exist and develop without the other. The two sectors feed off each other. While community entrepreneurship is visible through the products and services offered by the market, community microfinance is invisible and its effects are reflected in the emergence of community entrepreneurship. The third determining factor is the equally indissoluble link between community entrepreneurship and formal entrepreneurship. The first is the mother of the second insofar as the majority of small and medium-sized enterprises in the DRC find their birth in community entrepreneurship and the two sectors are financially nourished by community microfinance. Indeed, formalization is not the only criterion for Congolese SMEs to access the financial services of formal financial institutions; it still remains largely excluded by banks, MFIs and cooperatives, especially in per urban and rural areas. Community microfinance ensures the permanent transformation of nano to microenterprise, from micro to small enterprise and from small to medium enterprise; it also ensures the transition from informal MSMEs to formal MSMEs thanks to self-created and self-managed community microfinance institutions. This reality has often escaped not only researchers but also and above all development actors. The fourth factor is the invisible but real interconnection between nano, micro, small and medium enterprises strengthening community microfinance through the use of other indirect financing mechanisms including subcontracting, supplier credit, barter, incubation and "mentoring". It is also thanks to the interconnection of community entrepreneurship MSMEs at the local, provincial, regional and national levels with formal MSMEs that have discovered the foreign market (DIALLO MALICK et al).

4.2.2.The limit of the offer of community microfinance

Given their informal nature, the absence of regulation and even administrative regulation, their size and their very limited scope, the supply of community microfinance institutions remains very limited compared to the demand in terms of the financial needs present. This supply is also limited by the constraints, obstacles and threats that are linked to the context of multifaceted crises that have become structural in the provinces of the DRC.

4.3.Practical modalities for integrating community microfinance into the traditional financial system (KAMBALE M 2015)

The integration of community microfinance into the traditional financial system implies:

- The Congolese government and all development actors at the local, national and international levels must take into account the important role that community microfinance plays in the development of nano, micro, small and medium-sized enterprises
- The urgent need to support structure and regulate this community microfinance sector
- The development by stakeholders and the adoption by the government of the national microfinance strategy document taking into account community microfinance in the same way as the national strategy document for small and medium-sized enterprises. This will guarantee the transformation of community microfinance institutions into formal microfinance institutions and therefore its integration into the traditional financial system
- The mobilization by the government and its partners of financial resources for the implementation of this strategy

Conclusion

This study focused on Microfinance, entrepreneurship and community resilience in the context of countries in crisis, the case of the East of the Democratic Republic of Congo. It relied on a descriptive and qualitative approach based on observations, personal experiences and the results of the work of Western authors on the informal sector in developing countries. Its purpose was to analyze and describe: the contexts in which microfinance and community entrepreneurship evolve in the eastern provinces of the DRC, the types of community microfinance institutions: mode of creation, organization, coordination and control, the types of financial products, risks, marketing strategies and limits of supply, Integration of community microfinance into the formal financial system: relationships and determining factors of resilience.

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