

CHAPTER 2

The Socio-Economic Impact of Internal Savings and Lending Schemes on Women Empowerment: A Review

The previous chapter provided an introduction and prefatory lenses to the study. In line with the study's research objectives, this chapter critically reviews a wide range of literature related to the socio-economic impact of Internal Savings and Lending Schemes (ISALS) on women empowerment. The chapter looks at specific aspect of ISALS in the context of women empowerment from angles of the motivation factors behind women joining the ISALS, projects undertaken in ISALS, socio-economic changes brought about by ISALS, constraints faced by women in ISALS and the policies and their relevance in the promotion of women's socio-economic empowerment. The chapter logically flows from understanding the concept of empowerment and ISALS as a women empowerment tool, the Longwe conceptual framework and Feminist theory which are made to relate to each other in line with the subject matter under review, the role of microfinance institutions in developing ISALS, sustenance of ISALS, emerging issues on ISALS and gaps in knowledge in existing literature and chapter summary.

Globally, the concept of empowerment is considered complex and broad and is enmeshed with dynamic development-related concepts (Agner and Braun, 2018; Stack and McDonald, 2018; Coy *et al.*, 2021). Golla *et al.*, (2011) posit that empowerment remains a loaded term that means different things to different people. Empowerment is about opening up space by the hitherto disempowered to assert themselves equally in their societies and is about social justice where all segments of society live the life they value without undue manipulation and oppression. Similarly, the Swiss Agency for Cooperation and Development (SDC) (2004) conceptualises empowerment as an emancipation process in which the disadvantaged are

empowered to exercise their rights by obtaining access to resources and participating actively in the process of shaping society and making decisions meaning that empowerment cannot be given ~~as~~ it is self-generated. This means that for women to be empowered they need to be able to independently make decisions and have access to resources. It involves identifying and understanding all forms and sources of oppression throughout society, liberating those individuals, and getting women who are oppressed to reach their full potential.

In developing an in-depth understanding of the concept of empowerment, Kabeer (2001) identified 3 interrelated components of the women empowerment process: resources, agencies and achievements. Women owning land as a means of production is crucial in the modern world for enhancing economic empowerment and ensuring gender equality. Land ownership provides women with greater financial independence, improved social status, and better access to credit and resources (Deininger *et al.*, 2014). Studies have shown that women with land rights are more likely to invest in their families' health and education, leading to broader societal benefits (Doss *et al.*, 2015). In this study resources referred to by Kabeer (2001) are in the form of grinding mills, pop-corn guns, peanut processing machines and goats among others that allow women to get a voice and power within a community. This resonates well with the process of empowerment in Longwe Framework and the thinking behind Feminist Theory. As earlier observed in the study, resources that are highlighted above are women's sources of power. The definition by Kabeer (2001) indicates that for women to be fully empowered and be self-sufficient, there are some dimensions that must be accomplished amongst them education, development of skills, self-efficacy, participation, peer networks among others. Kabeer (2001) defines power as the ability to make choices. To sum up, it can be ascertained that empowerment is mainly about working together for shared women's interests to improve communities and institutions and eventually build a more just society and this can be attained through ISALS hence the focus of this study. The ISALS bring skills training in group dynamics, conflict management, financial management, and leadership and if well managed, they can

vastly improve the socio-economic status of women as shown by various studies.

Moreso, empowerment has been viewed as a strategy that uplifts the marginalised, the unorganised, and the disadvantaged sections of the society (Manoranjan, 2001). Batliwala (1994) highlighted two aspects that empowerment aims to address, namely, control over resources and control over ideology. These resources can be thus physical, human, intellectual, financial, and self-actualisation, while control over ideology refers to influencing ideas, beliefs, values, and attitudes among a group or groups of people (Brenyah, 2018). Empowerment is aimed at creating capabilities in certain individuals such as women and children or groups such as the disabled so that they can actively participate in their welfare. Empowerment, thus, provides hope to the marginalised groups for a social and economic environment that is free from inequalities that hinder their progress. The marginalised suffer socially and economically because they do not have power.

Batliwala (1994:130) argues that empowerment is about transforming power relations. She viewed it as 'the process of challenging existing power relations and gaining greater control over the sources of power.' Brenyah (2018) postulates that empowerment is a measure taken for a person to acquire knowledge, power, and skills leading to change in phenomena and positions in society. Buchanan (2008) defines power as a phenomenon that allows an individual or individuals, institutions, and organisations to make decisions to be upheld by others within their areas of jurisdiction. The achievement of a sound economic status thus becomes a source of power, and most women lack this opportunity (Wharton, 2009). Brenyah (2018) observed that the marginalised and the poor are too powerless to influence or bargain for better trade benefits, negotiate for good financial terms, dialogue with governmental and non-governmental bodies and other fellow civilians.

Viewing matters from the intellectual vantage point of women empowerment, Krishna (2003) states that women's empowerment is a

process through which women can make their choices and renovate these choices into desired actions and outcomes. Brenyah (2018) also argues that empowering vulnerable groups such as women may be the best way to overcome circumstances such as poverty, poor educational opportunities, and social exclusion tendencies. In the same vein, Shinomol (2016) views women empowerment as a creation of an environment where women can make decisions of their own for personal benefits and for society. In addition, empowerment refers to increasing the spiritual, political, social, educational, gender, or economic strength of individuals and communities of women (Kabeer, 2004). Ideally, women's empowerment should yield socio- economic benefits not only at the individual but national level. As argued by women empowerment advocates, the condition of a nation can be implied by merely looking at the status of women in that country (Brawa, 2015). In the African context, women lack the power to access and control social and economic resources (Hamadziripi, 2008). Since women are not a homogenous group because of their differences in norms, values and beliefs they have remained marginalised in social and economic arenas. Women from the South experience this marginalisation more compared to their counterparts from the North because of patriarchal tendencies entrenched in their culture. As such, women empowerment programmes are a priority in development discourse (Kabeer, 2004), hence this study seeks to explore the importance of women's initiatives in socio-economic development. Thus, empowerment would become more relevant if women are educated, better informed and can make rational decisions. In this study, the research unpacks debates related to women empowerment, in particular empowerment through ISALS.

The discourse on the contribution of ISALS to the empowerment of women is not new and has been ongoing for a long time (Posvo, 2018). It arises from the fact that, for a long time and across nations, men on average have more access to power and resources but fewer social obligations, giving rise to gender inequity (Huis *et al.*, 2017). Internationally, there is a consensus that gender equity is an important goal that should be pursued and that this should be done by giving women

and girls equal access to various domains of economics and a social life that men have (UN Women, 2011). Due to this declaration, diverse interventions have been developed and implemented to empower women and ISALS represent one example of such interventions.

In Zimbabwe, the history of ISALS as an empowerment tool dates to the late 1990s. Allen (2006) indicates that the idea started in the year 1999 under the name of Kupfumaishungu (meaning that one should be determined, focused and persistent to get rich). The programme was implemented by Care International. The ISALS were in the first place intended to be a group of people who are supplied funds by Care International. The programme ended up having a lot of solicitors trying to embezzle funds. As a result, only 8 of 270 eligible groups received the money. Now, Care International is responsible for the promotion of ISALS, however, the organisation does not provide financial assistance to members of the community (Chitema & Chitongo, 2020). It only provides training workshops in collaboration with the Ministry of Women's Affairs where rural women are taught the basics on how to run and manage businesses (Adato *et al.*, 2004).

The Kupfumaishungu Rural Microfinance Project (KIRMFP) operated in areas such as Mberengwa, Zvishavane, and Shurugwi Districts of Zimbabwe (UNAIDS, UNICEF and USAID, 2004). The KIRMFP was a four-year initiative that was designed to build the capacity of communities to mobilise and manage savings that would be used to grant loans to meet the production, consumption, and social needs of the vulnerable group members who were mainly women of the rural communities. By mid-2004, the KIRMFP had 49 086 individual members of whom 40 929 (83.4%) were women and 7 167 (14.6%) were men. Through the initiative, household productive asset levels increased for group members, and such assets were controlled by women such as hoes and small livestock (Allen & Hobane, 2004).

Adding to this, there is a continued engagement of rural women in different ISALS that include burial societies and the one natively known as

mukando (a Shona name for ISALS) whereby every group member contributes, the cumulated contribution is given to one member and the contribution rotates to all group members until the cycle is complete and repeated. The rotation continues depending on the availability and ability of the members to contribute.

Women benefitted from ISALS through self-sustenance, limited dependency on men, and increased participation of women in the household decision-making process. There is also increased cooperation between wives and their husbands and women gained increased control over micro enterprises' income.

ISALS as cooperatives were born out of a crisis. Therefore, the very way in which cooperatives were founded leads one to wonder if cooperatives could play a role not only in mitigating the impact of crisis for members but also contribute to a reconstruction effort of these cooperatives that sees a more stable and sustainable economic environment emerge (Chikuvadze, 2018). Women in most African nations tend to account for an average 51% of the population and make up to 65% of the rural labour force. On the same note, they also tend to shoulder the greater burden of family and child welfare, community, and social obligations and they engage in more economic activities while undertaking domestic chores. Globally, issues of poverty reduction and micro- credit have been recognised as the most necessary which has influenced most women to engage in ISALS.

