Responding to the voices of poor people through microfinance in Sub-Saharan Africa:
an Action Research Study in Zimbabwe and Zambia.

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Abstract

Poverty reduction through microfinance is tied to the belief that access to credit enables poor people to increase business earnings and improve livelihoods. Indeed, the church has often embraced microfinance as part of its theology of social transformation. Microfinance practitioners therefore, have to prudently manage their institutions and ensure improvements in poor people's lives- a complex combination given that livelihood changes can only be confirmed by people experiencing poverty.

This action research aimed to investigate how poor people can inform microfinance practitioners for improved livelihoods. In assessing the efficacy of poor people's voices, two initial case studies analysed and compared data from the Chinyika Community in rural Zimbabwe, which achieved food security against famine; and the COSUN women's group of peri-urban Zambia, which was part of a community-driven microfinance initiative. In the next phase of the research, the COSUN group designed and accessed a loan.

An innovative aspect of the research is the use of activity theory to frame and theorise the wider social and cultural context of microfinance dialogues and exchanges.

The key finding of the research is the value of genuine 'dialogue space' where poor people can influence beneficial actions. However, due to limited capacity to recognise root causes of poverty, and lack of informed competence to negotiate livelihood solutions, the efficacy of poor people's voices will be compromised even where notional dialogue space is afforded. Thus the research identified the need for community dialogue spaces characterised by: enabling contexts for individual and collective agency; structures that enable recourse; alignment of object motives towards benevolent outcomes; capacity to identify root problems; and action triggers before livelihoods deteriorate.

The research also identified the need for dialogue spaces between microfinance institutions and community structures in order to respond with appropriate financial products and services that would lead to transformation. The research recommends

partnerships with community institutions like the Church who can galvanise social capital and create empowering community dialogue spaces.

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Declaration

This work has not previously been accepted in substance for any degree and is not being concurrently submitted in candidature for any degree.

Signed .... (Candidate)

Date ....31st March 2016........

STATEMENT 1

This thesis is the result of my own investigations, except where otherwise stated. Where correction services have been used, the extent and nature of the correction is clearly marked in a footnote.

Other sources are acknowledged by midnotes or footnotes giving explicit references. A bibliography is appended.

Signed .... (Candidate)

Date ....31st March 2016........................

STATEMENT 2

I hereby give consent for my thesis, if approved, to be available for photocopying by the British Library and for Inter-Library Loan, for open access to the Electronic Theses Online Service (EthoS) linked to the British Library, and for the title and summary to be made available to outside organizations.

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Abbreviations

ABO	Area Based Organisations (148)
BSAC	British South African Company (110)
CBO	Community Based Organisations (148)
CCDP	Chinyika Community Development Project (121)
CDD	Community Driven Development (138)
CETZAM	Christian Enterprise Trust of Zambia (7)
CIDA	Canadian International Development Agency (145)
CGAP	Consultative Group for Assistance to the Poorest (40)
COSUN	Community Support for the Needy (51)
CPSCC	Chipata Pamodzi Savings and Credit Cooperative (67)
CSFI	Centre for the Study of Finance and Insurance (42)
DFID	Department for International Development (147)
ECLOF	Ecumenical Church Loan Fund (16)
FAO	Food and Agricultural Organisation (147)
FSS	Financial Service Society (137)
HLS	Household Livelihoods Security (147)
ILO	International Labour Organisation (29)
IMF	International Monetary Fund (144)
MFI	Microfinance Institution (11)
NEC	National ECLOF (134)
NGO	Non Governmental Organisation (29)
NKJV	New King James Version (6)
OCMS	Oxford Centre for Mission Studies (87)
ODA	Oversees Development Agency (148)
PANA	Participatory Appraisal and Needs Assessment (149)
PROSPECT	Programme of Support for Poverty Elimination and Community Transformation (138)
PUSH	Peri-Urban Self Help Project (145)
RDC	Residents Development Committee (148)
SEWA	Self Employed Women's Association (30)
SME	Small and Medium Enterprises (44)
UDI	Unilateral Declaration of Independence (111)
UNDP	United Nations Development Program (147)
WFP	World Food Program (145)

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PART I- INTRODUCTION AND METHODOLOGY

CHAPTER 1- The Research Background and Literature Reviews

1.1   The Research Background

This research was born out of my concern for people living in poverty and reflections regarding possible options that would contribute towards lasting solutions. This concern was mostly fuelled by the following factors:

- Firstly, having lived within a poverty context in a squatter settlement, I had an affinity towards people's movement out of poverty. I was also aware of some of the challenges that hindered long-term success in individual quests for improved livelihoods;

- Secondly, a career in the bank enabled me to appreciate the value of an appropriate financial response in increasing business earnings. I realised that financial services like most services, can be a solution to a problem;

- Thirdly, my Christian conviction required me to contribute to ameliorating poverty so that people could enjoy life to the extent God intended. I was also aware that the circumstances of poor people tended to incapacitate them from having influential voices; and

- Finally, working as a microfinance practitioner in a Christian network opened me to the possibility of responding to poor people's financing needs in their movements out of poverty. However, I did not have enough clarity regarding the extent to which our work responded appropriately to the needs of those we served.

Living in a Poverty Context

The coming of white settlers in the southern part of Africa had varied impacts on indigenous people, which would have long-term effects on livelihoods. In 1952, my father, like many young able-bodied men at the time, moved from his home in rural Northern Rhodesia to work in the coalmines of Southern Rhodesia. When Northern Rhodesia gained independence in 1964 and became known as Zambia my family moved back but did not return to the rural village. Without a job and a stable income, my father sought family accommodation in one of the squatter settlements in peri-urban Lusaka, the capital city of Zambia. We used water from dug-out wells and pit latrines as we had no running water. I recall that every once in a while, small children would fall into these latrines. Without electricity, we used wood for cooking and rudimentary home-made lanterns for lighting. Life was hard and every member of the family contributed to earning an income. With financial support from a close relative, my father started a furniture business. Though I was quite young, I helped produce handicrafts that my mother sold as a street hawker. I also helped my mother sell vegetables and foodstuff at a market stall. My ideas of supporting livelihoods were largely informed by lessons from my father who taught me that I could make money once I identified a business opportunity, and that I needed to have a plan first and then execute it. I got my first lessons from what I call the broom story (Annex 1). My father like many others in the community put his hand to whatever could bring him an income. At any given time, he had three or four business activities running to bring in money. These activities could be seasonal like hauling mangoes or vegetables in season from farmers for sale in the towns, or running taxis or mini-buses as a business. All my brothers and sisters helped out in one

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way or another. As life generally improved, we were able to move out of the squatter compound to the suburbs. Looking back, I realise that not all of our neighbours were able to substantially develop their businesses but moved from one thing to the next without much economic progress.

To place the above scenario in context, Chambers defines the lives of most poor people as diverse and complex, especially where they do not hold full-time jobs.

> Most people in the South…have not one source of support but several. They maintain a portfolio of activities. Different members of the family seek and find different sources of food, fuel, animal fodder, cash and support in different ways in different places at different times of the year. (Chambers 1999:163).

Chambers calls these "fox strategies" where poor people do many things; sniff around and look for opportunities, diversify by adding enterprises and multiply activities and relationships. My family background fits this description. Furthermore, the extended family system provided support mechanisms especially to members without secure means of a livelihood. The few people with stable sources of income were inherently obligated to meet the needs of the wider family.

Encountering Credit in Financing Business Endeavours

As I started work in the bank, I learnt how credit could support business growth and translate into increased incomes. Entrepreneurs presented well thought-out business plans to show their financial needs and were able to solicit for appropriate credit products that

responded to business needs. This level of interaction was necessary for the bank, which generated its own earnings from these activities. This put a premium on the assessment process, and decisions to finance certain businesses depended on the owner's ability to demonstrate their business acumen and ability of the business to absorb the amount of credit they sought. My training in loan assessment aimed to build my capacity in understanding the business proposal as presented. This was augmented with on-site visits to verify claims from the business owner. The competent voice of the borrower-entrepreneur was important in negotiating the most appropriate financing solution that would meet their business needs. The bank would therefore be responding to the voice of the borrower within its capacity to provide that financing solution. Furthermore, the borrower would be required to provide adequate collateral to secure the loan in case of default.

I realised that in most cases, small businesses rarely met the criteria that banks used to assess businesses, like having credible and trackable records that demonstrated positive business trends and financial discipline. Small businesses tended to be opportunistic and often fell short of basic assessment requirements like legality and viable business focus, and thus had short life spans. Small business owners showed limited entrepreneurial skills, often lacked collateral to secure credit and generally had a hand-to-mouth existence. This was reflected in the fleeting nature of the business activities. Though my desire was to see some of my people improve their small businesses in order to secure their livelihoods through stable incomes, I realised that they would not be able to meet the credit assessment criteria. I recall that some of my folk approached me to help them

obtain credit because they felt that my presence in the bank would be helpful. This was not possible. It bothered me that the situation seemed hopeless and I started thinking of options for assisting those who were able to run small businesses.

My Christian Conviction

As a Christian, my conviction is anchored in what I believe to be the unchanging character of God both as a sovereign King and as a gracious and loving Father. I believe that God sent his Son Jesus to proclaim His sovereignty and extend His rule in the present by inviting people to live within it. I argued in an earlier paper that the central theme of Jesus' teachings was about releasing people from the shackles of bondage by demonstrating God's universal love for all people (Mutalima 2000). I also noted that Jesus' preference for various people groups was their relative exclusion for social, economic and religious reason, and thus his proclamation:

> The Spirit of the Lord is on me, because he has anointed me to preach good news to the poor. He has sent me to proclaim freedom for the prisoners and recovery of sight for the blind, to release the oppressed, to proclaim the year of the Lord's favour. (Luke 4: 18,19 New King James Version Bible NKJV:2008).

As a follower of Jesus, I embraced the notion that the 'good news' that Jesus preached translates into a lifetime calling for his followers and that reaching out to those that are excluded is part of that mandate. I recognised poverty as one of the debilitating human conditions that excludes people from enjoying the fullness of life. A World Bank study highlighted that the common theme underlying poor people's experiences is that of powerlessness caused by precarious livelihoods where there is hunger and poor health; isolated and un-serviced residential areas; troubled gender relations and inequality;

discrimination and disempowering institutions; and weak organisations due to lack of information, skills and education (Narayan et al 2000). I thus located my calling in response to the condition of poor people as described by the World Bank study and also in the bible verse of Matthew 25: 34-40 which applauds those who fed the hungry, took in strangers and visited the sick. I believed that part of my Christian service included making meaningful contributions towards improving the livelihoods of people living in poverty. My Christian conviction however did not provide immediate answers to finding solutions.

Working as a Microfinance Practitioner

In microfinance I saw opportunities to not only contribute to the provision of useful financial services for poor people but also an alignment between my Christian conviction and the motivation of Opportunity International, a global network of Christian microfinance institutions that helped us set up a microfinance institution called Christian Enterprise Trust of Zambia (CETZAM). Opportunity International is one of the Christian organisations that set off their development agenda by partnering "…with local Churches to provide a blend of financial services and spiritual support" (Boucher 2012:169). I recall that when we started CETZAM, our loan officers took time to explain the role of the community in ensuring lending through groups. To ensure cohesion and joint responsibility, the groups were helped to elect leaders, come up with group rules and most importantly ensure that group members paid back the loans. Community participation was evident in the willingness of members to guarantee one another and group members selected one another on the basis of trust: we called these groups Trust

Banks. The rationale was that they knew each other and would not select people in the neighbourhood that they did not trust as they would be guaranteeing one another when it came to paying back the loan.

The group loan product worked on the understanding that a wide range of benefits would accrue to the whole group as they worked together. The following table shows the justification for opting for the group lending methodology:

Table 1.1- Benefits of the Group Lending Methodology

Specific needs/ situation of group members	Programme strategy
Need: Small, rapid turnover investment	Small, short-term loans for working capital
Need: Access to savings services	Savings managed by the group
Need: Business networking and joint ventures	Business discussions at weekly meetings
Need: Peer support and local relaxation	Social events during weekly meetings
Have: Limited assets	No collateral needed for loans; group guarantee sufficient
Have: Frequent emergency situations requiring access to capital	Special emergency funds, insurance benefits, or access to group savings
Have: Immobility due to household responsibilities	Meetings and collections held in local neighbourhoods
Have: Low assessment of personal capabilities	Gradual capacity building and intentional leadership development

(CETZAM 1997)

Most importantly, the involvement of the community provided an appropriate space for individual voices to interact and negotiate within the context of peer networking.

1.2   Managing a Microfinance Institution

The first year of CETZAM's operations was deemed successful in that loan repayments were at 99% and client outreach was 22% more than what was planned for (CETZAM 1999). Field staff told stories of the changes that were taking place in the community. The following is one of the stories narrated by Mwaba, a CETZAM Loan Officer based in Kitwe, Zambia in1999:

> At a group meeting, Mangalita Kaoma received a K150,000[1] loan for her fish business. On the same day, her son fell and broke his arm and she needed to take him for medical attention. The group rallied around her, knowing that the only money that Mangalita had was the loan meant for her business. So they contributed their own money and paid for all the medical bills. Without this assistance, Mangalita would have had to use the loan and thus spoil her business opportunity.

This story inspired the conception of the now ubiquitous micro-insurance offering among low-income people.

As part of the project process, a proper impact assessment study was done in the year 2000, and confirmed the positive changes in people's lives as a result of our work:

> … 65% of clients interviewed were living under the poverty line when they joined the program and 50% were living in extreme poverty thereby confirming that CETZAM had been successful in targeting the poor.
> … changes in household income related to business income rather than receipts from other household members…clients' businesses improved and gains ranged from business expansion to diversification. The level of experience largely created the variance in utilising credit. Three quarters of the respondents (73.3%) reported improvement in their food

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[1] The Zambian currency was rebased in 2013 by dropping the last three zeros. The Zambian currency representations in this paper are before the currency rebasing.

consumption…. A number of clients reported being able through loan profits to provide for school needs of members of the family and to clothe themselves… Clients also networked and broadened their understanding of business… Clients were better able to handle shocks as they had access to money and could meet unforeseen needs (Copestake et al. 2001).

Through microfinance, we had managed to surmount the challenges of financing poor people that I had known so well in the bank. Though we had success, I remained curious about whether our products responded to the felt needs of poor people. Knowing the precarious livelihoods that I had been so familiar with when my family lived in squatter compounds, I wondered how poor people's voices were engaging with processes meant to serve them within their groups. I knew from my banking background that the voice of a client was critical in providing the right service that would in turn benefit both the client and the financier. We had offered an already packaged product, and though the acceptance was good, I felt the need to learn more. CETZAM as an Opportunity International partner, had embraced the understanding that financing for economic development produced transformation in clients (Opportunity International 2013). I remained concerned that the demands of managing the institution did not afford much opportunity to interact more intimately with the people we served and the absence of that interaction could not foster a strong basis for claiming transformation in our work.

The Challenges

I soon came to terms with the complexity of managing a microfinance institution in terms of time and effort. Managers have to ensure the double bottom-line of maintaining sustainability in the institution while ensuring positive impact for the clients (Zeller and

Meyer 2002). The following diagram represents the management structure we developed in CETZAM and is typical of a microfinance institution:

Figure 1.1- Typical Microfinance Management Structure
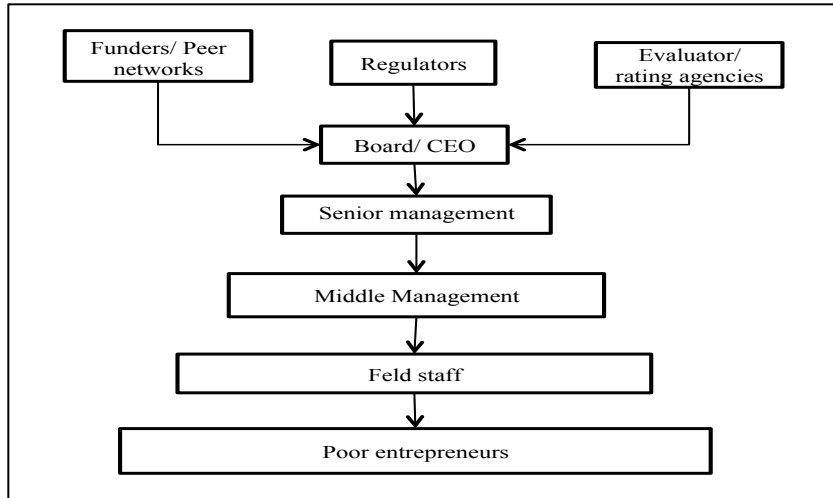
The structure places poor entrepreneurs at the bottom of the pyramid. Key policy decisions are made at the level of the Board and Chief Executive. Often these directives are inspired by microfinance best practice guidelines (CGAP 2006). The process of meeting the expectations of important stakeholders like donors, the regulators and evaluators takes priority for the manager. The common strand is that all these interest groups would like to see efficacious microfinance institutions (MFIs) that are sustainable and delivering positive impact on their clients. What is evident, however is that generally the system has placed poor clients at the receiving end of the structure thus creating inherent impediments to hearing their voices and responding appropriately. In my experience, I noted that keeping an eye on the institutional bottom-line fell within the everyday routine of management, and performance was easily monitored whereas delivering impact on poor clients' lives was removed from the routine work. I wondered what it would mean to listen to the voices of our poor clients and design products to align

with their financial needs. I wondered what they might say and how we as microfinance practitioners might interpret it and link it to our claims for positive impact.

Interaction With Clients

My curiosity led me to take time out in the field whenever I could, to hear directly from field staff and clients. In August of 2007, I interviewed Fides, a female loan Officer. She told me that her client selection criteria were not necessarily on the basis of the poverty status of the client but more on their capacity to re-pay the loan. She felt that since her performance would be judged by the quality of her loan portfolio signified by the level of repayments, it was in her best interest to avoid people she considered risky, and inadvertently, these happened to be poor people. They constituted the reason for our existence, but clearly were being avoided. This finding is corroborated by a study done on 112 Loan Officers of 21 MFIs in Burundi whose findings were that "on average Burundian loan officers' preferences are not shaped by the pro-social mission of microfinance: neither the youngest nor the oldest clients are treated favourably, women do not have better chances, and, finally, wealthier applicants are preferred to the poorer..." (Sagamba et al 2013:188). I realised that without deliberate intent, we would only offer lip service to the social mission of our work.

Earlier in 2006, I visited a group in Kalulushi, Zambia and interviewed a few clients. One client, BanaMaria explained that she joined the group and obtained a loan only at the insistence of her neighbour whose group had fallen short of the number of people needed

to get a loan. She had never taken a loan before and was very apprehensive about the process. Her neighbour asked her to join the group, which was running the danger of not getting a loan because they had failed to make up the required number of group members. She agreed to help and joined the group, and went on to get a loan she did not need. In our books, this loan performed well, but her story had some interesting aspects to it. She told me that she was so afraid of failing to repay the loan that she did not use the money. She kept it and only reduced it to repay the loan. The net effect of her action is that she ended up paying back more once the interest component was factored in. It was only in her second loan that she was able to apply it to an economic activity but still remained fearful of defaulting lest her household effects were seized. The decision to get a loan in this case had nothing to do with her need, but more to help a neighbour out. While this decision served the group in the community, it would have disqualified BanaMaria as a potential client in this group according to the rules we had communicated to the community. This highlighted the fact that clients responded to the product as it was given, suggesting little opportunity to engage in collaborative dialogue.

I also visited other microfinance institutions in order to get a different perspective. A visit to a group under BF Microfinance revealed that the Loan officer- Anna- guided the meeting discussions, which were entirely around the group's capacity to re-pay their loans. There was little discussion with poor people on the benefits or difficulties they might have had as they used the loan. To a large extent, group meetings were used as part of the institution's agenda of giving out loans and ensuring timely repayments. I was

concerned that the interaction that could respond to poor people's voices seemed to be biased towards the needs of the MFI.

Stress in CETZAM Groups

In time, the understanding that working with groups would bring benefits to poor people as well as the microfinance institution was challenged when CETZAM clients started defaulting on loan payments. We commissioned a study to determine causes of default and recommend ways of debt recovery. We engaged the clients' voices to understand why the program was not going to expectation. The findings revealed that the clients had a view on the financial products and how they were delivered (Musonda 2006). The following table highlights some of the findings.

Table 1.2- Client Feedback: Study of Delinquency in a Microfinance Program

Product Feature	Survey findings
Repayment periods are fixed and not negotiable	Generally clients favoured to obtain control over loan repayment process and that repayments should be structured to meet the changes in their businesses
Product requires that repayments start following week after obtaining a loan (for loans that are repayable on a weekly basis)	Some clients needed a grace period while others would have loved to make fortnightly and not weekly payments.
Product is based on mutual guarantee in place of tangible collateral. It is assumed that group members will empathise with one another and pay for the defaulters.	Some group members were not willing to assist those who were having difficulties. Clients felt that CETZAM should deal with clients who fail to pay
Product assumes that group will make proper assessment of business capacity to service loan before it is given	Poor business planning as major reason for business failure. Group member did not do a good job of peer-appraisal of businesses.
Product feature has minimum of 25 and maximum 40 members per group for cost effectiveness.	Groups of 25 too big and therefore difficult to ensure cohesion. Some members did not appreciate working in groups.

Product insists on women leadership as it has been 'proven' that they are more accommodating.	Some groups are happy to have men as their leaders[2]

(Musonda 2006)

We learnt from the feedback that our services had not responded to the changing needs of our clients. The success revealed in the 2001 impact study gave us reason to believe that we were meeting client needs. However, five years down the line, clients were defaulting on their repayments and inquiry suggested that the very tenets we held as true were no longer delivering the results we expected. This gave me added reason to believe that there might be an argument for seeking out poor people's voices in order to understand their needs and inform the design and delivery of financial services that benefit them. I wondered whether poor people's voices would help us take into account their changing circumstances and not provide a cookie-cutter product over and over again.

1.2.1   Working as a Practitioner at a Regional and Global level

Later on I took up a role as Africa Regional Coordinator in Opportunity International. I provided oversight to five implementing partners in Zambia, Zimbabwe, Malawi, Uganda and Ghana. I could see that the complexity of managing the microfinance institutions had similar effects in these countries in that management time was fully taken up with internal issues and client needs were largely the domain of field staff. The products were pre-packaged and repayment challenges were being experienced at different levels and

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[2] This was a verbal comment made by Stembi, a loan Officer when I visited their group in Livingstone, Zambia in August 2006

for different reasons in all the countries. I moved from this position and served as Executive Director of ECLOF (Ecumenical Church Loan Fund) International, a global microfinance network started by the World Council of Churches. I had oversight of 21 countries in Latin America, Asia, Africa and Eastern Europe. I saw that senior managers in these countries experienced more or less the same problems with regards the quality of their portfolios and this adversely affected their capacity to attract more funding and serve more people. The constant theme was around the need to build management capabilities for the complex situations they had to deal with. Impact on poor people's lives was generally relegated to periodic sampling as resources permitted.

Admittedly, microfinance management has proved to be problematic. A survey carried out in 2008 on microfinance institutions confirms this:

> The two biggest problems … appear to be growing competition as new players enter the industry, and management quality/corporate governance. … management skills are obviously in short supply in most of the countries where microfinance can play a role (Lascelles 2008: p 5).

It is therefore understandable that attention be paid to the management of these institutions. As a practitioner, I found that the key focus of my work was on ensuring prudent management of the institution. Meeting numeric targets and ensuring good business practices took centre stage, leaving little time, effort and interest to assess how all that would translate into transforming poor people's lives. Furthermore, the voices of poor people were absent until there were problems especially of defaulting on loan repayments. I recalled my banking days when the appraisal process of a loan would be critical in ensuring that key risks were understood as much as was possible, and mitigated

for eventualities. From this standpoint, it was possible to say: "there are no bad borrowers, just bad lenders". This is the mantra we went over again and again when training in and executing lending processes in the bank. The appraisal process helped filter out borrowers who did not meet the bank criteria and those that would most likely default. This level of dialogue was absent in my work practice in microfinance and delivering pre-packaged products for me seemed like we were shooting in the dark- an attempt to lend to poor people for transformational impact without having important information that would lead us to that goal. I sought for a process that would help me understand how to determine poor people's financial needs, and I supposed that such a process would need to be steeped in their voices.

1.2.2   The Research Problem

I realised that the one way of knowing whether poor people could articulate their financial needs would be through engaging them in an action research process where they would be given dialogue space to define their financial needs and inform the design and packaging of a loan product. The pre-disbursement dialogue would inform the design and packaging of the loan. The post-disbursement dialogue would provide continuous learning to reflect and learn from loan usage and repayments so as to improve on the loan product in the second round.

The research aim therefore is to ascertain how poor people's voices can inform microfinance practitioners in the design and delivery of appropriate loan products.

To achieve this goal, the research will aim to respond to the question:

How can poor people's voices inform microfinance practice so as to provide services that meet livelihood needs?

1.3   Literature Review

The literature review will consider the relevance of the voices of poor people in influencing interventions that affect them and microfinance as a response to poverty reduction.