The Internal Savings and Lending Schemes have attempted to address the need for microcredit by women as most of them have become entrepreneurs though in rural areas it is not easily recognised. Women become part of the cooperatives for social protection, thus helping members to protect themselves against adversity and enabling them to invest in social needs and growth of various types of social service cooperatives. These cooperatives have been instrumental in shaping women's empowerment not only in the private sphere but also in the public sphere. Quite several women are now occupying influential positions in the workplace because

of the exposure they get from these cooperatives. These cooperatives enable them to shift, in what is largely a female-dominated sector, thus from carrying out vulnerable work to decent jobs hence freeing them of care burdens. Women in ISALS are not only bringing economic benefits but also representation and voice. Regardless of the type of work or sector of the members, the cooperatives are positioned to strengthen participation under their values and principles of holism, collectivity, situationality and negotiation are pertinent in attaining goals and achieving favourable outcomes (Mekgwe, 2010).

This research is grounded and premised on the principle that empowerment is the most vital strategy to strengthen the future of women, in particular, rural women in Zimbabwe. The underlying logic and plausible intellectual framework undergirding this study is that through ISALS, the poor, women will be able to participate in the economic market and forming small businesses (Al-Shami *et al.*, 2014). These enterprises empower women to accomplish equal opportunities with men by reducing the income gap between them. The process of empowerment will not only be able to improve rural women's skills and access to productive resources but also succeed in enhancing quality, dignity, work and status in society (Murray *et al.*, 2015). Such kind of thinking perceives that women play a strategic role in societal development and the development of the economy in general. The Longwe Framework typifies this thinking, which is informed by the African Feminist theory, hence its inclusion in this study to guide the interpretation of the socio-economic impact of ISALS on rural women in Zimbabwe. The empowerment of women has become one of the most salient concerns of the 21st century, not only at the national level but also at the international level (Wangari, 2006).

Based on the definitions of women empowerment given above, this study relies heavily on Sarah Longwe's Women Empowerment Framework (WEF), hereafter referred to as the Longwe Framework, as an analytical tool to evaluate the extent to which ISALS in the study area have been able to create women's socio-economic empowerment. The Longwe Framework is a tool that helps planners and practitioners to assess

progress in achieving gender equality and women empowerment. The Longwe Women's Empowerment Framework was used by UNHCR as an important tool to assess the situation of displaced and returnee women and to measure the empowerment process in Kosovo, Burundi, Tanzania, Guatemala, Colombia, Guinea, Turkey and Algeri (Baines, 2001). It also helps planners and practitioners to critically assess the extent to which projects achieve and support women's empowerment (March *et al.*, 1999). The framework is based on the tenet that women's empowerment can only be achieved by enabling them to realise equal control over the factors of production and participate equally in the development process. The framework recognises that poverty arises from oppression and exploitation and not from lack of productivity. As such, it conceptualises five levels of equality, arranged hierarchically, with each level denoting a higher level of empowerment and these are used to assess the extent of women's empowerment in any area of social and economic life. See figure 1, below.

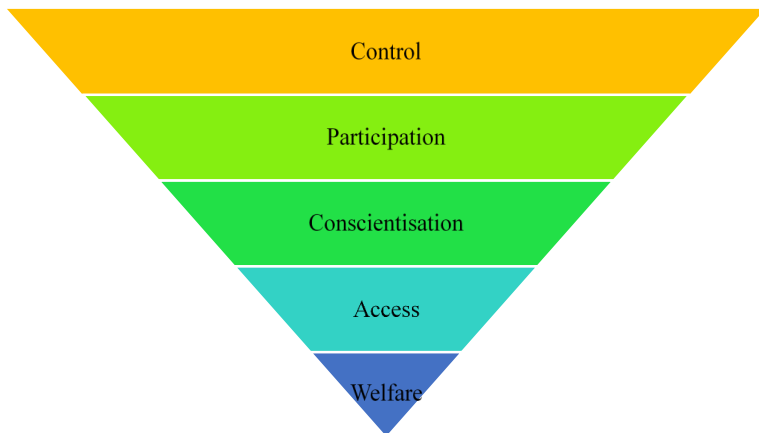


Figure 1: Sara Longwe's Framework (1995)

Using the Longwe Framework, this study examines the extent to which ISALS in the research area are compatible with the five levels of women empowerment. The Longwe Framework is hierarchical in nature, from

welfare (the least) to control which is the highest level. Welfare generally denotes the material welfare of women, mainly concerning the provision of food, income and medical supplies to the family or household. Access is the second level in the framework. This component represents access to the means/factors of production such as labour, land, and credit, therefore their ability to produce. Access alone does not meet empowerment needs but is an important dimension of the empowerment process. The third component is conscientisation that entails the understanding of differences between sex and gender roles to achieve gender division of labour acceptable to both men and women. Empowerment entails the recognition by men and women that the subordination of women is imposed by a system of discrimination which is socially constructed and can be altered. The fourth level is participation that emphasises the participation of women in household or community decision making forums. The fifth level is control that entails authority over factors of production. Control refers to a balance of power between women and men, so that neither is in a position of dominance. It means that women have power alongside men to influence their destiny and that of their society. Traditionally, all these components were owned by men, of which the Feminist theory is against. According to Ashcroft (1995), the Feminist theory generally attempts to unmask and reject the patriarchal ideology of domination and fight for female equality.

The Longwe Framework further distinguishes between women's issues (equality with men in any socio-economic role) and women's concerns (relating to their traditional and subordinate gender roles). Placing focus on the former, it then identifies three levels of recognition of women's issues in any project. These are negative level (silent about women's issues), neutral level (women's issues recognised but concern remains neutral or conservative), and positive level (concern for women's issues and improving their position relative to men). Likewise, this study determines if ISALS under study have been able to achieve the positive level where concerns for women's issues are prioritised.

By using the Longwe Framework, the study took into cognisance its

shortcomings that have been documented. These include its inability to consider other forms of inequality, presenting women and men as homogenous groups, neglecting how situations change over time, not examining institutions and organisations involved, considering the relationship between men and women only in terms of inequality, and ignoring the macro-economic environment (March et al., 1999). However, despite these shortcomings, the framework is still useful in explaining the intrinsic role of empowerment in the process of development. It also provides a valuable method of analysis that enables this study to assess whether or not women in the ISALS concerned have been empowered or not and what remains to be done. The Longwe Framework is in line with the African Feminist theory which advocates for equality between men and women. Women empowerment is one of the components that can bring equality of women and men.

To complement the Longwe Framework and also address the criticism that it neglects the macro- level, the study also made use of the African Feminist Theory. The goal of feminism is to empower women to ensure equality with men. There are a multiple and varied identities of African feminists. African feminism is supportive of motherhood and focuses on issues of bread, butter, culture and power (Mikell, 1997). African feminism aims to attend to women's marginalised and often silenced voices, not just in the social world but also in the production of knowledge (Boonzaier and Shefer, 2006). African feminists are of the opinion that women, in particular African women, are oppressed and suppressed both in the public and private sphere through colonialism, culture and patriarchy. As such, African feminists find commonalities among African women rather than differences, referred to as the sisterhood of women (Mikell, 1997). Some of the prominent African feminists include Queen Nzinga, Adelaide Casely-Hayford, Charlotte Moxeke, Wambui Otione, Lilian Ngoyi, Albertina Sisulu, Margret Ekpo and Rudo Gaidzanwa. These women have made efforts to investigate new ways of promoting women empowerment.

Feminist research approaches are diverse in their emphasis and method. However, all feminist- oriented research consists of core features that address the ontology and epistemology of feminist theoretical frameworks

(Nkealah, 2016). The focuses on critically engaging with women's lived social realities to enact positive change. Utilising the Longwe Framework and African Feminist Theory, the research focuses on understanding how participation in Internal Savings and Lending Schemes (ISALS) influences socio-economic changes among rural women. While the Longwe Framework was utilised to assess the role of ISALS on women empowerment at the individual and perhaps local level, African feminism provided a more holistic assessment, looking not only at individual and local level empowerment but also at the broader picture where this local level empowerment should reflect even in national institutions. The study employed the philosophies of African feminism to assess the socio-economic impact of ISALS on empowerment of rural women, in particular women in Mt Darwin.

Feminism is a theoretical paradigm that seeks to advocate and enhance women's emancipation in a predominantly patriarchal world (Nkealah, 2016). In a sense, feminism, as a doctrine, advocates for the social, political, economic and other rights of women as equal to those of men. In the same vein, African feminism is a type of feminism that was initiated to specifically address the conditions and needs of African women, in particular women who reside on the African continent. African feminism came about partly as a reaction to Western feminism which was considered the normative type of feminism, yet it excluded the realities of lived experiences of the African women. African feminism voices the realities of women in varying African countries. In addition, African feminism endeavours to look at how best women's needs, realities, oppression, and empowerment issues can be best dealt with to bring positive change to women's lives, women on the African continent (Nnoemeka, 2005).

African feminists identify themselves with an instant aspiration to socially and economically empower marginalised mothers in various social spheres (Cornwall, 2005). In addition, African feminism is underpinned by the dictum that 'every African woman is a mother of the nation and should be empowered to raise and nourish her children' (Mogadham,

2010). According to Cornwall (2005) and Gaidzanwa (2000), empowerment hassles of African women are best advised by African feminists, hence the inclusion of African feminism in this study to investigate the socio- economic impact of ISALS on the empowerment of rural women. African feminism resonates well with Longwe's (1995) conceptual framework which has been highlighted above.