1.3.1   The Relevance of Poor People's Voices

Folch-Serra defines voice as the speaking personality or consciousness that expresses the will or desire of the carrier (Folch-Serra 1990). As voices engage in dialogue, there is a much more broader phenomenon than a mere face-to-face interlocution. The voice is a medium that enables communication characterised by reciprocity to enable dialogue as a dyadic affair. Hagtvet argues that spoken and understood language is partly a product of reciprocally accepted roles, hence the importance "of treating language competence as an integrated aspect of a person's communication competence…" (Hagtvet 1982:158). She quotes from Ragnar Rommetveit's unpublished paper that:

> …the speaker…has the privilege to determine which aspect(s) is to be jointly attended to at what moment. And this is the case even if he fails to make himself understood. Only he- not the listener- is in a position to decide what he himself intends to make known by what he is saying" (Hagtvet 1982:159)

Wertsch discusses the phenomenon of voice and language in the context of mediation as explicated by Lev Semënovich Vygotsky, who associated human consciousness with the "use of tools, especially 'psychological tools' or 'signs'", of which language is one (Wersch 2013:178). In mediation, the aspect of word meaning is presented as a function of both speech and intellect. Vygotsky argued that the act of speaking involves using a sign system that engenders being understood and therefore incorporates the constant interaction and movement between thought and word. In the movement between thought and word, there are various possibilities: the words of a voice can be used at a very low level of sophistication as they undergo changes in the interaction with thought while at the same time project possibilities in the future that would be more sophisticated. Werstch explains that in this sense, mediation can be "transitory and seem ephemeral" as the voice undergoes transformation in the process of communicating (Wersch 2013:191). The Russian philosopher Mikhail Bakhtin developed a social theory regarding the agency that human beings carry through language. In his reading of Bakhtin's literary work, Folch-Serra argues that dialogical connotations present multiple possibilities steeped in history and the cultural practices that culminate in constant interaction of meanings (Folch-Serra 1990). Zinchenko gives a rounded perspective when he says: "Language is not only a means of communication and thinking. It is a whole world in and of itself, whole and instantaneously available. It is the world we carry in us, with us" (Zinchenko 2013:235). Thus through voice and language, people can exercise their agency.

Exercising Agency Through Voice

Agency is the ability that people have to act towards the goals that matter to them (Sen 1999). Sen argues that agency freedom "refers to what a person is free to do and achieve in pursuit of whatever goals or values he or she regards as important" (Sen 1984:203). Agency can be exercised at an individual level when individuals influence their own functionings. It can also be exercised as collective agency, whereby through interdependent efforts, pooling knowledge, skills and resources, a group can act together for defined goals. Thus participation can be viewed as an expression of agency. Poor people have their whole world and consciousness in their language and through that have the capacity to exercise agency and hence the relevance of voice. Dialogue space should enable them to influence beneficial decisions.

1.3.2   Development Interventions on Behalf of Poor People

Various development efforts enable opportunities for poor people to improve their lives. The founder of the Human Development Report had this to say:

> "The basic purpose of development is to enlarge people's choices. In principle, these choices can be infinite and can change over time. People often value achievements that do not show up at all, or not immediately, in income or growth figures: greater access to knowledge, better nutrition and health services, more secure livelihoods … The objective of development is to create an enabling environment for people to enjoy long, healthy and creative lives" (ul Haq 2012).

This ideal is echoed by proponents of Christian microfinance institutions in the desire to ensure that poor people live life as God intended (Bussau 1998; Myers 1999). The reality

however, is that a large number of poor people do not enjoy the richness of human life partly because they have limited choices to eke out a living and also because those choices are not buttressed by informed support structures (Sen 2012). In summarizing the perspectives of the poor, a World Bank study found that poor people experienced voicelessness, powerlessness and exclusion, evident in their inability to have access to and influence over decisions, which in turn affect their lives (Narayan et al 2000). The World Bank study opens with a lament: "Nobody hears the poor. It is the rich who are being heard". This study found that even when poor people exercise their agency, it is "in very limited spheres of influence…the voices that count most are those of the powerful and wealthy." (Narayan et al 2000:265). The study observes that "there are 2.8 billion poverty experts, the poor themselves. Yet the development discourse about poverty has been dominated by the perspectives and expertise of those who are not poor-professionals, politicians and agency officials" (Narayan et al 2000:2). The study concluded that poor people have priorities and can weigh alternative solutions in deciding what gives them the most or desirable outcomes (World Bank 1999).

It seems therefore logical that development interventions that are empowering be in response to the voices of those who will benefit regardless of their economic status. In this regard, the World Bank prefixes the cited study above as follows:

> What more can be more important than listening to the poor and working with our partners all over the world to respond to their concerns?...We are prepared to hold ourselves accountable, to make effort to try to respond to these voices (Narayan et al 2000:xv).

The development discourse therefore recognizes the need to empower poor people by listening, learning and responding appropriately.

Locating Poor People's Perspectives

Drèze and Sen argue that if there be inequalities in income distribution, then a case can be made of inequalities of freedoms and opportunities, with specific connotations to "the importance of participation in social change" (Drèze and Sen 2002: 9). Participation has become an important aspect of empowering poor people in development and has been widely used across various sectors like health, education, rural development, etc. (Oakley 1995). Oakley defines people's participation as a "political process in which previously excluded classes or groups seek to become involved, have a voice in and generally gain access to the benefits of economic and social development" (Oakley 1995:7). Mansuri and Rao trace early participatory activities to the post-colonial era of the 1950s and 1960s when the donor community "helped drive the first wave of interest in participatory development by funding and promoting cooperative institutions, community-based development, and decentralization" (Mansuri and Rao 2013:3). Unfortunately, due to the failure of cooperatives in the 1970s, which at that point epitomized community participation, interest in participatory development waned and shifted to large-scale investment in agricultural and industrial growth. Activists who saw this shift as disempowering and biased against poor people vehemently attacked the top-down approach. They went on to refocus attention and support towards participatory approaches on the "underlying belief that involving communities in some aspects of project design and implementation creates a closer connection between development and

its intended beneficiaries" (Mansuri and Rao 2013:3). The World Bank reinforced the idea of "community-driven development [that] supports and empowers participatory decision making, local capacity building and community control of resources" (World Bank 2004:1).

Participation as Empowerment

Mansuri and Rao state, "under the right conditions, effective local participation can be a powerful force for change and the achievement of various development objectives" (Mansuri and Rao 2013: 87). Yet this notion has elicited strong contradictory views. Rankin argues that "families and communities are assumed to be harmonious institutional frameworks within which the benefits of social ties and networks are enjoyed" (Rankin 2002:6). She challenges this assumption on the basis that "common moral frameworks are not in themselves desirable planning objectives, so long as they serve to entrench dominant cultural ideologies and undermine the potential for critical awareness on the part of the oppressed" (Rankin 2002: 8). She adds: "to the extent that development programs nourish local forms of association underpinned by common moral frameworks, they risk exacerbating already existing lines of hierarchy, coercion and exclusion" (Rankin 2002:9). In most cases, cultural ideologies within communities engender power and gender imbalances that exacerbate poverty.

Cornwall and Brock observe that participation has been part of the poverty reduction rubric, without really providing the right space for people to participate in deciding their own development. Instead, "what participation had come to mean to the mainstream was

less to do with radical shifts in power than engaging communities in sharing the costs, and the burdens, of development" (Cornwall and Brock 2005:6). They argue "participation and empowerment, words that speak to the laudable aim of enabling poor people to have voice and choice, have now come to symbolize the legitimacy to pursue today's generation of development blueprints" (Cornwall and Brock 2005: 15). The criticism by Cornwall and Brock to this development is that "the label Community-Driven Development has served to rebrand otherwise unfashionable interventions" (Cornwall and Brock 2005:7). The concern in light of the challenges discussed is how to enable effective individual and collective agency. Participation has been recognised where social capital assures those benefits. However, social capital cannot be assumed- it depends on strong community bonds.

Community-Driven Development, Social Capital and Empowerment

Community-driven development capitalizes on the concept of social capital necessary to achieve the common good. The World Bank was a major advocate of development based on social capital as cited by Rankin:

> Social capital refers to the institutions, relationships, and norms that shape the quality and quantity of a society's social interactions. Increasing evidence shows that social cohesion is critical for societies to prosper economically and for development to be sustainable. Social capital is not just the sum of the institutions which underpin a society – it is the glue that holds them together (Rankin 2002:4).

Thus by definition, social capital is an enabler towards empowerment. As communities work together and participate in development efforts that benefit them, they begin to gain control and expand their assets and capabilities. This level of empowerment is meant to

enhance their participation in negotiating, influencing and basically holding accountable those institutions that affect their lives (Grootaert 2003). Grootaert argues that empowered communities with stronger institutions and social capital will be more successful in implementing community-driven development while the nature of community-driven development will in fact enhance social capital and further empower poor people (Grootaert 2003). Krishna adds to this argument by acknowledging that though "the origins of social capital are shrouded in uncertainty", high social capital can positively impact community-driven initiatives (Krishna 2003:3). Krishna concludes that empowerment can contribute towards social capital and community-driven development.

An Understanding of Social Capital

Portes notes that the notion of individuals deriving benefits from working together and participating in groups is not a new concept. He traces early discussions on social capital to Emile Durkheim a French Social Scientist, who placed "emphasis on group life as an antidote to anomie and self-destruction…" (Portes 2000: 44). Portes describes social capital as constituting two components: a) the social relations that enable a claim and access to resources possessed by the associates in a group; and b) the amount and quality of those resources. In making this distinction, he acknowledges firstly that social networks are not a given and have to be constructed, and secondly, that the process of investing economic and cultural resources to gain social capital is characterized by less transparency and more uncertainty. The obligations created within a community that has received such an investment are not specified, the time horizons are uncertain and there is always a likelihood of reciprocity violations.

Thus in utilizing social capital, individuals have to relate to others in their communities in ways that enable an accumulation of obligations to attract reciprocity. For example, a young man who chops firewood for an old lady in the village may solely be rewarded by a reputation boost; that he is an exemplary member of the community. In relating with others, individuals are able to make these kinds of investments, and in so doing, create social capital. Social capital can also be created when individuals identify with one another and realize the need to support one another in a common difficulty. The support can then translate into individual benefits for members of the community. In this light, social capital has gained recognition as the enabler for community development.

Portes does however highlight some disadvantages that come with social capital. As individuals cohere, they inadvertently exclude outsiders and therefore decrease the possibilities of new collective learning and improvements (Portes 2000). The cohesiveness can also promote free riding by some community members who might not be investing as much as others, but still getting the full benefit of being part of the community. Social capital as a resource can constrain individual freedoms to develop and succeed. Thus those members of the community with a desire to develop individually do not get acceptance- individual success stories actually end up undermining group cohesion and may therefore not be encouraged. Wood points out that the problem of poor people "is that they are exposed to the weaknesses of social capital (as a public good), without any prospect of meaningful social resources (personalized networks) to compensate" (Wood 2003: 457). In such situations, they can only rely on the support of immediate family, and where this support is not available the poverty situation deepens.

Social Capital and the Church

In discussing the options available for economic development, Reim mentions the need for three forms of capital: financial, human, and social (Reim 2013). Social capital comes through relationships built within the community. Reim asserts: "Social relationships build trust, culture, perspective, and community—non-cognitive skills that are necessary for economic mobility…[but often] lacking in the harsh economic climate of many low-income neighbourhoods" (Reim 2013:). She advocates for building strong community institutions and mentions the Church as having the capacity to invoke a common commitment to charity among their members to encourage community improvement. She observes that Churches that go beyond promoting their faith to promoting social infrastructure can provide services that in turn create a culture of self-improvement. Piertese corroborates this position in saying "Congregations possess infrastructure as well as material and human resources that are critical components of the social capital…" (Piertese 2011:5). Swart agrees: "no other social institution can claim to command the same level of public trust as the Christian churches" (Swart 2005:1). In view of the Church's positioning in relation to building strong community social capital, it seems inevitable that Christian microfinance institutions should take advantage of this and work closely with the Church to ensure more transformative outcomes.

1.3.3 A Brief History of Microfinance

The history of microfinance is as eclectic as its development. Seibel traces early microfinance activities in Ireland in 1720 when the Irish Loan Funds started from donated funds. As the funds grew, they enabled financial mediation between savers and borrowers. He notes that by 1840 there were more than 300 separate funds covering around 20% of Irish households. He mentions other financial activities in Germany, France, India, the Netherlands and Sweden, which had humble beginnings in community initiatives (Seibel 2005). The momentum of modern day microfinance is rooted in the development thinking and action, which was responding to the limited economic development of mostly Asian, African and Latin American countries (Dichter 2007). The burst of economic growth in America and Europe following the industrialisation era was the harbinger of an emerging interest for speedy development of poorer nations. It was generally understood that the absence of industrial activities especially in form of manufacturing was the reason for low employment opportunities for people and consequently depressed incomes.