The concept of ISALS has various definitions and conceptions as it originated from many countries. Internal Savings and Lending schemes (ISALS), also referred to as Village Savings and Lending Schemes (VSLs) are a model of informal micro-finance at community level (Chitema & Chitongo, 2020). ISALS were built on the Rotating Savings and Cooperative Associations (ROSCAs) model to bring together groups of people (often women) who pool their savings to create a source of lending funds whereby members make savings contributions to the pool and can also borrow from it (Bauchet & Larsen, 2018). Vanmeenen (2010) asserts that ISALS improve upon ASCA models as they create accessible, transparent, and accumulating savings and credit groups that are user-owned and self-managed within the local communities. Bouman (1983) defines ISALS as a poor man's bank, where money is not idle for long but changes hands rapidly, satisfying both consumption and production needs. The ISALS initiative has since attracted many Indian women and the initiative is commonly known as self-help groups. Allen and Hobane (2005) claim that over 5 million Indian members are involved in self-help groups with most of them being women. According to Gash (2017), ISALS in India are different from the ones practiced in most parts of the world, especially in Africa. Gash (2017) further alludes that self-help groups in India are not much autonomous because they are linked (from the formation) to credits from formal sector banks with a loan portfolio that is managed by the formal banks. However, the self-help initiative has transformed the lives of Indian women since the incidence of the poverty line among rural women decreased from about 45% in 2009 to 15% in 2011 (Evans, 2015). Fisher and Srinan (2017) posit that when the poor and vulnerable form savings groups and access credit at low-interest rates, they can be able to protect themselves from economic threats and attending to financial emergencies within their families.

In Indonesia, the emergence of ISALS supported by women empowerment policies has enabled the Indonesian rural women to access medical facilities, and also female-headed households managed to send their children to school (Vanmeenen, 2010). Similarly, men involved in ISALS also experience socio-economic benefits, such as improved financial stability and increased capacity to support their families. However, the transformative impact on women is often more pronounced due to their previously limited access to economic resources and social services, highlighting the critical role of ISALS in promoting gender equality and overall community development. Although ISALS are practiced in both Indonesia and India, the form of ISALS practiced in Indonesia is different from self-help groups in India because women in Indonesia can join more than one savings group and they become members of multiple savings groups at a given time (Hendricks, 2011). Participation of women in multiple groups enhances their financial status as they can borrow loans from the groups and increase household income. The multiple group initiative also enables Indonesian women to venture into large business enterprises whilst Indian women are usually restricted to small businesses due to the nature of the loans provided which are mostly small.

In Spain there is a financial organisation called Spain Association of Self-Financed Communities where the ISALS component is also integrated. The main target is women, youth, migrants and low educated entrepreneurs who usually experience difficulties in accessing credit and meeting credit conditions (European Union Commission, 2013). While ISALS are commonly known in India as self-help groups, in Spain, they are known as self-funded communities or groups (Atkinson & Messy, 2012). Since 2004, Spanish Foundation Association *de Comunida des Autofinanciadas* has gained in-depth experiences in the setting-up and management of self-funded groups (Atkinson & Messy, 2012). The Foundation Association does this in collaboration with organisations such as Ashoka which is a large-scale NGO in Spain, the Levi Strauss Foundation, and the Catalanian Regional Government (European Union Commission, 2013a).

Self-funded groups offer services to group members such as credit and insurance while revenue is generated through interest applied to loans. However, European Commission (2013) alludes that ISALS in Spain are different from traditional microcredit schemes because ISALS do not depend on external funding. Since the initiation of the ACAF in 2004, ACAF has assisted the formation of more than 80 self-funded groups with more than 35 000 people benefiting indirectly from the initiative (Braun and Clarke, 2013).

In Canada, the Canadian government recognises the contribution of ISALS in increasing savings and investments, especially for rural women. There is a strategy that guides the roll out of the ISALS that is to promote the participation of women, men, and youth in savings groups, to offer business training, and to promote savings groups' product development. In Canada, ISALS are increasingly seen as a crucial part of social protection policies and programs. These internal savings groups are promoted as a pathway to help recipients of the national safety net save money, improve their standard of living, build resilience, and ultimately reduce their dependence on public support. Braun and Clarke (2013) note that, like Indonesian women, Canadian women actively participate in multiple savings groups, provided they meet the groups' requirements. This has helped the women to move up the value chain to more profitable businesses (Braun and Clarke, 2013). D'Ignazio and Menon (2013) argue that because of ISALS, Canadian women, whether those that are sole decision-makers or the ones that make decisions jointly with their husbands have developed an increased economic purchasing power.

In the African context women empowerment through ISALS has been taken up by many governments (Madlala *et al.*, 2019). The Government of Burundi has incorporated Internal Savings and Lending schemes within the country's two National Strategies that are: the National Gender Policy (2012-2025) and the National Financial Inclusion Strategy of the Ministry of Finance. There is also a new microfinance law in Burundi that encourages voluntary reporting of Savings Groups and Registration of such groups (Posvo, 2018). The National Gender Policy of 2012-2025

promotes gender equality and serves as a policy framework for all development actors in Burundi. Savings Groups are incorporated within the national policy's 5-Year Action Plan implemented in 2017 and is still in the implementation process (Karlan, 2012). Due to the implementation of the policy, more than 20 000 groups have been formed and linked to formal financial institutions.

In Kenya, the ISALS are also promoted through the Kenya Social and Economic Inclusion Project. Internal Savings and Lending Groups were also practically promoted by the Kenyan Economic Inclusion Project whereby cash transfer beneficiaries are required to form and register a savings group as a pre-condition for groups to receive extension services. The Government of Kenya also formulated the Strategic Plan for 2018-2022 that outlines the national approach to gender-responsive services and integrated a Savings Groups component for the promotion of women's economic development (Lee, 2018).

In Mali, through women empowerment policies, ISALS in Mali have been beneficial to Malian women though the beginning of the schemes was difficult. Studies have shown that ISALS were successful in countries such as India, Indonesia, and Canada and in some parts of Sub-Saharan Africa. In Mali, most of the women are unemployed and still dependent on men for capital to join savings groups. As a result of this, most women who form or join ISALS in Mali are those women that are already financially privileged and not poor women targeted by the policies. Vanmeenen (2010) alludes that ISALS activities faced several challenges as the loan periods were also shorter and the amounts were small. However, some of the ISALS in Mali have grown significantly to be linked to microfinance institutions where members can borrow larger amounts.

In Niger, the Government of Niger recognises the relevance and contribution of savings groups to women's economic empowerment within the country's National Strategy for Women's Economic Empowerment 2017-2021. It also contributes to equality in rights and opportunities between men and women. On initial joining of the savings groups, a married woman in most cases must get her husband's approval

to ensure that the husband would agree to pay for membership fees and to ensure the husband's continued support of the initiative if the wife fails to pay back the loan. Failure to consult the husband could be regarded by the husband and the community as disrespectful and lead to conflict, arguments, and in extreme cases, gender-based violence. The woman can be accused of being boastful and disobedient. To that effect, the policy misses the intended target which is women's socio-economic empowerment.

In Tanzania, the ISALS initiative was first introduced in Tanzania by Care International Tanzania in 1991 (Brannen, 2010). ISALS activities in Tanzania are different from other models as group members buy shares at each meeting as they wish and share their produce at the maturity level of the cycle based on individual shareholding (Brannen, 2010). Members in the ISALS group benefit more than non-members from increased savings, more income-generating activities, greater food security, education, and health. More than 150 000 savings groups have been registered. Women's Development Fund provides interest-free loans directly to women's savings groups. For women's savings groups to qualify, they are required to have at least one year of internal lending experience with a 95 percent loan repayment rate. The Mwanainchi Empowerment Fund provides a guarantee and loans to savings groups at concessionary interest rates with slightly simple conditions through financial institutions (Ledgerwood & Johnson, 2018). Internal Savings and Lending schemes have been identified as a vital tool in the promotion of women's economic empowerment and community development, health insurance, and promotion of women's and youth's rights.

In Burkina Faso, a National Financial Inclusion Strategy of 2018-2022 recognises and includes ISALS as a vital pillar of its strategy (Lee, 2018). In addition, the Support Fund for Women's Remunerative Activities explores the integration of ISALS as an entry point for its work with women's groups. The strategy purposes to extend access to appropriate financial services able to meet the needs of the whole population including women. Pillar II of the national strategy aims to link savings groups with formal financial institutions (Ledgerwood & Johnson, 2018). The strategy was initiated in 2018 and is still being implemented. According to the

Global Findex Database (2017), Burkina Faso also has a Support Fund for Women's Remunerative Activities. The Support Fund was established in 1990 up to the present with the main aim of reducing poverty and supporting the growth of women-led income-generating activities. The Support Fund offers credit at annual interest rates of 10% to women and women's groups. A mandatory savings deposit of 10% of the loan amount is required and it serves as a guarantee fund. It is worth noting that the Support Fund for Women's Remunerative activities does not directly work with savings groups but rather recognises the savings groups as a potential entry point that enables the achievement of the Fund.

In Nigeria, there was a loan agreement of USD 27.2 million between IFAD and the Government of Nigeria. The programme targeted women, youths and the physically challenged. Allen and Panetta (2010) state that the main objective was to establish and strengthen microfinance banks together with member-based micro-finance institutions to improve agricultural productivity and micro and small rural enterprises. The main component of the programme was the mobilisation of ISALS and the delivery of financial education and business training. The programme was initiated in 1992 and implemented from that period to 2018. By 2010, the programme had established 49 000 ISALS and ISALS amounting to 700 000 members with the majority being women who benefitted from various capacity-development initiatives of the programme.

In Zimbabwe, the ISALS came to bridge some of the challenges that are faced by the rural communities which include formal financial services, savings, credit and insurance services which are limited for most rural women especially the poor. In addition, many rural women desire to engage in income generating activities but meet the major hurdle of business financing. Mainline banks require collateral support for business financing which the small-scale informal traders and farmers are unable to provide (Ncube, 2019). Zimbabwe's Ministry of Women Affairs, Gender and Community Development (2008) established that ISALS are a micro-finance programme that aims at improving the living standards of the rural poor. Such a declaration concurs with Vanmeenen (2010) who posits that

ISALS are most significant in a rural set-up since they ensure that the rural people meet their seasonal needs through the loans accessed. They are economic development approaches that have contributed to the well-being of rural societies (Kasenta and Andre, 2015). In general, ISALS are community-based, poverty alleviation programmes aimed at providing sustainable access to micro-credit and insurance through the loan and social funds (Gudza, 2016). These varied definitions suggest that ISALS have a pro-poor backbone that is based on the intention to use economic strengthening initiatives to stimulate generic and intrinsic community responses to poverty eradication (Resch, 2014). While ISALS are effective in promoting rural women's empowerment (Siddik, 2017). This study sought to examine the ISALS methodology in line with the empowerment of rural women.

Studies show that women have varied reasons for joining ISALS. Some are motivated to join ISALS after learning from others the potential economic benefits of group savings (Mucyuranyana, 2013). In the same vein, the study from Malawi by Marie-Katerine (2014) found that women were motivated to join the ISALS because they were convinced of the economic benefits while to others it was peer pressure, after noticing the economic benefits. The study done in Kilifi County in Kenya (2012) (as cited in Manirampa, 2014), found that the women joined the ISALS to; start-up capital, increase household income, educate their children, meet health needs, for investments, business training, capacity building, social and leadership skills. Stack and McDonald (2018) study revealed that women were motivated to join the ISALS because they wanted to become better placed financially (Gadaga, 2018). In Mali, women were joining the ISALS to generate significant resources to meet household needs (Allen, 2003).

In essence, the women were motivated to join the ISALS because they wanted to improve their welfare and financial status. The women participate in ISALS to access the opportunity to borrow and to have capital loans for their businesses whilst some enjoy working with other women as part of community development initiative in the village (Vanmeenen, 2006). ISALS methodology create accessible, transparent and accumulating savings, and credit groups which are user-owned and

self-managed in the communities (Vanmeenen, 2010). In addition, ISALS are a micro-finance programme that aims at improving the living standards of the rural poor through provision of sustainable access to micro-credits (MWACSMED, 2008). ISALS enable women to access flexible, hassle-free loans that enabled them to address their families' lack of income (Mucyuranyana, 2013). These articulations are in line with the Longwe Framework's first two components, the welfare and access. The women joined the ISALS to improve their welfare and have access to financial freedom that is also in line with the African feminism's dictum that 'every African woman is a mother of the nation and should be empowered to raise and nourish her children' (Mogadham, 2010). Once women have improved welfare and access to financial freedom it entails a degree of empowerment and equality with men that seats well with LongweFramework and African Feminist Theory.

The women engage in various projects for different reasons, although most of them want to gain socio-economic status. In Kenya, women in ISALS undertake entrepreneurship and initiate income-generating activities (Ledgerwood & Johnson, 2018). In Tanzania and Niger women in ISALS are into income-generating activities, entrepreneurship and culture (Brannen, 2010; Vandergaag, 2017). In Sierra Leone, women in ISALS invested in trading or income-generating activities (Vanmeenen 2010). A study by Hartley and Rijali (2003) concluded that ISALS were essential in providing women with an avenue to carry out income-generating activities. Gudza (2014) found that in Gokwe, Zimbabwe women participating in ISALS were mainly increasing their household income, rearing livestock and purchasing kitchenware. In Malawi Marie-Katerine (2014) revealed that the women in ISALS were engaging in the purchase of farming supplies, agricultural inputs, buying and owning greater numbers of livestock, such as chickens, pigs, and goats, and new items, some of which were of high value resources, such as bicycles or small handpumps for irrigations and small-scale businesses.

Rambo (2012) studied Rachuonyo District and found that women used the returns obtained from ISALS to acquire production factors such as

equipment, skills and business premises. In Zimunya, Zimbabwe, a study by Manirampa, (2014) found that the ISALS groups were reinvesting the profits from the production activities and used the collective power of ISALS to secure higher quality inputs and finance production and marketing activities. Hossain (1988) has reported that the ISALS were embarking on projects to improve the quality of their houses. In Rushinga district in Zimbabwe, ISALS participants were involved in livelihoods projects which included flea markets, hair salons, broiler productions and retail shops, where they were getting money to support their families and servicing their accounts (DAPP, 2015).

The aforesaid studies revealed that the micro-entrepreneurship activities undertaken in ISALS are slowly but steadily empowering rural women. The ISALS were removing the gender inequalities. Through micro credits in ISALS, women bought kitchenware, and this has been viewed as an improvement in livelihood and is often associated with social status (Atkinson & Messy, 2012). Registered microfinance institutions demand collateral security, salaried employment, guarantors and business which is restrictive for the rural poor (Quresh *et al.*, 2012). ISALS appear to be a better option to meet the funding needs of the women in rural areas. Peachey & Roe (2006) concurred that access to finance indeed empowers people, provides them the opportunity to save and invest, to insure their homes or to take loans and in many cases to liberate them from the clutches of poverty.

Kitchen utensils were the very first items prioritised by these women. It is worth noting and plausible that although some groups and members have already invested in higher value projects, at most ISALS level members are more interested in things that give them immediate satisfaction, like kitchenware. Thus, they move from the welfare stage up to the control stage that resonates well with the African Feminist Theory. The African Feminist Theory seeks to advocate and enhance women's emancipation in a predominantly patriarchal world (Nkealah, 2016). Men control the means of production, so should be the women. The women can only control resources if they become empowered that comes through taking risks, grabbing opportunities and capacitation. This corroborates with

Longwe Framework (1995) which suggests that lower levels of empowerment are a prerequisite for achieving higher ones. Besides kitchenware, the women engaging in ISALS also indicated that the ISALS had opened avenues for them to pay for school fees for their children.

The women in ISALS have acquired both tangible and intangible socio-economic benefits. The following passages examine how the ISALS have benefitted the women.

Access to microfinance is assumed to be associated with positive improvements in the welfare of women especially the poor women. These improvements include enhancing women's ownership of assets, facilitating their engagement in household decision-making, enhancing spending on education and health welfare of households, and also improving participation of women outside the home (Faraizi *et al.*, 2011; Ashe and Neilan, 2014). In Burundi, the ISALS have significantly increased the women's household income, their economic and social life. ISALS were perceived by women in Burundi as a vehicle for both social and economic change (Zaaman, 2000). The ISALS also have resulted in instant women's economic and social empowerment in Tanzania. The group savings have created positive changes among women and have enabled rural women to become their bankers (Brannen, 2010). A study by D'Ignazio and Menon (2013) reveals that Canadian women felt that there was a great improvement in access to income, food, and children's education and farming supplies through ISALS.

According to Ledgerwood & Johnson, (2018), many studies observed that Kenyan women who had not previously occupied any leadership role in their community have since taken savings groups' management positions such as chairpersons, secretaries, treasurers. Terry (2006) (as cited in Manirampa, 2014) in Kenya showed that the women had accumulated savings, purchased household assets and contributed towards children's education. Kirimi *et al.* (2019) study in Kenya, found that the women had made a good improvement to their household assets due to their association with ISALS activities. Rambo (2012)'s cross-sectional study in

Rachuonyo District, Kenya concluded that there were significant economic benefits for women engaged in ISALS in terms of the amount invested in the business, net returns on capital, ownership of properties such as land, business premises and production equipment and machinery.

Gudza (2014) found that in Gokwe of Zimbabwe women participating in ISALS had better quality and quantity in terms of kitchenware than of those not in ISALS. Hamadziripi (2008) also examined ISALS in Gokwe and concluded that ISALS have the potential to improve members' quality of life, their livelihoods and their socio-economic status. In Mberengwa, Zvishavane, and Shurugwi Districts of Zimbabwe productive asset levels increased for group members, and such assets were controlled by women such as hoes and small livestock (Allen & Hobane, 2004). Chuma *et al.*, (2013) examined ISALS as a survival strategy for female-headed households in Mucheke in the City of Masvingo in Zimbabwe. The research concluded that ISALS play a crucial role in meeting basic needs for some families in the City of Masvingo. Chuma *et al.* (2013) study in Masvingo, Zimbabwe, (as cited in Gudza, 2014), revealed that the ISALS had enabled the women to meet their household basic needs, managed to purchase household furniture, pay tuition fees for their children, met hospital fees and made food available in their families. In Bikita district, Zimbabwe ISALS had improved access to household income, access to basic needs such as food, education, health, shelter, financial assets, quality of housing, and women empowerment (Chikuvadze, 2018). In concurrence, Simanowitz and Walter (2002) found an increase in income and empowerment amongst women engaging in ISALS.

In Tanzania, Brannen (2010) study on the impacts of Village Savings Lending Associations (VSLAs) showed that there had been:

- i. Improvements in economic and social welfare of the household.
- ii. Growth and diversification in income-generating activities (IGAs); and
- iii. Increased empowerment of members.