In the 1960s this desire for development found expression in prototyping business development for small-scale enterprises (Dichter 2007). In the 1960s and the 1970s, the small-scale industries in least developed countries accounted for over 50% of manufacturing employment in various developing countries, though the contra-indication of this was the lack of sustainable large-scale industrialization and therefore less formal employment, with the impact of reduced incomes and general poverty at family and

individual levels (Weiss 2002). Poverty was evidenced by lack of basic needs like food, shelter and health services. Not surprisingly, surveys revealed that people living in poverty were already active in income generating activities to support their livelihoods. The International Labour Organisation (ILO) championed the cause of these entrepreneurs and in 1972 coined the term 'informal sector' to denote the space that was serving the employment needs of small and micro enterprises (Dichter 2007: 3). By the 1980s the informal sector had developed very rapidly in many of the poorest countries and was considered the right space for development thinking and funding, mostly through non-governmental organisations (NGOs).

The informal sector housed micro and small owner-managed businesses. These would typically be a woman selling vegetables from their homestead or by the roadside; an individual running an internet café; an artisan producing household furniture; or a small engineering firm dealing in sophisticated gadgets or software. The owners of these microenterprises would typically be more concerned with their own day-to-day survival and therefore mostly classified as poor. One of the important observations with the informal sector was that the entrepreneurs therein had minimal or no access to formal credit services to finance their businesses (Malhotra et al 2006). Conventional banks avoided financing this sector due to the numerous risks associated with the opportunistic and unstructured nature of most of these small and micro enterprises. The lack of sustainability and growth of the informal sector was attributed to the lack of reliable and consistent financing (Dichter 2007, Dowla and Barua 2006;). In response to this need, the modern day concept of microfinance was born in the 1970s. The main motivation was to

ensure financing to the informal sector as a poverty reduction strategy (Davis & Khosla 2006).

Mohammed Younus is credited with spurring microfinance activities through his Grameen Bank model started in Jobra, a small village in rural Bangladesh. Dowla and Barua tell Younus' story: Younus came to learn of Sufia, a bamboo stool maker, who got raw materials on credit and paid back the loan from sale proceeds. What was concerning to Younus was that the moneylender set both the price of the raw material and the price of the finished product, which he bought from Sufia. The profit Sufia made from this transaction was hardly adequate to meet her livelihood needs, and there were no other options for credit, which would have produced better results for Sufia. An ensuing survey revealed forty-two people in a similar situation as Sufia. Younus provided his own money as credit to pay off the money-lenders and provided much needed capital to these entrepreneurs. This was his response that marked the beginning of Grameen Bank (Dowla and Barua 2006). In recognition of the microfinance contribution to development, in 2006 the Nobel peace prize was jointly awarded to the Grameen Bank and its founder Younus for the notable work of microfinance in Bangladesh (Dichter 2007).

Bold and innovative initiatives ensued to provide poor communities with critical financial services for ameliorating poverty. Savings services provided a secure store for excess liquidity while credit was used for current investment in anticipation of future earnings or for consumption purposes. Some successful financing initiatives included the work of Accion International in Brazil in 1970; formation of SEWA (Self Employed Women's

Association) Bank in India in 1974; formation of the Grameen Bank in 1976; and the Women's World Banking in 1976 (Davis and Khosla 2006). Financing to ameliorate poverty fuelled global conversations on addressing human need. Of note was the United Nations 4th Conference on Women in Beijing, China in 1995 (Davis and Khosla 2006). Among the various issues affecting women, the conference recognised and highlighted the important role of the woman in the labour market as a way of improving livelihoods.

Riding on this momentum, early players in the microfinance field were inspired to founding the Microcredit Summit, which gathered practitioners on common objectives. The first Microcredit Summit of 1997 started the Microcredit Campaign, which aimed to reach 100 million families with microfinance services specifically for poverty reduction on a global scale. Microfinance institutions garnered a lot of support with the strong backing of bilateral donors. In their 2004 annual report, The Microcredit Campaign reported that 3,164 microfinance institutions globally had reached 92 million clients, two thirds of who were rated the poorest. The report further stated that the 66.6 million poorest clients reached impacted 333 million family members as a result of their improved financial status (Davis & Khosla 2006). For the year 2009, The Microcredit Summit Campaign reported that more than 128 million of the world's poorest had received a microloan, an all-time high, impacting some 641 million family members (Microcredit Summit Campaign 2011).

The Role of Money

The utility value of money has become ubiquitous with everyday living, commerce and trade, and general economic development for individuals, families and nations alike. Ferguson describes money as "a medium of exchange, which has the advantage of eliminating inefficiencies of barter; a unit of account, which facilitates valuation and calculations; and a store of value, which allows economic transactions to be conducted over long periods as well as geographic distance" (Ferguson 2008:23). In order for money to fulfil these functions, it has to be readily available, affordable and fungible. The element of being fungible means that money that is raised for one purpose can easily be used for another different purpose. Thus the basic financial impulse is to save for the future and especially that future needs for money can be unpredictable.

Money also enables an important relationship between a lender and a borrower. The notion of credit can be traced back to Mesopotamia in the second millennium BC and also in Babylon where commodities were granted without immediate payment and this was recorded as a loan to be paid at a future agreed date with interest. Thus the whole essence of credit was based on the "underlying credibility of the borrower's promise to repay" (Ferguson 2008:30). The word credit has its roots in the latin word *credere* which means believe or trust. The business of banking as well as economic growth developed on the basis of bankers moving money from those who have it to those who need it on the basis of trust, and making a profit in the process. The use of credit enables entrepreneurs to leverage their business efforts with extra money and thus create economic wealth (Littlefield et al. 2003; Davis and Khosla 2006).

Microfinance Services to Poor People

Poor people need money to meet life-cycle needs like education, childbirth, and marriage ceremonies as well as for their day-to-day needs including emergencies like sickness or injury, deaths of loved ones and natural calamities such as war, floods and droughts. Sometimes poor people have opportunities to invest in existing or new business ventures, or to buy land or other productive assets: they have to find money one way or another to meet these needs. Rutherford explains that the option mostly available to poor people is to find "a way of turning their many small savings into large lump sums" (Rutherford 1999: ix). Thus microfinance was seen as the development strategy that would enable an accumulation of those small savings, provide access to credit in lieu of savings and increasingly nowadays provide access to other financial products like micro-insurance and mobile money wallets to facilitate funds transfers.

Microfinance moves the development focus from hand-outs and welfare support, to recognizing the inherent capacity of poor people to help themselves if facilitated. To demonstrate the positive impact of microfinance, Daley-Harris tells the story of Saraswathi Krishnan of India whose husband, an unskilled wage labourer, earned very little and squandered it all on alcohol. In desperation following the increasingly depraved state of their lives, Saraswathi sold her daughter into bonded labour in order to meet some of the bills. Five years later, she had joined a women's self-help and microcredit program where she got a loan, which enabled her to buy back her daughter and start a small vegetable-selling business. With progressive loans, her economic status improved and

consequently her family's livelihood (Daley-Harris 2002: xi). This is one of numerous stories told about the successes of microfinance.

The Growing Significance of Microfinance

Through various experiments over time, and adaptations over regions, microfinance has been able to structure and improve on specific products targeted on poor people. Clients are attended to in their areas of business contrary to the traditional need for a client to visit the bank. Field staff visit client groups on bicycles and motorbikes. In order to create efficiencies, the use of technology was expanded upon; 'accounting systems, and later software specifically designed for micro-lending evolved, as did training programmes for the staff…" (Dichter 2007:3). With access to more working capital, some clients have been able to purchase stock in bulk and therefore benefit from higher profit margins from retail trading. Others have diversified into more lucrative products while yet others have invested in tools and equipment for business development (Copestake et al. 2001; Dowla and Barua 2006).

Microfinance was recognised as one of the few anti-poverty approaches with evidence of effectiveness and capacity for scale (Otero 1999). This significance was firmly endorsed when The United Nations declared 2005 as the International Year of Microcredit, epitomised by various events globally that raised the profile of microfinance (United Nations 2004). On a global scale, microfinance has grown into an industry that is attracting substantial resources. It is reported that between 2004 and 2006, the stock of

foreign capital investment into microfinance globally, covering both debt and equity, more than tripled to US$4 billion. The report further acknowledges that microfinance

> …is a very attractive proposition for a growing segment of socially responsible investors. The socially responsible investment (SRI) market is huge, with over US$4 trillion in assets. The emerging markets share accounts for a meagre US$5 billion, but this is growing fast. The SRI world comprises a wide spectrum of investors with differing expectations, from those willing to receive below-market returns to those seeking competitive returns within the context of a social mandate. SRIs are attracted to microfinance institutions (MFIs) because MFIs are "double bottom-line" institutions that seek to have a positive social impact alongside financial returns (Reille and Forster 2008:1).

By the end of 2014, it was estimated that investments in microfinance had gone up from US$8.7 million in 2012 to US$10.4 billion (Symbiotics Group 2013; Symbiotics Group 2015).

What started as microcredit with an emphasis on provision of access to credit for poor people matured to include a much wider range of financial services like savings, insurance, and other innovative financial services. Private investment vehicles like the Gates Foundation took interest in broadening the reach of microfinance by offering specific support towards financial services for poor people. In 2010, the foundation pledged a total of USD38million in order to 'provide 11 million people with access to savings over the next five years across Latin America, Asia and Africa' (Microfinance Focus 2010). Banks, which previously shunned and considered poor people 'unbankable' saw the potential and started going downstream (Bell et al 2002), and evidently there has been an increase in resources being allocated to microfinance (Reille and Forster 2008).

1.3.4 Optimising Microfinance Services

Serving poor people with financial services entailed specific targeting for optimum benefit to the institutions as well as to poor people:

Segmenting poor populations: The early days of microfinance acknowledged that credit is a "powerful tool that is used effectively when it is made available to the creditworthy among the economically active poor participating….in a cash economy- people with ability to use loans and willingness to repay" (Robinson 2001:20). Microfinance provided a solution for poor people's lack of collateral to secure their loans; easy accessibility to more poor people; and lending efficiencies for very small loans (Robinson 2001; Dichter 2007; Bell et al 2002; Littlefield et al 2003; Otero 1999). It was however apparent that not all poor people could use microfinance services (Robinson 2001).

Table 1.3- Robinson's Toolbox (Robinson 2001)

Income level	Commercial financial services			Subsidised poverty alleviation programs
Lower middle income	**Standard commercial bank loans and full range of savings**	**Commercial microloans**	**Interest bearing savings accounts for small savers**	
Economically active poor				
	Official poverty line			**Poverty programs for such purposes as food and water, medicine and nutrition, employment generation, skills training and relocation**
Extremely poor				

This diagram indicates that poor people engaged in economic activities would best be suited to benefit from microfinance services, and therefore the need for microfinance institutions to segment the population of poor people they target on the basis of their capacity to utilise specific services on offer. This puts premium on engaging poor people.

Gender: The gender perspective was another issue that needed to be addressed. It was generally understood that "women bear a disproportionate weight of the world's poverty, representing 70% of the world's poor… that women have the potential to be the engine of economic and development progress" (Trickleup 2012). The group methodology focused on providing services to women.

Identifying microfinance tensions: In order to provide much needed financial services in this difficult configuration, microfinance institutions with a social focus found themselves in a constant tension between reaching more and more poor people with financial services (outreach), ensuring that the services provided were actually moving people out of poverty (impact), and ensuring enough returns for the institution to generate a surplus that would attract more capital to serve more people (financial sustainability). Thus the conversation of outreach, impact and sustainability became topmost for microfinance institutions. In their attempt to achieve the three objectives, microfinance institutions needed to strike an impossible balance or live with trade-offs. Microfinance institutions have particularly experienced trade-offs between impact and financial sustainability (Zeller and Meyer 2002). Providing small loans could be as costly as it could be risky. The use of group lending methodologies is one approach that enabled

serving poor people and creation of efficiencies through volume. Generally however, these factors contribute to the complexities that microfinance managers have to navigate in order to deliver to their mission.

Participation and the Group Lending Methodology

The group lending methodology in microfinance is possible with the support of cohesive community structures. From the microfinance institution perspective, this way of engaging the community provides a buffer to risks associated with lending to opportunistic businesses that require very small loans, whose owners lack adequate collateral and ride on the limited and untested skills of low income people (Dichter 2007). The group lending methodology helps create efficiencies in that more people can be served under the supervision of very few field staff. Furthermore, the group takes on the responsibility of ensuring debt recovery, thereby reducing follow-up costs for the microfinance institution. Social capital is assumed when group members guarantee one another on loan repayments (Rankin 2002). Furthermore, the cost of providing tiny loans is mitigated by the aggregated group loan and that one loan officer can serve a lot more clients when they are in a group as opposed to serving them individually. There are certain assumptions that are made regarding the benefits that are meant to accrue to communities as they work together. Some of these are already outlined in table 1.1 on page 8.