These observations had earlier been made by Kabatwa (2009) in his study on the contribution of ISALS to household income and poverty

eradication in developing countries. There was a noticeable change of roles occupied by women in the community after their engagement in ISALS. They began to occupy local church and political positions. Basing on the foregoing discussion there seems to be a consensus on the positive impact of ISALS on livelihoods and as an avenue for survival. However, the studies seem to gloss over the performance of ISALS as a tool for economic and social transformation for women and the possibilities of their growth into more lucrative and financially stable entities. ISALS enable sound financial management and savings which help individuals and households deal with emergencies, manage the risks, build assets, smooth income and meet their financial goals. Cuberes and Teigner (2016) point out that if women have more control over household resources, it leads to greater investment in health and education hence higher and more sustainable levels of growth.

In Uganda studies by Care International, (2014) concluded that women in ISALS had contributed significantly to the welfare of their families, were able to pay tuition fees for their children, met the family's medical bills and provided balanced diets to their families. While in Egypt, the study by Anyango, Eipisu, Opoku, Johnson, Musoke and Malkamaki (Vol 18, No.1) observed that ISALS groups were getting returns of savings as high as 53 percent. Nader (2008) study in Cairo, showed that women's economic empowerment, overcame poverty and improved household economic status and well-being. Gudza (2014)'s cross-sectional methodological study pointed out that ISALS were positively mitigating against poverty. Household income from women-led small trading and hair salons businesses has significantly improved the economic and social life of women in Burundi (Zaaman, 2000). This is corroborated by Malhotra and Schuler (2005) who proffer that economic empowerment includes women's control of resources, access to credit, contribution to family support and increased household contributions. These contributions fit well in Longwe Framework under the welfare, access, conscientisation and participation levels. Again, Malhotra and Schuler (2005)'s contributions resonate well with African feminists' cry to liberate African women from bondage and afford them opportunities to have control of resources and access to credit.

In Zambia, Maffioli *et al.* (2021) showed improved household wealth and financial preparedness of expecting mothers in rural Zambia. Also, the ISALS have helped women in Niger to improve their incomes and fight all the encountered financial shocks (ISALS Report in Niger, 2019). IPA (2016) asserts that women of Niger are more likely to own businesses and have increased profits in business enterprises when compared to non-ISALS participants. The Niger women were now making significant investments in livestock. In Indonesia, the ISALS supported by women empowerment policies, enabled the Indonesian rural women to access medical facilities, and female-headed households managed to send their children to school (Vanmeenen, 2010). Braun and Clarke (2013) came to the conclusion that the ISALS helped the women in Canadian to move up the value chain to more profitable businesses.

The above-mentioned studies revealed the transformation effect of the ISALS methodology. The World Bank, (2012) also alluded that women's economic advancement has led to increased investments in children's education and health, and reduced household poverty. Manirampa, (2014) concurred that the money earned through ISALS was often used by caregivers' households to pay fees, uniforms and school supplies for children within their care. Gudza (2014) has asserted that ISALS had successfully addressed financial barriers to girls' education in Gokwe district of Zimbabwe. As earlier alluded to, children's education is part of the welfare component according to Longwe Framework. The education of children used to be part of the men's roles, the findings from these studies indicate changes of roles that is in tandem with the Feminist Theory. It is worth noting that the achievements of individual women can have a powerful impact on the way women are perceived and treated within their communities. The findings across the world on the improvement of women's welfare, access to resources, participation in once men-dominated markets, change of gender roles and control of resources seat well within the Feminist Theory which envision equality in socio-economic opportunities. It is as well along the Longwe Framework.

Women in ISALS are not only benefiting socially or economically but also through non-tangible benefits. Regardless of the type of work or sector of the members, ISALS are positioned to strengthen participation under their values and principles (Chikuvadze, 2018). Women are provided with support via member education so that they acquire confidence and skills. They discover themselves through ISALS, thus they identify their capability and capacity as women both in the community and within their households. Biskupski-Mujanovic, (2021) study found that women become involved in major household decisions like family meeting agreements, gain relative freedom from family domination as evidenced by women being allowed the freedom to make decisions without the involvement of men and become involved in political campaigns and protests. The women who engage in savings and credit schemes gain their social status and provide for their families indirectly reducing some of the social issues that are associated with lack of financial stability.

IPA (2016) found that women in Niger had increased influence over household decisions and they were now concerned about the value of the assets they own as they strive to be self-reliant. The study by Allen (2003) and Terry (2006)) in Niger, Uganda and Tanzania found that ISALS had major positive changes in the lives of female women, women had vastly improved on self- confidence, self-esteem and social status because of ISALS. Upon joining ISALS, women have begun to be recognised in the community (Kahsay, 2010). In Tanzania for instance, the joining of women in ISALS saw women getting a significant positive change in their roles. This came from the fact that social status, self-esteem and confidence were improved (Rambo, 2012). In Malawi, Marie-Katerine (2014)'s study revealed that the women spoke strongly about increased love, respect, and cooperation. Many women acquired new leadership, communication, and group management skills and reported that it was the first time they were in a leadership position. The study discovered women identified their capability and capacity in the community and within their households.

Psychologically, access to microcredit has positive impacts on the beliefs of women concerning what they can and what they cannot do. Thus,

studies in countries like Sri Lanka indicate that women who participate in any form of microfinance institution have higher levels of personal control than women who do not have access to microfinance (Nawaz, 2019). Otero, (1999) noted that by providing materials capital to a poor people, their sense of dignity is strengthened, and this can help to empower the person to participate in the economy and society. Littlefield (2003) stated that access to microfinances can empower women to become more confident, more assertive, more likely to take part in family and community decisions and better able to confront gender inequities. Zaaman (2000); Ledgerwood and Johnson (2018)'s studies noted positive changes in women's position within the family and community as they engage in ISALS. Jinia, (2016) study in Bangladesh, found that credit and saving opportunities allowed women to participate in decision- making at the household level. Access to microfinance is assumed to be associated with positive improvements in the welfare of women especially the poor women. These improvements include enhancing women's ownership of assets, facilitating their engagement in household decision- making, enhancing spending on education and health welfare of households, and also improving participation of women outside the home (Sreeramulu, 2006; Faraizi et al., 2011; Ashe and Neilan, 2014).

In Zimunya area of Zimbabwe, the ISALS participants reported increased knowledgeable in life skills, business, financial management and leadership development ((Manirampa, 2014). CARE, (2008) concurred that linking ISALS to training enable them to benefit from skills sets, namely strong group engagement and better developed financial management skills. Rambo (2012) study in Rachuonyo District found a positive component of financial discipline among women who were engaged in ISALS than those who did not. Good financial management and savings help individuals and households deal with emergencies, manage the risks, build assets, smooth income and meet their financial goals.

Hulme & Mosley, (1996) testified that women projects such as the ISALS projects can reduce the isolation of women as when they come together in groups, bring cross-learn from each other, discuss ideas and develop a bond that was not there previously. Therefore, women engage in savings and credit schemes to gain their social status and provide for their families indirectly reducing some of the social issues that are associated with lack of

financial stability. Kahsay (2010) is of the view that families usually fight when certain services are deficient in their households. In Malaysia, since the women began engaging in ISALS, the rate of conflicts and gender-based violence dropped drastically (Nejadkoorki, 2014). Marie-Katerine (2014) found decreased in GBV in ISALS participants households in Malawi. On the contrary, Chowdhury and Bhuiya (2004) found that violence against women increased when women joined the ISALS, as not all men were ready to accept the change in power relations and so resorted to violence to express their anger.

Sathiabama (2010), argues that women empowerment through ISALS means; economic empowerment, improved standard of living, self-confidence, enhanced awareness, sense of achievement, increased social interaction and engaged in political activities. Women are empowered socio-economically, through property rights, political representation, social equality, personal rights, family development, market development, community development and national development. The studies showed that the women participating in ISALS achieved self-sufficiency, became economically empowered and attained respective family and community status. Overall, the results from the aforesaid studies indicated that the ISALS model can empower rural women that is line with the components in Longwe Framework. The findings are also in tandem with the Feminist Theory which proffer that for women to be empowered socio-economically they should have property rights, participate in political arenas, have social equality and participate in community and national development.

CONSTRAINTS ON THE GROWTH OF RURAL WOMEN-RUN ISALS

Regardless of vast successes recorded by ISALS, there are exists systematic and rooted challenges associated with this intervention. Studies in India revealed that even though the Indian women have a voice and influence on their participation in self-help groups when it comes to critical decisions on how to utilise the acquired loans, their husbands have the last word. Reports note that while most women may have more freedom to participate and control the benefits of self-help groups, most of

these women lose control of loan use once the loan amount increases as men are interested in increased loans that can buy high-value items (Coleman, 1999). In some cases, men pull away from sharing household expenses once they realise that the wife can take care of household financial responsibilities. Resultantly, the woman's actual social and economic status has not been transformed to the desired point of fully challenging women's unequal position relative to men.

In Burkina Faso, a husband can use his wife's money if he knows the wife has it and fails to repay (Gash & Gray, 2016). Some conflicts and tensions also arise if men feel threatened by their wives' increased earning power and voice, and for some women, this translated into a threat of domestic violence (Waller, 2014). Another study from Burkina Faso notes the limitations of women's economic empowerment initiatives that are implemented in the absence of any broader attempts to change the gendered views of male partners and the potential for increases in Intimate Partner Violence, particularly as women become more financially empowered and more willing to change household gender norms (Gupta *et al.*, 2013). In a study carried by Elliot (2006) in Burkina Faso, he found out that women brought forward issues of loan repayment as a challenge in ISALS since some members fail to repay the loans and others fail to pay in time. Marie-Katherine (2014) study in Malawi reported similar challenges where participants were unable to pay the loan back and faced social marginalization from other members. Such behaviour by group members has led to the failure of some ISALS or affected smooth operations of the savings activities.

In Zimbabwe, the other issue that was raised was that of the ISALS being affected by the macroeconomic conditions in Zimbabwe, the inflation challenges (Allen, 2003). The economy in Zimbabwe is so unpredictable that ISALS are becoming very hard to run (Mushunje and Kaseke, 2018). The nature of the economy saw a huge number of defaulters thereby costing the economic groups. The study also highlighted that one of the major weaknesses of ISALS was a lack of coordination. Regardless of the MWAGCD training the people, there was no documentation as to people

who were trained and those that were not (Chitema and Chitongo, 2020). Furthermore, looking into the district database, many gaps were left pertaining to participation of women and trainings carried out. As such, this was hard for any organisation to continue from the last position. This means that all organisations continue to start from the initial stages thereby repeating stages.

In rural Nigeria, customary laws and practices tend to override formal government policies meant to protect women's equal rights and women's empowerment. While the Nigerian Constitution protects women's equal rights to own household assets, more traditional gender values continue to support dominant assumptions that men own more lucrative assets as heads of households. This affects women's participation in ISALS and poses a challenge on the disposal of loans since men have a final decision which in some cases, contradicts the needs of the women.

In Mali, women are still facing challenges to secure joining fees for savings groups (Brannen, 2010). Most women are unemployed and they still depend on their husbands for financial support. Malian women faced a challenge of distrust among group members including those selected to keep records and money. Brannen (2010) alludes that due to the high illiteracy rate among women in some African countries, record keeping becomes problematic since many group members fail to understand the process involved. In concurrence, a study conducted by Chuma *et al.* (2013) in Zimbabwe found the lack of appreciation of the significance of records in financial activities has created some problems for ISALS. This was largely attributed to a lack of in-depth knowledge of record-keeping (Chuma *et al.*, 2013). Poor record-keeping has resulted in the loss of tracing indebtedness of members and this has also led to several group members defaulting in repaying the borrowed loans and in some common cases, group members asked for loan payments they had already done.

In some cases, men disapprove of their wives joining ISALS and they then join themselves for fear that if the woman joins, they might engage in extramarital affairs or challenge the husband's authority (EMC, 2014). On the other hand, men are likely to feel challenged and this may cause

conflicts at home and the result is that women end up dropping out of ISALS. For example, in Guruve district of Zimbabwe, women were dropping out of ISALS as men were feeling threatened with women independence (Marunga, 2019). In Malawi, a study by Marie-Katerine (2014) revealed that there were husbands who controlled over their wives' mobility, with the fears and suspicions of their wives engaging in extramarital affairs through interacting with other men and single women in ISALS. Like women in India, the married women in Malawi did not have full control over decisions surrounding their participation in ISALS, savings, and loans because their husbands were the final decision makers.

Unlike in Zimbabwe, many countries are funding the ISALS through microfinances and banks that is very sustainable. The Governments are actually supporting the funding through the policies and strategies to ensure that the marginalised women benefit. However, the men were cited as barriers to women's socio-economic development. The Feminist Theory attempts to move the globe from a patriarchal orientation towards creating a fair and equal global environment, be it socially, economically and all other facets of life. It envisions a society with women being treated equally as men. Women empowerment cannot be easily realised if men fail to support and give their wives space to participate in socio-economic projects. The removal of such social norms and practices which impedes women from socio-economic benefits can indeed lead to women empowerment.

The empowerment of women has been discussed and lobbied for across the globe. Some of the global conventions that have been put across include, the Convention on the Elimination of all Forms of Discrimination Against Women, The Beijing Platform for Action, The Sustainable Millennium Development Goals, UN Declaration on the Elimination of Violence against Women, Women, Peace and Security Framework and Commitments and Sustainable Development Goals (United Nations Development Programme Gender Strategy 2014-2017).

The European Union released its new framework, the Gender equality, and women's empowerment: transforming the lives of girls and women through EU external relations 2016- 2020-the new EU Gender Action Plan (GAP) for 2016-2020 (Nyataya, 2018). This succeeded the 2010-2015 GAP that suffered from weak institutional leadership, capacity, and accountability. Gender equality had received scant prioritisation in EU external action and recent evaluation gave a scathing assessment of the EU's support in the area (Biskupski-Mujanovic, 2021). The African region through the African Union has also created the strategy for gender equality and women's empowerment. The first pillar of the strategy emphasises maximising opportunities, outcomes, and E-TECH dividends. While this does not directly speak to the issues of ISALS, the policy document paves way for the improvement of the welfare of women in the context of finances (Manzvunzu, 2019). Outcome number two of the pillar focuses on economic empowerment and financial inclusion. The critical aspect is that women and girls should have financial autonomy.

The African Union (AU) strategy for Gender Equality and Women's Empowerment, 2018-2028 was launched at the AU Summit in February 2019. AU aims to apprehend Aspiration 6 of its Agenda 2063: An Africa, whose development is people-driven, relying on the potential of African people, especially its women and youth, and caring for children (Nyataya, 2018). This is in line with the global commitments, such as the UN Security Councils' landmark resolution 1325 on women, peace, and security. The AU focuses exclusively on progress on the African continent hence it does not have an explicit strategy for promoting gender equality in external relations and as part of partnerships (Nyataya, 2018). The target group among others are women and its pillars focus on leadership, voice, and visibility and maximising economic outcomes and opportunities thus women empowerment.

Other achievements include the women and MSME empowerment initiatives (Asian Development Bank 2018; Sahay, 2018). The Broad-Based Women's Economic Empowerment Framework (BBWEEF) was created in 2012 to provide a systematic way to mainstream women into key

economic sectors. Empowerment targeted, the mobilisation of financial resources, and capacity building help to ensure effective participation by women in all economic sectors and other spheres of life. The framework is designed to serve women from all backgrounds and to be applied across all sectors, hence the term “broad-based” (ILO, 2017). Policies on women empowerment have been backed by strategies, such as the National Financial Inclusion Strategy and positive outcomes can be noted, such as the women’s access to bank credit among other achievements.

Global dynamics show how most different studies that have been employed by governments to empower women. The government of India programmed the year 2001 as a year of women’s empowerment and announced a National Policy for the Empowerment of Women. The policy incorporated village savings groups and the main target was rural women, rural female-headed households, youth, and elderly women (Gadaga, 2018). The policy encouraged rural women to form or join internal savings groups with the main aim of promoting women’s self-reliance concerning financial issues. The Savings Groups component has been incorporated in the Spanish National Financial Inclusion Strategy of 2017-2025. The Strategy is still in the implementation process. One of the key objectives of the Strategy is to improve financial literacy for the poorest groups and the usually excluded in Spain and women are defined as one of these groups. The Strategy sets priorities for all stakeholders involved to deliver universal access to and use of different affordable and high-quality financial services in Spain by 2025. The National Strategy also includes a commitment made by the National Bank of Spain Economic Research team to carry out a study to establish mechanisms that link informal village savings initiatives to the regulated formal financial sector.

In Burkina Faso, a National Financial Inclusion Strategy of 2018-2022 recognises and includes ISALS as a vital pillar of its strategy (Lee, 2018). In addition, the Support Fund for Women’s Remunerative Activities explores the integration of ISALS as an entry point for its work with women’s groups. The strategy aims to expand access to suitable financial services that cater to the entire population, with a particular focus on

addressing the specific needs of women. Pillar II of the national strategy aims to link savings groups with formal financial institutions (Ledgerwood & Johnson, 2018). The strategy was initiated in 2018 and is still being implemented. According to the Global Findex Database (2017), Burkina Faso also has a Support Fund for Women's Remunerative Activities.

In Kenya, Ledgerwood and Johnson (2018) note that Internal Savings and Lending Schemes were initially integrated into the Kenyan National Social Protection Policy of 2011 as a graduation route out of poverty and social assistance. The Kenyan Social Protection Policy of 2011 committed to strengthening self-help groups and mobilisation of social assistance beneficiaries to join savings groups.

In Tanzania, the National Microfinance Policy regulates and coordinates the microfinance sector. The Tanzanian's Vision 2025 advocates or intends to achieve a "sustainable socio-economic development by the year 2025". This is in line with the need to promote women's empowerment (Sumari, 2013). Another related strategy is the National Strategy for Growth and Reduction of Poverty that has addressed the issue of reduction of rural income poverty of both women and men. The focus of the strategy is to increase off-farm incomes and improving access to rural micro-financial services for farmers targeting women. Another policy is the National Microfinance Policy (2006: 66) with the overall objective that is to "establish a basis for the evolution of an efficient and effective micro financial system in the country that serves the low-income segment of the society hence contributing to economic growth and reduction of poverty". Another policy is the Cooperative Development Policy (CDP), the policy addresses the cooperative development issues in the context of macro-economic changes that are brought by globalisation and liberalisation forces (Sumari, 2013). It considers the entire cross-cutting issues including women empowerment and gender. This is a clear indication that various states are taking the issue of women empowerment seriously, as they are taking note of the vulnerability of women in their communities. The policies are not only at the international level but the national and local levels.