The institution derives benefit as indicated in the following table:

Table 1.4- Risk-Mitigating Features of Group Lending Methodology

Critical programme factor	Group lending benefit
Outreach- An important indicator to demonstrate the poverty focus of an MFI. Continued donor support often depended on reaching more and more poor people.	Group methodology enables reaching large numbers as communities mobilised themselves. More groups meant reaching more people.
Efficiency- Providing small loans to individuals accounts for lower returns to an MFI. Also recipients tend to be riskier thus not cost-effective. It becomes necessary to keep costs low while increasing the volume of loans given.	The group methodology reduces cost of service delivery. For example, one field staff could cover up to 15 groups of between 25 to 40 clients. This averaged 450 clients per loan officer. Also, community participation in mobilising members and taking on some of the roles of assessing and monitoring loans, reduced costs further.
Profitability- MFIs have to secure continuity by ensuring full cost recovery. Reducing costs is one mechanism as well as ensuring full loan repayments for minimum risk of capital loss from bad debts.	Peer pressure from community participation ensured timely loan repayments and contribution to profits through interest charged.

The group methodology however is a construction of the microfinance institution and not necessarily a desired option of the people who receive the service. The perceived benefits are assumed. Robinson laments the limited influence of poor people who require microfinance services: "usually poor people are unable to inform formal markets about their creditworthiness or about their demand for services and loans" (Robinson 2001:9). The evidence of benefits accruing to poor people in some cases has not been compelling. Robinson concludes: "Those who hold the power do not understand the demand and those who understand the demand do not hold the power" (Robinson 2001:9).

1.3.5　Criticism of Microfinance Practice

Though various impact assessments validated the work of microfinance, critics raised concerns of exaggerated benefits (Mahajan 2007; Dichter 2007; Allen 2007, Karim 2011). Criticisms were levelled at the quality of the microfinance institutions; others were triggered by the exponential growth of the industry and the negative connotations of attracting profit-driven investors. Yet further criticism arose that the growth in the industry had actually alienated the very poor who needed the service the most.

Institutional Quality: It was noted that an increasing number of microfinance institutions were experiencing operational challenges thereby necessitating the formation of the Consultative Group for Assistance to the Poorest (CGAP) in 1995, to provide performance guidelines and standards. However an alarming number of microfinance institutions failed to reach acceptable performance standards in order to retain organisational perpetuity beyond donor support. Weak institutions led to failures and consequent closures, thereby not only denying poor people a much-needed service but also inflicting losses on those who had invested funds in the institutions. Of the 10,000 or so microfinance institutions worldwide in 2007, only 3-5% were in a position to cover their office running costs from the income they made in the course of business (Allen 2007). In June of 2006, The Central Bank of Rwanda closed 9 microfinance institutions, which failed to meet basic requirements (MINECOFIN 2007). In 2010, the Central Bank of Nigeria revoked licences of 224 microfinance banks citing reasons of "deficient understanding of the microfinance concept and the methodology for delivery of

microfinance services to the target groups. Many of them lost focus and began to compete with deposit money banks for customers and deposits, leaving their target market unattended..." (Nigeria News 2010). In 2006 the district authorities of the Andra Pradesh region of India closed 50 branches of two microfinance institutions and the reasons included very high interest rates and aggressive loan recovery processes which were hurting poor people (Shylendra 2006). These are a few examples of institutional challenges facing microfinance.

In order to assist fledgling microfinance institutions, ILO put together a compendium of microfinance management training modules and embarked on a global training and accreditation process. ILO has had a long history of involvement in improving management practices as a strategy for improving labour relations (ILO 2011). They have an added interest in self-employment and took the lead in identifying the informal sector as a place for development interventions (Dichter 2007). They were therefore concerned with poor practices in microfinance, which would have a detrimental effect on finance to the informal sector. The training and accreditation of trainers would ensure a localised resource base for improvements in the management of microfinance institutions.

Exponential Growth of Microfinance: Social investors sought to finance institutions that were well managed with clear success indicators, the most critical of which was the capacity to operate without subsidies while creating positive social impact among poor people (Reille and Forster 2008). The success of a microfinance institution also depended greatly on favourable market conditions with low cost access to large numbers of

potential clients who had viable enterprises. The fickleness of the circumstances of poor people compounded with general unfavourable conditions in most low-income countries increase the risks for any microfinance institution set on poverty reduction (Allen 2007). Managing microfinance institutions under such complex circumstances posed great challenges requiring skilled staff not readily available in low-income countries. The quality of management was cited as the biggest risk facing the industry and evident in the challenges that microfinance institutions faced in their "ability to handle a rapidly changing environment, growing complexity and pressures of commercialisation and competition" (Lascelles 2008:15). In order to respond to these concerns, more stable institutions started recruiting professional staff from financial institutions with the intention of creating robust institutions with commercial foci. Further developments included the establishment of regulated microfinance banks that would be more stable and present an attractive option for social investors (ACCION 2003).

However, those institutions that commercialised and seemed to have resolved the internal management issues for effective operations attracted a whole host of criticisms. One respondent to a survey of large-sized microfinance institutions (over USD5million in assets) was quoted as saying that "top-end, commercially-driven MFIs and banks are becoming the new loan sharks" (Lascelles and Mendelson 2011:23). This accusatory comment came in the wake of survey results, which revealed concerns like client over-indebtedness and unethical practices as a consequence of unfettered growth that did not attend to client preparedness. The survey undertaken by the Centre for Study of Financial Innovation (CSFI), aptly entitled 'Losing its Fairy Dust', described the emerging

perceptions of an "industry that has led a charmed life as an unquestioned public good but is now having to face up to a world of hard knocks" (Lascelles and Mendelson 2011: 29). The issue of over-indebtedness was particularly damaging to the reputation of microfinance. It gave the impression that microfinance institutions may have drifted from their 'raison d'etre' and in pursuit of profits, were likely worsening the plight of poor people.

1.3.6 Criticism Regarding Impact of Microfinance on Poor People

Regarding benefits to poor people, microfinance institutions were criticised for the following issues:

Exaggerated benefits- An important question being asked was whether the growth of microfinance was reducing poverty among poor people. Critics aired concerns of exaggerated benefits to the poor. Mahajan described the growth phenomenon as a 'global fad' and questioned claims to poverty reduction (Mahajan 2007).

Stigma of debt- The concerns included the stigma of debt in societies where debt was not normally condoned (Dichter 2007);

Need for other services- There was a recognition of poor people's livelihoods being dynamic and diverse, and therefore needing other services like health, schools, etc., apart from just debt (Matin et al. 2007);

Exclusions of the very poor- Client targeting to the exclusion of the very poor and the rural poor from microfinance programs that primarily targeted the entrepreneurial poor

(Allen 2007). This criticism is confirmed by the segmenting mechanism recommended by Robinson in the discussion above (see page 36)

Poor people being sidelined- There was an argument that poor people seem to be side-lined from deciding on what was good or what worked for them (Mahajan 2007).

Poor people's dislike for working in groups- Harper talked about poor people's dislike of being forced to work in groups (Harper 2007; Musonda 2006)

Lack of pricing information to poor people- Rippey laments the general "tolerance of and collusion in pricing obscurity" such that often poor clients had little understanding of the effective cost of funds (Rippey 2007).

A failed model- Some people saw microfinance as a failed model. One example given is the outcome of Jobra, the Bangladeshi village where Dr. Muhammed Younus founded the Grameen Bank in the late 1970s. The fact that Jobra remained trapped in poverty 30 years later was used as evidence by critics that a replication of Jobra occurred wherever microfinance had become saturated, and that poverty had remained endemic (Bateman 2011).

Misallocation of resources- Critics cited the "misallocation of scarce financial resources into microenterprises…effectively starving the SME [small and medium enterprises] sector, which has potential to grow to scale" (Bateman 2011:32).

Gender concerns- The gender perspective was particularly highlighted. Through a series of ethnographic cases, Karim found that in some cases microfinance loans had resulted in a new form of domination against poor women as the loans were really used by men though signed for by women. She alludes to the theory that where men still dominate

women are held responsible for loans because of their positional vulnerability and not because of their entrepreneurial skills. She also found that loans had benefitted the rural middle-class who can assure high repayments at the expense of the vulnerable poor (Karim 2011).

Loans not always used for business- Research revealed that microfinance clients do not always use the loans they get to enhance their businesses so as to increase their incomes (Ledgerwood and Gibson 2012). Claims of the efficacy of microfinance in this regard falls short of the reality of poor people that often they have "either limited capacity to use investment credit or more pressing needs for [financial] products that support consumption and income smoothing" (Ledgerwood and Gibson 2012: 15).

Not all microfinance clients are entrepreneurs- Microfinance assumes that people in poverty are entrepreneurs who can manage the risks of running businesses to increase their incomes. DeBerry and Elliot define everyday challenges that micro-entrepreneurs face as "problems, including events, conditions, and people, that impair the ability to conduct daily business operations… characterized by frequent occurrence, disruption, and idiosyncrasy" (DeBerry and Elliot 2012:1666).

Clients frustrated with microfinance practice- Poor people expressed frustrations with the way they interacted with microfinance programmes. Wilson cites some of the stories in the following quotes. This is from a loan officer:

> I am tired of visiting this neighbourhood to pressure people. Yes Mrs. P. is responsible for the loan but she is sick and a widow. She has been harassed by women in her group and by me. I try to be very nice to her, but my job depends on good repayment. My clients do not tell me their troubles any more. Now I am a moneylender and I never hear their news…They do not see me as helping them but, as an enemy (Wilson 2007:103).

In another conversation, a client reflects on her experiences as part of a group that

got a loan:

> I spend a lot of time now thinking about my neighbours and who will pay
> back and who might not... Some I don't trust as much as I did. I worry that
> their choices may mean they cannot pay back their loans when it is time
> (Wilson 2007:103).

Another quote on microfinance interactions with groups:

> One client in Egypt said "group members came to the house of my father
> where I lived after my husband had died suddenly. They pounded the door
> until the neighbours heard and demanded he pay the loan back. My father
> was shamed and asked me to leave" (Wilson 2007:103).

The clients in the groups that receive loans express frustrations in the group lending

methodology that engages poor people on the basis of community cohesion, which is also

the outcome of individual participation within those communities. Harper notes that

generally high loan repayment rates are directly associated with more frequent group

meetings though "there has been pressure to reduce the frequency of meetings (Harper

2007:44). He cites an MFI in Vietnam where member attendance to group meetings

dropped from 100% to 20% within a three year period (Harper 2007).

1.3.7   Practitioners' Responses to Criticisms

In response to the critics' concerns, the industry started advocating for demonstration of

social performance through various indicators as evidence that poor people were indeed

benefiting from microfinance activities. In 1998, the Ford Foundation's Development

Finance Affinity Group commissioned an initiative known as *Imp-Act* to ascertain the

real poverty reduction impact of their investments into microfinance. The study

acknowledged that the big dilemma was whether to focus on social performance or stabilise the institutions first, and noted that having a practical strategy for implementing a defined mission was not enough: there was need for a separate process for monitoring the intended clients, their needs and how the strategy was meeting those needs (Copestake et al 2005).

The Smart Campaign is a parallel initiative to help microfinance institutions focus on their real reason for existence: serving poor people. The Campaign developed guiding principles, named 'The Client Protection Principles' that were meant to safeguard the interests of microfinance clients from potentially harmful financial products, through appropriate policies, practices, and products. (Smart Campaign 2011). There has therefore been an active consciousness to ensure that microfinance practitioners remained faithful to their original mission. For example, a study conducted by the Smart Campaign to listen to microfinance clients in four countries found that clients have inadequate understanding of the basic attributes of microfinance products and that there were few channels for filing a complaint beyond the loan officer (Meka and Sanford 2016).

The *Imp-act* initiative and the Smart Campaign are MFIs responses to the need to be relevant in poor people's lives and the answer to this might lie in listening, learning and responding appropriately to poor people's voices.

Zollman and Collins explain poor people's perspectives regarding livelihoods that are based on acquiring income: "In the absence of reliable lifetime employment, earning and allocating money are inseparable;… cash flows are erratic and unpredictable; …financial decisions that affect family living standards are small, daily expenditure and savings choices, requiring discipline more than analytical skill; …financial decisions are relentless, unavoidable, and urgent…" (Zollman and Collins 2010:8). Zollmann and Collins contrast that for middle or high-income earners, "earning money and managing money are separable tasks. Financial management for them is more about *resource allocation*: distributing a regular cash inflow across immediate expenditure, intermediate savings, and more distant investment to maximize value available for life events and old age (Zollman and Collins 2010:8). Poor people on the other hand do not have that luxury; earning and allocating money are inseparable. They have to maximize income flows at every opportunity. It means therefore that solutions that are used for high or middle-income people cannot be freely used on poor people. This is the microfinance dilemma: how to finance poor people when their specific financial needs might be unknown. With the increasing discussions around financial inclusion for those who have been excluded from the financial space for various reasons, the microfinance catchment area has broadened even more. Thus questions remain unanswered and are summarised by one respondent to a survey:

> "…the industry will face a huge reputational risk with the growing clash between opposing ideology and expectations. Is microfinance primarily about financial inclusion or poverty alleviation? Is microfinance primarily a business opportunity or a development intervention? Does microfinance really meet both financial and social return expectations? Is it a 'either or'? Or has microfinance many faces?...." (Lascelles and Mendelson 2011:22).

1.4   Microfinance and the Church in Social Transformation

The Church has hailed microfinance as an appropriate solution for moving poor people from dependency to participating in their own development and with potential to strengthen the local Church (Boucher 2012). There is an understanding that "by participating in microfinance programs, Church members can develop occupational skills and learn financial discipline…This strengthens the Church by improving the economic situation of its members and by putting them in a better position to tithe or donate their time and resources" (Boucher 2012:170). Proponents of Christian microfinance recognise that the Church is already well integrated in the community and usually with access to community groups; trusted by borrowers as institutions that care; emphasise qualities like compassion and integrity- attributes that are important for strong microfinance programs; and are often better placed to reach the poorest of the poor (Boucher 2012). In talking about the actions of the Church in the development arena, Tsele recognises that while the Church was prolific in incorporating development projects in education, health and agricultural sectors within missionary endeavours, other development actors have now occupied the space. He asserts that for the Church to strengthen its legitimacy in the development domain, there is "an obligation to demonstrate that the Church brings something substantive, and that our commitment is driven by different motives" (Tsele 2001:209).

This is the same challenge faced by Christian microfinance institutions- how their substantive differentiation leads to holistic outcomes that include social transformation.

Boucher advocates for Churches setting up savings-led programs and in need seeking to partner with microfinance institutions for formal loans programs to "ensure that that high quality, sustainable financial services are provided along with support services and spiritual development" (Boucher 2012:174). In a blog, Russell praises the work of a Church that partnered with a Hope International microfinance program to provide transformative low-cost microfinance services by facilitating short-term volunteer missions to the Congo (Russell 2008). The point of inquiry however, is how the social transformation occurs. Getu postulates that Christian Microfinance Institutions should serve poor people with financial services that enable transformation, innovation, nurturing, stewardship, partnership and responsiveness. He is however quick to acknowledge that more work is required to achieve these ideals (Getu 2013). Though there is strong evidence that support transformative partnerships between microfinance institutions and the Church, the missing link seems to be clear synergies that feed off the voices of poor people. This forms the core of this research.

1.5 The Revised Research Problem

The literature review showed that poor people tend to be marginalised and lack a voice, thereby adversely affecting their individual and collective agencies. If development is about enlarging people's choices (ul Haq 2012), and poor people can be more empowered as they participate in their own development, it is necessary that opportunities be given to enable their voices (Narayan et al 2000). However, there are evident impediments to engaging the voices of poor people given their limited education and skills. It has also

been found that sometimes poor people communicate what they think is expected of them, especially where benefits are anticipated, thus negating the essence of their own agency (Roodman 2012; Chambers 1999). I therefore saw the need for a participatory action research that would firstly determine how poor people articulate their livelihood issues in ways that elicit appropriate responses and support, and secondly to ascertain how poor people's voices can inform microfinance practitioners in the design and delivery of appropriate loan products. The action research worked with the Chinyika Community in rural Zimbabwe and the COSUN (Community Support for the Needy) women's group in peri-urban Zambia. The overall research plan therefore was to respond to the following questions:

1. What are poor people's voices regarding their livelihoods?

1a. How do they influence beneficial responses?

2. How can poor people's voices inform microfinance practice in the design and delivery of appropriate loan products?

The following chapter describes the overarching research methodology of participatory action research.

Chapter 2: The Research Design- Methodology and Methods

In this Chapter I discuss the research design and the research methodology that takes into account the revised research questions to include two components: understanding poor people's cultural historic context that enables them voice, and allowing them to inform microfinance practice. The chapter discusses the overarching methodology and its detail along with the research methods used.

2.1   Introduction to the Research Approach

As a microfinance practitioner, I chose participatory action research as the methodology that would allow me to research, develop and implement a new approach to lending money to poor people in response to financing needs that meet their livelihood aspirations. Critical to the research methodology are the voices of poor people within the context of microfinance loans. Participatory action research will enable an understanding of the 'general laws of group life and the diagnosis of a specific situation' namely the articulation of a financial need that both expresses the livelihood aspirations of poor people and informs the design and delivery of a financial product (Lewin 1946). The idea of conducting such a research required identifying a community of people living in poverty that would ordinarily need financial services as a livelihood solution. The community would also be willing to participate in the research to influence microfinance practice especially by informing provision of appropriate loan products.

In opting for participatory action research methodology, I was cognisant of the fact that communities living in poverty often have limited education and lack entrepreneurial skills and that those elements would impinge on their capacity to articulate their financial needs and therefore appropriately inform the research process (Chapter 1.1.3). This was highlighted during the research process as participants expressed their need for someone to speak for them as is discussed in Chapter 7.2. The gender aspect was also a factor that would impinge on poor people's capacity to fully engage with systems that affect them. Though this research was not intended to focus on gender, the group lending method used in microfinance institutions mostly serves women, just as the community that participated in the action research were all women. Goldberger et al argue that women often struggle to gain a voice and claim the power of their own mind; feel unheard even when they believe that they have something important to say; are stereotyped; and are often judged on the basis of a male-dominated concept of knowledge (Goldberger et al 1987). These challenges called for a specific way of enabling research dialogue with poor communities especially that women would be in the centre of ensuring a livelihood.

Having identified the research idea, and pursuant to action research principles, I sought to find similar research that highlighted how poor people's voices had informed the design and delivery of financial services. This information would provide insights into poor people's practices and motivations for seeking the type of financial services they obtained and thereby inform practical steps needed to achieve the research objectives (Lewin 1946). My search was not successful- rather it revealed qualitative studies done to

understand the coping mechanisms of poor people living on less than $2 a day (Collins et al 2009); clients' choices to use different financial services and move from one service provider to another (Mukwana and Sebagin 2003); ethnographic studies on the adverse impacts of microfinance (Karim 2011); quantitative studies that highlighted the impact of microfinance services on clients' lives (Copestake et al 2005); and a systematic quantitative assessment based on comparing 15 separate impact evaluation studies that included 4 randomised controlled trials, 2 non-randomised controlled trials and 9 case control studies done in both rural and urban- based microfinance institutions in 10 Sub-Saharan countries (Stewart et al 2010).

Since the ultimate purpose of this research was to inquire how microfinance services can truly meet the expectations that poor people have, quantitative studies that highlight the impact of microfinance services would have been a useful approach. However, a different approach was sought out of the recognition that quantitative impact studies tend to be confirmatory and predictive in presenting outcomes using measurable facts, on the basis of underlying assumptions of the validity and accuracy of the evaluation instruments (Hayes et al 2011; Chenail 2011). For example, in the CETZAM impact studies, the instruments included measuring variables that confirmed CETZAM had successfully targeted poor people living under the poverty line and that their experience with utilising credit had increased their incomes thereby improving their livelihoods. CETZAM's strategy had set that as its goal and the evaluation instruments were designed to confirm that fact (Chapter 1.2). However, a later study with CETZAM clients suggested that the service did not meet their expectations, thereby raising questions as to the validity and

accuracy of the evaluation instruments to delve into the unspoken assumptions of the poor people concerned (Musonda 2006). Thus the choice of a qualitative approach in this research aims to locate the outcomes within the experiences of the community in the research. Enabling poor people's voices to influence the design and delivery of a loan should bring out an understanding of purpose, meaning and ethical outcomes that resonate with poor people's expectations (Hayes et al 2011). The absence of similar prior studies meant that the research methodology needed to incorporate a way of understanding the voices of poor people and how they influence actions that respond to their needs. Participatory action research with a specific community using qualitative methods would enable an understanding of poor people's voices as they articulate their livelihood needs and consequently inform the design and delivery of a financial product.

2.1.1   Research Objectives

The ultimate goal of this research is to understand how poor people's voices can inform the provision of microfinance services that respond to their livelihood needs. The process of reaching this goal entails creating a dialogue space that enables poor people's voices to inform beneficial financial processes. In the final analysis, poor people's voices should inform the design and delivery of financial services that contribute positively towards their livelihoods. Critical to this inquiry is the dialogue space that enables poor people's voices to articulate their financial needs and by so doing, influence the financial services they receive.

2.2   The Research Methodology: Participatory Action Research

The overarching research methodology is participatory action research. Within this methodology is nestled a case study of the Chinyika Community using the cultural historical activity theory as an analytical lens. The findings of this case study informs a similar study with the COSUN group members to form the basis of an analytical framework. This framework is used to analyse the data from the part of the research with the COSUN Group where they design a loan and access it. The following is the research design in responding to the research questions:

1. What are poor people's voices regarding their livelihoods?

1a. How do they influence beneficial responses?

2. How can poor people's voices inform microfinance practice in the design and delivery of appropriate loan products?

Table 2.1- The Research Design

ACTION	PURPOSE	QUESTIONS
Analysis of Chinyika community using activity theory	Listen and learn how poor people influence actions that benefit them.	1. What are poor people's voices regarding their livelihoods?
Analysis of COSUN group using activity theory. This action is informed by the analysis of the Chinyika community.		2. How do they influence beneficial actions?
COSUN group informs the design of a loan and accesses it.	Create dialogue space for poor people to articulate their livelihood needs and inform design of financial service.	How can poor people's voices inform microfinance practice in the design and delivery of appropriate loan products?

Following action research principles, the first action in fact-finding happened with the Chinyika Community in 2009. This phase contributed to the overall research plan in that it enabled an understanding of poor people's voices about their livelihoods, and how they influence actions that contribute to those livelihoods. In this part of the research, I introduce an innovation through the use of the cultural historical activity theory as a way of analysing the communities for the purpose of understanding the dynamics in their contexts.

2.2.1   Innovation in the Research Methodology

The analysis of the Chinyika community and the COSUN group uses the cultural historical activity theory (activity theory) lens to have a holistic understanding of the community context that enables poor people to articulate their needs, be heard and consequently influence decisions that benefit them. This is an innovation that has not been used before in relation to the impact of microfinance on poor communities. The importance of this innovation is that it allows for in-depth understanding of the cultural historical context within which progressive dialogue with poor people can inform microfinance practitioners in the design and delivery of appropriate financial services that will produce desired impacts. Activity theory is a tool that enables an analysis of human activity within the context of their socio-cultural and socio-historical environment on the basis of consciousness and intentionality (Nardi 1996). Thus the participatory action research methodology nestles a case study using activity theory as an analytical lens.

The research starts in the Chinyika community to explore their capabilities in negotiating available opportunities that support their livelihoods. Though this community did not design a microfinance product, this phase of the research process enabled an understanding of how their voices influenced livelihood solutions. This analysis then informed the overall research plan that included the need to conduct a similar analysis with the COSUN women's group before going into designing a financial product that responds to their needs.

2.2.2 Introduction to Participatory Action Research

Action research is associated with action and learning as central themes. There are several types of research that are action-oriented and collaborate with subjects. For example, in organisational and professional development, action research is driven by the perceptions of the practitioners and builds on existing theories and actions to both improve the practice and prove hypotheses (Herr and Anderson 2005). Action research has been used as an "emancipatory practice aimed at helping an oppressed group to identify and act on social policies and practices that keep unequal power relations in place" (Herr and Anderson 2005: 2). The nature of action research is largely determined by its primary aim: to achieve change as well as bringing about new knowing. The participation of local people in research recognises their expertise in resolving their problems and evolving solutions.

The use of the term 'action research' goes back to the 1940s and is attributed to the work of Kurt Lewin who believed this to 'be the process of gathering information about a social system while simultaneously attempting to change the system' (Detardo-Bora 2004: 241). Herr and Anderson define action research as a form of inquiry that "is done *by* or *with* insiders to an organisation or community, but never *to* or *on* them. It is a reflective process…" (Herr and Anderson 2005: 3). Armstrong's definition is that of a process that "generates knowledge, bringing about change, through processes of observation, reflection and critical engagement with ideas and practices" (Armstrong and Moore 2004: 2). Yet another definition for action research is "a participatory, democratic practical knowing in the pursuit of worthwhile human purposes, grounded in a participatory worldview" (Bradbury and Reason 2001: 1). These definitions focus on enabling active interaction with people in order to bring about change.