The Mali National Gender Policy of 2014 is the guiding framework that provides guidelines on the work of the Ministry for the Promotion of Women, Children, and the Family. The Government of Mali is gradually incorporating savings groups to support the implementation of the country's National Gender Policy through the Ministry for the Promotion of Women, Children, and the Family (Vandergaag, 2017). In 2017, the Ministry incorporated savings groups into three priority initiatives that include the Fund for Support to Women's Empowerment and Child Development, the Shea Butter Programme, and the Multifunctional Platform Programme (Lee, 2018). The target group for the initiative is women, vulnerable children, and people with disabilities.

In Niger, the Internal Savings and Lending schemes are stated comprehensively in the national strategy as a yardstick for enhancing women's access to and control over means of production and access to markets. The strategy also cites mobilisation of women's collective action, capital management and women's political participation. The target group for this strategy is poor women, women living with Human Immunodeficiency Virus (HIV), women with disabilities, elderly women, adult women, and girls.

In Zimbabwe, the country is a signatory to several regional and international protocols, treaties, conventions, and other instruments protecting and promoting gender equality and women empowerment. To start with is the Constitution of Zimbabwe: 2013, recognises the rights of Women. In consonance with the Constitution are the National Gender Policy that provides guidelines and parameters for mainstreaming gender in all development programmes, policies, and projects across all sectors of the economy (Chikuvadze, 2018 & Joseph, 2020). Some important milestones include the establishment of the MWAGCD in 2005 to champion gender mainstreaming in development; the Constitution of Zimbabwe Amendment No 17 (2005) to create a conducive environment for gender equality; the enactment of the Domestic Violence Act (2007); and the creation of gender focal persons in nearly all line ministries. The Policy also saw the establishment of a Women's Parliamentary Caucus; Parliamentary

Portfolio Committee on Gender; and the Inter-ministerial Committee on Gender, all of which ensure gender mainstreaming and the recognition and protection of gender rights.

Women empowerment and gender equality in Zimbabwe has taken significant strides since the late 1990s. The initial steps in improving the wellbeing of women in Zimbabwe can be seen in the Maintenance Act of 1999, Estate Administration Act of 1997, the Education Act of 2000, the Labour Act, and the Domestic Violence Act. In the year 2003, the government of Zimbabwe introduced the National Gender Policy that intended to improve the welfare of women. The savings groups were incorporated within the National Gender Policy (NGP) (2013-2017). The policy aspired to achieve women's empowerment through pillars like women in politics, women in the economy, education of women, and women in institutions. All the pillars meant that the idea was to enhance the social status of women and make them prominent figures. The main goal was to eradicate gender discrimination and inequalities in all spheres of life and development. The policy's vision was a gender-just society in which men and women enjoy equity, contribute, and benefit as equal partners in the development of the country. The second NGP sought to address the shortcomings of the 2004 NGP and the emerging issues prevailing under the changing political, economic, and social contexts at local, regional, and global levels (Government of Zimbabwe, 2013). The NGP was underpinned by principles of gender justice, equality, integration and inclusiveness. The coming of the policy has improved the well-being of women in Zimbabwe with issues like gender-based violence and general abuse of women falling by 70% (Government of Zimbabwe, 2019).

The National Development Strategy (NDS)¹ which is constitutive of the current 5-year economic blueprint that was launched by the Government of Zimbabwe in 2020. The NDS1 has replaced the 2018 Transitional Stabilisation Policy. The NDS1 deals with the macro-economic framework necessary, the intended drivers of economic growth and stability, food security and nutrition. It also focuses on structural transformation and value chains, infrastructure and utilities, human capital development and

innovation, health, devolution, and decentralisation of power (NDS1, 2020). The strategy seeks to at least create 760 000 formal jobs, beneficiation of agricultural and mining production, and to make an improvement on infrastructural development and investment in energy, water and sanitation. Arguments made by feminists suggest that unpaid care and domestic work act are an obstacle to women's participation in the public sphere. For that reason, infrastructural development and provision of energy and water may reduce women's time in unpaid care and domestic work since most rural women spent most of their time doing domestic work where they also catered for the welfare of the elderly, the sick, the disabled and children. This restricted women's participation in education, employment, and taking part in ISALS activities. Therefore, women's participation in the public domain can be improved.

The Presidential Rural Horticultural Scheme is also part of the initiatives under the National Development Strategy (NDS)¹ to spearhead rural agro-industry. Almost 80% of the rural population comprises women. Therefore, a large number of women are going to benefit from the Strategy. Under the current Strategy, the *Pfumvudza* Scheme was also introduced in the rural area to enhance food security. Most rural women benefitted from the scheme through the provision of free inputs. The Scheme aims to improve women's household income. Furthermore, the Presidential Rural Poultry Pass-on Scheme is also part of the Strategy as a rural transformation strategy. Participation of women in such income-generating projects helps to enhance women's disposable income and equip them with knowledge and skills that enable them to become financially independent.

Despite these global, regional, and local commitments women continue to face hindrances and barriers to participating in the paid economy hence poorer outcomes across many key economic indicators (Asian Development Bank 2018; Sahay, 2018). This is common in most developing nations; women still account for a large part of vulnerable and informal employment. Women have little access to finance, land, equipment, and production technologies than men hence resulting in

gender gaps in income and productivity. The women in the informal sector face challenges to access loans in formal financial institutions. In addition, improvement to financial products and services does not mean or translate into the use of these products and services on effective use (Tarinda, 2019). Some of the policies remain on paper especially when there is no funding to reach out to women to train and educate them. In addition, there have been some massive shifts globally as populism and nationalism are on the rise accompanied by xenophobic and misogynist movements which have propelled many countries towards isolationism and regressive policies on women's rights. This has made it difficult to curb women-related challenges.

Assessing the options for women's empowerment requires a comprehensive look at the available options. On the other hand, for ISALS to work, there is a need to look at whether to approach the focus on women to inform government interventions or women empowerment through other ways. In response to the feminist campaign on women empowerment most governments came up with Affirmative Action Policy to try and enhance socio-economic transformation to the socially and economically excluded and marginalised members of society, women included. Musingate and Mapfumbate (2014) describe Affirmative Action as a positive measure taken to increase the representation of a group that was historically excluded from areas of education, employment, and business. The exclusion can be hinged based on gender, race, social status, or disability (Musingate & Mapfumbate, 2014). Affirmative Action has been and up to today is still being practiced in different countries.

DEFINING THE ROLE OF MICROFINANCE INSTITUTIONS IN DEVELOPING ISALS

Women empowerment can be defined as the process of realising women's own power to develop using their resources and capacities. It includes various facets such as economic, political, and social empowerment to build the capacity of women to develop themselves (Boraian, 2010). At one end, women's empowerment must do with increasing the autonomy of women from different forms of oppression (Hall, 2010). In some cases, empowerment of the poor must do with disengaging the traps that keep

women from enjoying their freedoms or keep the poor locked in poverty traps (a condition of disempowerment). This entanglement includes decision-making powers, gender roles, community cultural norms and values, and family societal arrangements and principles (asset ownership frameworks) at the individual, household, and community level and the socio-economic laws and values. As such the options for empowering women socially and economically are critical and complementary across different levels - individual, household, community, national, and even at global levels (Narayan, 2005).

In this study, women empowerment involves enhancing women's social and economic status, thus reducing gender inequality and poverty. Women's poverty is an entanglement of different factors working to reinforce each other as in Robert Chambers' poverty trap concept. These factors include powerlessness, lack of assets, increasing vulnerability, physical weakness, and isolation (Chambers, 2013). Building from the poverty trap concept, access to financial services by the poor is widely hypostatized as one of the strategies for enhancing the socio-economic capacity of the poor particularly rural women in contributing positively to the well-being not only of families and households but also communities and nations at large through the multiplier effect.

Other forms of microfinance institutions in Bangladesh include self-help groups and informal money lenders. These provide credit and saving opportunities allowing women not only access to credit and loans but also capital to engage in income-producing activities in Bangladesh, and also participate in decision-making at the household level. Thus, women's power within the home and self-esteem increases (Jinia, 2016). The positive links between women's access to microfinance and empowerment wielded interest in microfinancing across the globe. Despite the positive and straightforward links between the provision of microfinance and women empowerment, empowerment is achieved through a complex process that is the product of the interlinkage of different elements and processes which are often dynamic (Rowlands, 1997).

Adding to the complex nature of empowerment, the extent to which women benefit from microfinance services varies by the design of microfinance services. The design of microfinance services determines which class of client benefits the most from the programmes since women have different financial needs based on economic class. Although microfinance services are regarded as a silver bullet to the financial problems of women, poverty, and disempowerment contexts of the poor (Watkins, 2019), the extremely poor rarely benefit from commercialised microfinance services since the extremely poor use loans to secure basic provisions which do not provide future incomes to the households and in future affects the capacity to repay loans and also access similar sustainable financial services in future. Hence by design, commercial microfinance services fail to meet the needs of the extremely poor. Failure to repay loans is not only a hindrance for future capacity to borrow, but it also reduces the financial sustainability of lending institutions (Marguerite, 2001). It is in this vein that this study intends to investigate whether ISALS can empower rural women socially and economically.

Earlier studies revealed that ISALS are funded microfinance institutions in other countries like India, Indonesia, Canada and Kenya amongst many of them. This approach is sustainable especially if supported by the Governments Strategies and policies as shown in other countries. The initiative should start from the Governments, where such microfinances are established in line with the policies and strategies of the Governments.