In his description of action research, Lewin identified several steps that start with a general idea to reach a certain objective and figuring out how to carry out that idea using available resources. This assessment or fact-finding leads to an overall plan of action as well as identification of the first step of action. The evaluation following first action will determine whether the objective has been achieved and also provide insights to inform next action step or modify overall plan before moving on to next action step. What Lewin refers to as fact-finding is important for the purpose of evaluating the action, gathering new insights to bolster learning for 'correctly planning the next step' and create a basis for revising the overall plan (Lewin 1946:38). This process creates a research spiral of

planning, execution and evaluation depending on the insights gathered from the execution stage. The insights garnered inform the following round of data gathering, analysis and actions (Herr and Anderson 2005). Subsequent cycles become a function of how those insights provide enough of a basis to inform a continuation into the next cycle. The first cycle therefore is just as informative as subsequent cycles. The following diagram demonstrates the research cycles in this research:

Figure 2.1- Action Research Cycles
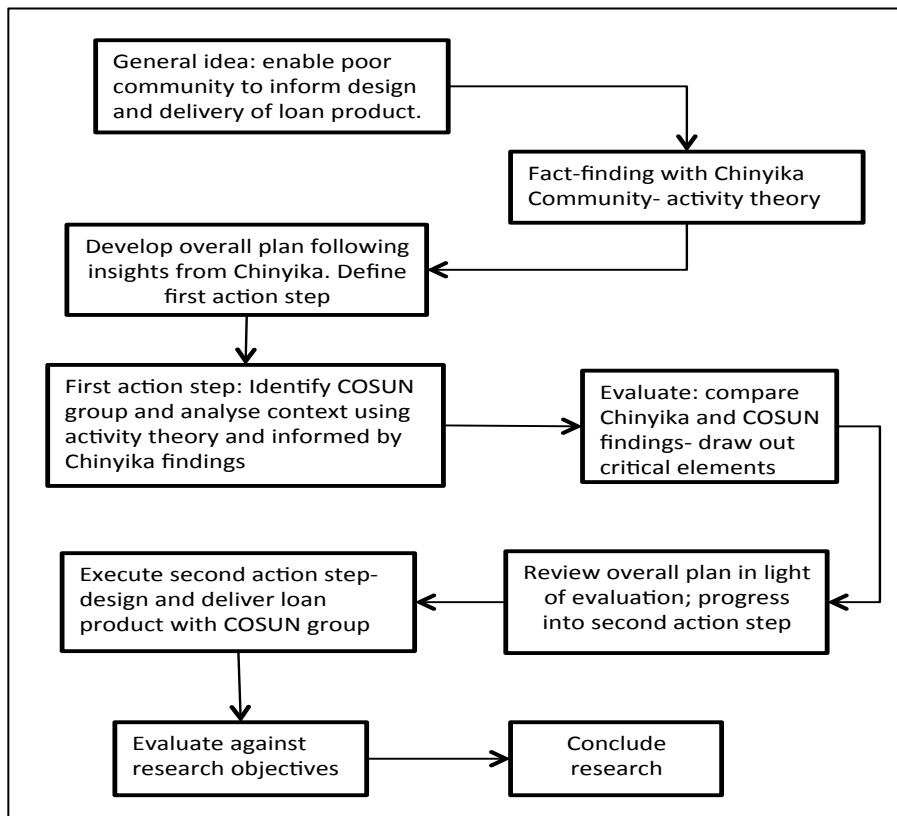
This participatory action research started with the general idea of enabling poor people's voices informing the design and delivery of a microfinance loan that meets their livelihood needs. This research would take place with a community that was living in poverty and identify microfinance services as a solution to their needs. The opportunity to

engage such a community came in the form of a request from the Headman of Tavengwa Village in Chinyika community of rural Zimbabwe. He approached my then employer ECLOF International in Switzerland with a request to set up microfinance services in his rural village in Zimbabwe as a way of enhancing economic development. The Headman narrated how this community had attained food security in the face of persistent drought. The visit to conduct a feasibility study provided an opportunity to fact-find regarding my own research process. It soon became evident that I would be unable to conduct the research with this community as there would be no microfinance services and also that I could not relocate from Geneva to conduct the research in Zimbabwe. However, the fact-finding mission provided insights that informed the overall participatory action research plan. The community had achieved food security and therefore insights on how they did this would inform the research on how they had articulated their concerns in ways that influenced beneficial actions.

The overall plan identified the need for a similar analysis with the community that would inform the design of a financial product to meet their needs. This was the COSUN Group The analysis would also use activity theory as a first step of the research. The evaluation of the first step against the backdrop of the Chinyika findings helped to inform an understanding of elements that are critical in creating community dialogue space that would allow poor people to speak and be heard. This evaluation fed into the overall plan by way of confirming the execution of the next step of the overall plan, which was for the COSUN group to design and get a microfinance loan. An evaluation of the second action

step modified and informed the conclusion of the research, as no further actions were deemed necessary.

2.2.3 Participation in Action Research

Development projects have increasingly adopted participatory approaches to reflect a continuing belief that bottom-up approaches empower participants to become agents of change and decision-making. Participation also implies that resources stand a better chance of being used appropriately and that poor people will have a voice (Duraiappah et al 2005:3; Oakley 1995). Participation is therefore seen as a means to break dependence on external providers, as communities become masters of their own development.

At the functional level of participation is the development of social capital reflecting critical features of "social organization such as trust, norms and networks that can improve the efficiency of society by facilitating coordinated action" (Putnam 1993:167). Participation is a key ingredient as community members interact and build social capital for a common good as discussed in Chapter 1.3.2. Thus social capital is recognized as playing a critical role in poverty alleviation and sustainable human and economic development. The concepts of participation and empowerment contain complex overtones that have a strong bearing on whether people genuinely participate and get empowered. Also, while participation enables use of local knowledge, there is need to acknowledge the extent of the efficacy of that knowledge, especially as it relates to

informing financing instruments whose domain is driven by expert understanding. These impinge on the efficacy of participation as an empowering process.

2.2.4   Limitations of Participatory Methods

In the development discourse, people's participation is viewed a "valuable characteristic of a good society" (Drèze and Sen 2002: 9). Participation however, happens in the context of institutions built within communities. Participation cannot be assumed. Mobilising communities into organisations does not in itself ensure participation, nor does it overcome exclusion, subordination or vulnerability. Individuals in communities have complex relationships of kin and associational activities that affect the dynamics in the community. These can have varied impacts on the level and depth of participation that individuals experience. Also, communities may not be all resourceful and there might be structural and resource constraints that hinder successful participation. In addition, communities with high inequalities tend to locate power in a few elite individuals to the exclusion of poor people, those with low literacy levels, and across caste, race and gender divides (Mansuri and Rao 2013; Cleaver 1999; Oakley 1995).

Often participation is driven by project-related incentives and people can come together simply to derive benefits from the funding. The down side is that as soon as the benefits stopped, participation dwindled and stopped (Vollan 2011). Democratic processes may not necessarily work as community members become reluctant to use punishment

mechanisms to oppose the offending elite (Wong 2010). In some cases the cost of participation can be higher than the benefits where members have limited choices but are rather compelled to participate because of the constraints they face (Cleaver 1999; Cornwall and Brock 2005:6). Women can be particularly disadvantaged in cultures where gender connotations bestow power and authority to men (Cleaver 1999). To this end, participants may not necessarily benefit from the process of participation, but end up feeling vulnerable.

The predominant group lending method in microfinance is premised on benefits that come with access to financial services as well as the transformation emanating from working together. Rankin observes that in light of hierarchical and coercive frameworks in existence, the groups might actually be "entrenching rather than challenging modes of subordination" (Rankin 2002:16). The self-selection process is criticized for excluding the poorest, fostering similar types of people coming together thereby not promoting cross-group cohesion, and reinforcing existing divisions (Mansuri & Rao 2013; Rankin 2002). The group guarantee that takes the place of loan collateral requires vigorous monitoring of one another's consumption and repayment patterns. This can generate an environment of hostility and coercion, inimical to participation that is empowering. This is evident in Wilson's examples cited in Chapter 1.3.6 on page 46.

Nevertheless, the development conversations indicate that poor people need access to finance in order to improve their livelihoods through improved economic activities, thus endorsing the relevance of microfinance as a development strategy (van Bastelaer and

Zeller 2006: 1). At the same time, the discourse in microfinance has revealed critical challenges that include the stigma of debt among poor people (Dichter 2007); selective targeting by institutions that exclude the ultra-poor (Allen 2007); and that some financial products that are delivered in ways not preferred by poor people (Harper 2007). These occurrences serve to limit the extent of participation and exclude others from participating and therefore the question of whether the group methodology in microfinance does indeed foster benevolent participation. In this research where participation was allowed, the COSUN group members' responses to designing the loan product were largely informed by what they disliked about the microfinance loan features that they knew. For example, they determine the loan size according to their ability to pay back and not in accordance with the formula that required them to obtain loans that were not more than twice the amount of savings they would have accumulated (Chapter 6). They also removed the aspect of penalty for late payments and included a one-month grace period before commencing repayments. They further refused to have workshops as a prerequisite for obtaining a loan and stopped meeting altogether after they got the loan even though they had agreed to do so at the outset. Thus their level of participation was limited by their knowledge of what they thought was undesirable about microfinance.

2.2.5   Limitations of Action Research

Action research as a methodological approach can be seen to fly against the pre-dominant ideals of value-neutrality and rationality associated with the strict empirical approach of traditional scientific research (Herr and Anderson 2005). As the methodology has

matured, there is a much higher acceptance of action research as an alternative approach to investigating the connection between theory and practice in relation to emerging social issues in the quest for transformative outcomes. This acceptance has not absolved action researchers from clarifying the epistemological issues in order to defend the legitimacy of the methodology. Lessem and Scheiffer argue that for action research 'the scientific character or objectivity of knowledge rests on its social verifiability, and this depends on consensus as to the method of verification' (Lessem and Scheiffer 2008:199). They assert that just as scientific knowledge is relative to the defined paradigm by which it is verified, action research can also be subjected to verification through a defined paradigm, which would reside with the people. Therefore in clarifying the issues, the action researcher has the opportunity to be transparent with their own personal commitment to the research, which more often than not would be intertwined with their personal lives. Heron and Reason argue: "a worldview based on participation and participative realities is more helpful and satisfying" (Heron J and Reason 1996: 3). The participatory paradigm enables interaction with whatever reality is constructed when people both mould and encounter those realities in a participatory process. Adding to the limitations of action research, this personal "value convictions" has the potential of being seen as an imposition of the researchers values on the readers (Gergen and Gergen 2008:168).

Also, action research is a social construction between the researcher and participants, a very concentrated group in a specific context. Though the group might represent certain wider strata of the population, the influence and outcomes of the research are only directly linked to the research group. The limitation comes in trying to achieve scope,

magnitude and impact given the localised focus that negates generalisation. Gustavsen et al acknowledge that the solution to this limitation requires a complex treatment specific to subject matter and intended levels of scope (Gustavsen et al 2008). The other limitation comes with participation. DeTardo-Bora mentions voluntary participation as one of the preconditions for an action research process (DeTardo-Bora 2004). The down side of this is that if participants withdraw their participation, the process cannot go on. This research had to wind down due to this fact.

Gergen and Gergen point out that action research often "emerges in the context of oppression and justice" with the researcher collaborating for the good at the expense of dominant views that might have perpetuated the undesired state (Gergen and Gergen 2008: 168). In order to generate a context of mutual trust where participants feel free to address contentious issues, the researcher would have to reflect on the best approaches that provide a level of neutrality, and therefore avoid confrontations without diluting the issues at hand. Furthermore, the researcher would need to accept the reality of the participants without reducing their own agency and understanding. Gergen and Gergen ask the question: "Under what conditions, and with what practices, can the researcher help alternative voices to be heard, enable movement across the borders of meaning, or introduce new worlds?" (Gergen and Gergen 2008: 168). This is a challenging limitation for this research. I was faced with a difficult situation when the CPSCC (Chipata Pamodzi Savings and Credit Cooperative) wanted to unduly assert themselves over the COSUN women, to impose a new requirement where they would handle the giving out of loans and receiving of payments, contrary to initial agreements. The research process

helped the COSUN women to be assertive and do what they felt was in their best interest and they consequently decided to go against the decision of the CPSCC leaders. However, the CPSCC leaders decided to "wash their hands" and alienate this group (Chapter 7). This was not an intended outcome and it remained unclear as to the long-term consequences of this action.

2.2.6   Action research as Case Study

Action research with small communities can be regarded as case studies, which by their nature represent human beings and their way of knowing (Hodkinson & Hodkinson 2001). Case studies operate with a restricted focus, enabling detailed in-depth understanding of the phenomenon being studied and therefore enables understanding of complex inter-relationships. They allow a researcher to explore or describe a phenomenon in context using a variety of data. They also provide multiple lenses through which to explore the phenomenon and thus reveal multiple facets of that phenomenon (Stake 1995; Yin 2009; Hodkinson & Hodkinson 2001). Examining the two cases enables the researcher to understand the similarities and differences between the cases in order to "(a) predict similar results (a literal replication) or (b) predict contrasting results but for predictable reasons (a theoretical replication)" (Baxter & Jack 2008: 550). Stake differentiates the intrinsic from the instrumental case studies; in studying an intrinsic case, the researcher focuses on understanding the uniqueness of that specific case whereas with the instrumental case, the researcher's intention would be to draw out

insights towards a defined purpose (Stake 1995). In this research, the cases are instrumental in "gaining insights and understanding through particular narratives" (Shekdi 2005:21). Merriam describes the critical focus of case studies; "the interest is in process rather than outcomes, in context rather than a specific variable, in discovery rather than confirmation" (Merriam 1998: p. 19). In this way, case studies generate new thinking as they facilitate "exploration of the unusual and the unexpected" (Hodkinson & Hodkinson 2001). This particular action research is a case study as it involves small communities and aims to explore the unspoken assumptions behind poor people influencing decisions that benefit them through dialogue (Hayes et al 2011).