Before going further, there is need to define the word microfinance. Microfinance can be defined as small-scale saving, credit, or any other financial services offered by either formal or informal institutions (donor-funded agencies, the government, building societies, banks) and informal institutions (ROSCAs, ISALS, community banks, and individual money lenders) (Maguitire, 1999; Sundaresan, 2008). Though there is wide agreement that the coverage and loans are small scale, the conceptualisation of 'small loans' remains largely subjective. Microfinance as a noun also refers to financial services provided to low-income citizens whose financial needs are often unmet or poorly covered by conventional

financial systems (Das, 2018). This implies that microfinance is designed to serve the interests of the poor, provided to people who farm, fish or herd, or operate small enterprises in developing countries and where the clients are not covered by the formal financial services (Marguerite, 2001). This definition focuses more on the suitable clientele for microfinance. However, this is often biased since microfinance services are not only restricted to serve the needs of the poor but also for the rich and other different niche markets (Gulli, 1998; Fanchoni and Scheurle, 2017). On the other hand, microfinance can be defined as the act of offering financial services to the poor with the goal of poverty alleviation and unlike the other definitions limiting microfinance to savings and credit, the services extend to non-financial services like education and health (Watkins, 2019).

Taking an example of Gokwe district in Zimbabwe, where several Non-Governmental Organisations in collaboration with the MWAGCD established ISALS. The organisations use ISALS in mitigating poverty, improving water sanitation among other programmes. The MWAGCD is responsible for training ISALS and monitoring and evaluating partners. The Ministry which was formed in 2005 trains using the cycle highlighted in Figure 2.1

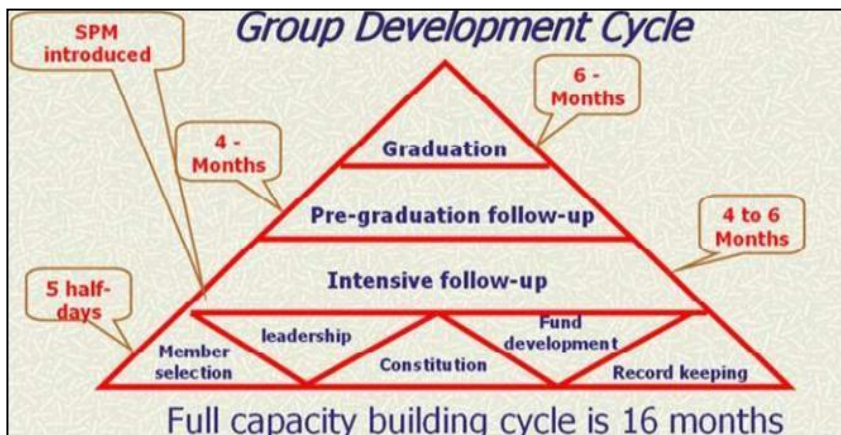


Figure 2.1: ISALS Cycle (MWAGCD, ISAL Manual, 2008).

The Ministry rolled-out and implemented ISALS projects in 39 wards across Gokwe South District. This was also done hand in glove with Caritas Zimbabwe. The organisation trains Community Based Facilitators to ensure that each group is monitored and projects run smoothly. Orientation on ISALS methodology was such that non-participants and participants in the microfinance programme obtain full knowledge about the changes brought by participating in these activities (Joseph, 2020). Guiding constitutions are of significance for any institution or organisation to operate. Most ISALS lack drafted constitutions for participants. Micro-lending institutions should practice strict decision-making such that members stick to the rules and regulations set by the committee (Janssens, 2010). The process in ISALS is democratic and participatory in decision-making. As such, it is ideal to speed up the process of one acquiring money for example one-day service, it makes the institutions reliable especially when one is in urgent need of the service.

Gender mainstreaming especially in African nations can also be used as a strategy. Neglecting of women in the access to and control over resources has been noted to have a negative impact even on the condition and the advancement of women and society. Gender mainstreaming is the process of assessing the implications for men and women for any planned action. Thus, it considers the concerns of both men and women in the designing, implementation, evaluation, monitoring of policies and programmes so that both men and women benefit equally (Peterlechner, 2011). Addressing the needs of men and women can be ideal as it may increase membership, hence increasing turnover. On the other note, if both parties are financially empowered it means there is likely to be a flow compared to men who live with financially disempowered women. On the contrary, men are likely to feel challenged and this may cause conflicts at home and the result is that women ending up dropping out hence some of the causes of the declining cooperatives an example is of ISALS in Guruve where women were dropping out of ISALS as men were feeling threatened with women independence (Marunga, 2019).

Global policy frameworks and schemes on gender and development have been overarching and premised on the one-size-fits-all approach and paradigm. This creates a problem as some of the communities that are in serious need of community development do not have the necessary capacity to engage in ISALS and any other empowerment programmes. An example is an existing framework for gender equality for women to participate in politics and the economy. While the conventions state that they should be inclusive, at the local level, most women do not benefit, and the statistics show that only 25% of women are either participating or are in a position to participate in economic activities.

Furthermore, the other issue emerging from global cases is that ISALS need proper training and financing for them to take off. Evidence from European nations indicates that ISALS pay-outs are used in financing projects that lead to the further development of the financial capacity of group members. This increases the ability to borrow and pay back the credit. This is indicating that the process of ISALS does not end rather it informs a series of cycles that must then lead to the development of financial capacity. As such, ISALS should be perpetual rather than ending cycles.

Moreover, the level of poverty in rural Africa makes it difficult to improve on ISALS and enhance their growth. The women in Africa are disadvantaged in terms of access to finances and basic survival strategies. The levels of poverty in Africa make it difficult to get substantial investments in the ISALS. As such the lower the amounts that are invested and borrowed, the less the potential of the ISALS growth. This means that in Africa, the ISALS are not well funded enough to be able to sustain and grow into a sustainable legal entity. At the national level, the Zimbabwean policy framework is criticised for being well written but not having adequate implementation. The nation has all noble policies but it is criticised for having a bias towards urban women. The system of ISALS focuses on a few women and neglects the women that are in remote areas. As such, implemented ISALS in these areas often fail to take off as the people will be too far to be accessed by the government programmes and training.

In approaching women empowerment, the government of Zimbabwe has made its own strides. These range from policies, and other approaches like making affirmative actions. Since the attainment of political independence in 1980, in Zimbabwe, there were wider gender gaps in literacy and all educational system levels. However, a decade after the attainment of independence, the situation had dramatically changed with the gender gaps nearly closing (Gaidzanwa *et al.*, 2010). Gaidzanwa *et al.* (2010) further allude that Zimbabwe achieved parity in the net enrolment ratio of girls and boys mostly in primary schooling in 2004 due to the 'Education for All' and the Affirmative Action Policies introduced by the government.

In as much as the Affirmative Action Policy played a part in bringing parity between men and women in the education system, women are still marginalised globally. They are still excluded and lack access to power and resources (SDC, 2004). African feminists like Longwe (1995) are the voices of the voiceless. They stand-in for women. They advocate for women's representation in all spheres, that is, culturally, socially, politically, economically, to mention just a few, to ensure that women are empowered. The affirmative action approach, from existing literature, focuses on giving a series of policies that ensure that women are placed in a firm policy position.

The Affirmative Action and Women empowerment debate continues and requires a joint approach towards ensuring that women are empowered and that ISALS can be improved and become more sustainable business models. The framework for a government-based approach (affirmative action) often results in a strong policy framework that in most cases is not followed. The case of the United States of America and that of Zimbabwe indicates a strong policy framework but does not result in adequate development of women's position. Furthermore, women empowerment without government interventions often leads to less response in development as the projects will not be having government support. Furthermore, the Zimbabwean context indicated that most of the ISALS groups enter ISALS without the intention of growing economically but surviving. This is evidenced by the way the money that comes from the groups is used. These efforts help in the identification of opportunities and

weaknesses for the further development of ISALS in Zimbabwe and Mt Darwin, in particular. The affirmative action approach is one such approach. A study in Gokwe South indicated that the money is used to buy day-to-day items instead of investing. As such, the group members end up starting from their previous financial positions.

The literature revealed the different trajectories and setups of ISALS across the globe. It was noted that ISALS in most of the countries were supported by the Governments through microfinance institutions and banks. However, it was noted that many studies conducted used either the quantitative or mixed research methods. Critical information might have been left in terms of lived experiences. This qualitative study employed a phenomenological research design which sought to explore the lived experiences of women participating in ISALS. As such, deep and rich information was collected from the field. Many studies were conducted in other districts of Zimbabwe outside Mt Darwin District. Again, literature remains inconclusive about the real socio-economic impact of ISALS on women empowerment, as such, this study delved into this aspect at length. The study adds to research knowledge by analysing ISALS in Mt Darwin District. Furthermore, from the studies that have been conducted so far, none developed conceptual models to improve the operations of ISALS. This research identified gaps in the Longwe Framework and uses findings from the study to develop a conceptual model for use by development practitioners.

The chapter has reviewed related empirical literature that looked at the motivation for women's engagement into ISALS, projects undertaken by women in ISALS, socio-economic changes brought about by women's participation in ISALS, constraints in women-run ISALS, policies and their relevance in the promotion of women's socio-economic empowerment and the identification of gaps in existing knowledge in line with the scope of the study. Evidence presented supports the key pillars of the study and its conceptual and theoretical frameworks. The next chapter presents the study's research methodology.