The philosophical essence of case studies is built upon the premise of a social construction of reality which recognizes that truth is relative based upon one's perspective and subject to human creation of meaning (Stake 1995; Merriam 1998; Miller & Crabtree, 1999). Human narratives help to "understand the situation as it is constructed by the participants" (Shekdi 2005:5). Among the conditions that Yin recommends for case study design is when a researcher wants to cover contextual conditions because of their relevance to the phenomenon under study and when the researcher cannot manipulate the behaviour of those involved in the study (cited in Baxter & Jack 2008). This approach is relevant to the whole research project: the Chinyika community managed to achieve food security as an aspect of sustainable livelihoods; the COSUN group was part of a community-driven empowerment project from a financing perspective; and designing the loan product as part of the action research process is done within a group. The activities under study were community-driven, suggesting some level

of engaging poor people's voices in informing emergent solutions. The assumption therefore is that the communities had developed a narrative that informed their understanding of supporting livelihoods. The analysis and comparison of the two communities enable an understanding of the factors that enable or disable dialogue space and these will inform an analysis of the findings from the COSUN group designing a loan that responds to their needs.

Working with COSUN women is within a restricted focal area, enabling in-depth conversations to understand their experiences with microfinance. Action research with this community is done in the context of a social construction of their reality which can be wrought with multiple and sometimes conflicting views that are subject to change (Guba and Lincoln 1994). The reality that is constructed exists in the mind of an individual concerned at a specific point in time. This reality may fall short of other realities beyond the knowledge and understanding of the community, thereby opening up possible impressions of solipsism: that the self is all that can be known to exist. It also becomes prone to instability as the constructors acquire new knowing. Case study findings are specific to the phenomenon being studied and cannot be readily generalised thus rendering them "neither ubiquitous nor a universal panacea" (Hodkinson & Hodkinson 2001). In this research it is likely that the invitation to participate in an action research process may have been understood within their reality that placed a higher focus on repaying the loan and therefore neglected the cardinal part of continuous mutual inquiry and learning for better and improved financial services. This became a weakness in the research. The objective of the research was for both the group and the researcher to

engage in a dialogue towards a new way of both informing and responding to livelihood needs with appropriate financial service. The dialogue space that culminated into a loan was meant to continue through the repayment period to inform further cycles of the research. The reality that this group created at the beginning of the research seems to have been focused more on the loan and not the process, and that derailed the process. While acknowledging these limitations, this research still utilises the case study approach, as a means of generating a new way of thinking regarding listening and responding to the voices of poor people (Engeström 2001).

2.2.7   Activity Theory: The Analytical Lens

An innovative aspect of this research is the use of activity theory as a theoretical lens to analyse the wider context of the microfinance dialogue and exchanges. Microfinance impact has over the years been a subject of many studies, with preponderance of quantitative methods. This is demonstrated by the fact that Stewart et al were able to conduct their impact study by mining data from as much as 35 separate impact studies conducted in 10 countries of Sub-Saharan Africa (Stewart et al 2010). These studies focused on the impact that microfinance had and not so much on how the socio- cultural and historical context of poor people could be a critical factor in enabling or impinging mutual engagements that would inform appropriate responses in the provision of financial services. In the absence of that level of engagement, microfinance claims for any kind of impact stand to fall short of the assumptions and realities embodied in the

voices of poor people. A literature search for examples of studies that draw on an understanding of the cultural and socio-historical context of microfinance clients did not yield any results. To that extent, this is a first of the kind of research that includes an understanding of cultural and socio-historic context in creating dialogue space that enables poor people to articulate their livelihood needs with the aim of influencing microfinance services for its and their benefit.

Activity theory is a tool that enables an analysis of human activity within the context of their socio-cultural and socio-historical environment on the basis of consciousness and intentionality (Nardi 1996). Activity theory as a concept was started by Leo Vygotsky in the 1920s and developed further by Alexei Leont'ev (Engeström 2001). Vygotsky was concerned about how people bring about change in their lives through their own activities. He developed the concept of mediation that connects the development of human consciousness "through interaction with artefacts, tools and social others in an environment … to find new meanings in their world." (Yamagata-Lynch 2010: 13). In the mediation concept, he associates human consciousness with the use of "psychological tools or signs" as a means through which individuals indirectly interact with the world. Among the signs and tools Vygotsky had in mind are the use of language, mnemonic techniques and other forms of conventional tools. He also built a link between social and historical processes, and an individual's mental processes. Wertsch explicates that forms of mediation provided by particular cultural, historical and institutional forces become the basis for human mental functioning (Wertsch 2013). Vygotsky reckoned that with the right stimulus, mediation could result in qualitative transformation. He represented the

idea of mediation using a triad of subject, object and mediating artefacts, in an effort to demonstrate the relationship between human agency and action in using artefacts within its environment to meet human need. The following diagram is representative of that:

Figure 2.2- Basic Vygotskian Triad
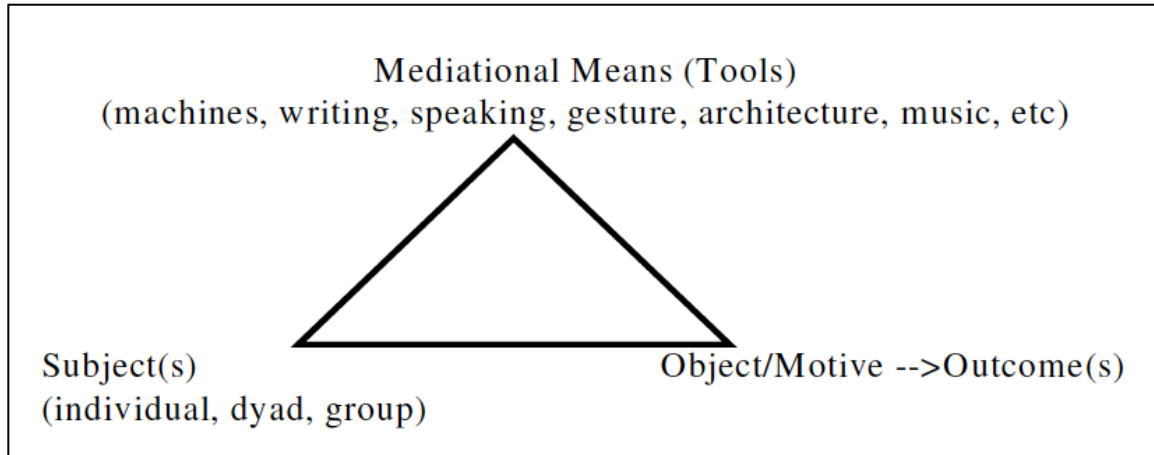
Vygotsky's basic mediated action triangle (Yamagata-Lynch 2010:17)

In this triad, the subject has a motive to reach defined outcomes and interacts with particular mediating artefact to attain that outcome. Thus a farmer (subject) in a village desiring the outcome of a crop yield would use mediating artifacts like speech in communicating his plan, a piece of land, spades and hoes, seeds, etc. to arrive at a crop he can harvest. Vygotsky's model focused on the individual action and mediation. Leont'ev expanded this thinking by highlighting the difference between individual action and collective activity. He also moved the focus to the object and the motive for working on that object. Engeström provides a graphic depiction of Leont'ev's expanded model and calls it the second generation of activity theory. He elaborated on Leont'ev's thinking to recognise "individual and group actions embedded in a collective activity system" (Engeström 2001:135). This diagram represents the expanded model:

Figure 2.3- A Human Activity System
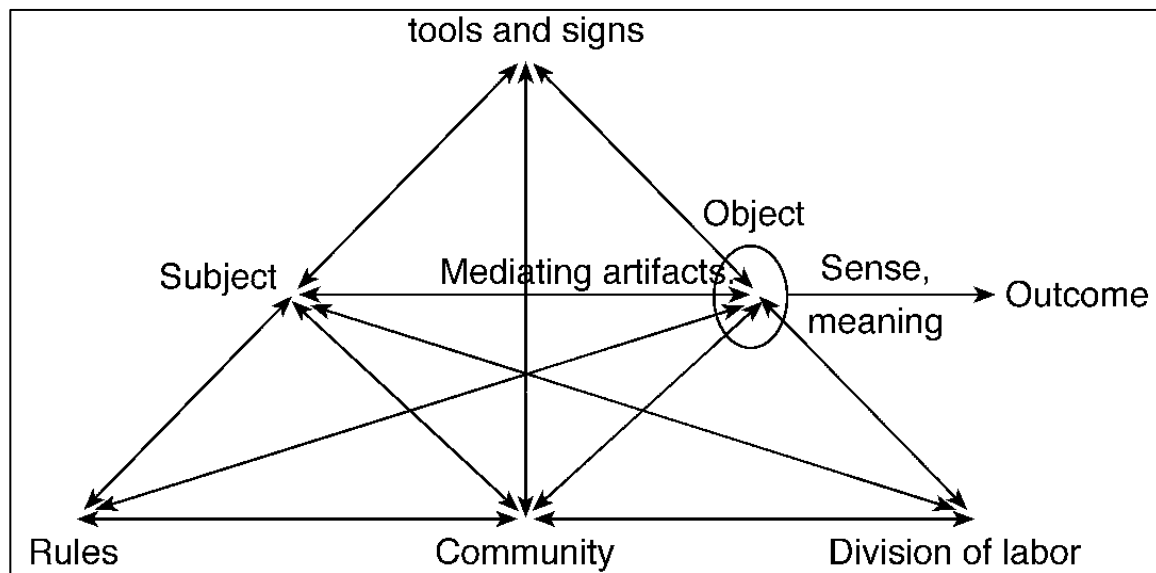
Engeström 2001

The outcome is the reason for the activity. Engeström depicts the object with the oval shape "indicating that object-oriented actions are always, explicitly or implicitly, characterised by ambiguity, surprise, interpretation, sense-making and potential for change" (Engeström 2001:134). The expanded model enables an all-encompassing examination that includes the community environment, its rules and how the individual actors cohere within the collective. Human need motivates the activity. In the example of the farmer, his need for food from the harvest will motivate his desire to farm. The farmer is the subject interacting with artifacts to get to the harvest which is his desired outcome reflected in the top triad. The expanded model recognises that the farmer has to also interact with his environment. He has to observe the rules and customs in his milieu. This brings in the historic and cultural aspects that affect his activities. The farmer would most likely be located within a community, whether it is a community of practice or merely neighbourhoods. The relationship with the community is analysed to reflect its impact on

the activity. The analysis also includes how the labour is divided, whether others do part of the work beyond the farmer and how that works out.

The analysis draws the examination at three levels: activity, actions and operations. Within the farming activity will be a series of actions like acquiring land, ensuring appropriate tools, preparing for planting, tending the field until harvest time, etc. These actions become part of an operational system, in this case, the farming operation. The analysis of an activity system therefore focuses on that system as a unit of analysis and recognises the multiple points of view, traditions and interests within the system. The historicity of the activity system provides the context for understanding how the system has taken shape over a period of time and how that relates with similar systems. Engeström argues that because systems are open, they become prone to structural tensions or contradictions that generate disturbances and conflicts and may very well lead to change and development (Engeström 2001). In the example of the farmer, a drought might bring a disturbance that will negate the outcomes of the existing system and will require a new way of achieving the same goal. This new way of achieving the same goal will inadvertently be an improvement to the old way of knowing. In the final analysis, Engeström argues that contradictions that lead to change can also bring about expansive transformation as individual participants begin to question and deviate from established norms.

As systems develop, they engage with multiple other systems to ensure desired outcomes. When the farmer is hit by a drought, that problem might move him to seek a solution that

identifies growing drought resistant crops. He might need to acquire that knowledge by engaging a training school that has the knowledge. The training school is in itself an activity system. Thus the farmer's system interacting with the school system for expansive knowing towards a desired outcome, is what Engeström describes as the third generation of activity theory. The third generation of activity theory recognises the engagement of multiple activity systems and therefore aims "to develop conceptual tools to understand dialogue, multiple perspectives, and networks of interacting activity systems" (Engeström 2001:135).

Figure 2.4- Third Generation Activity System
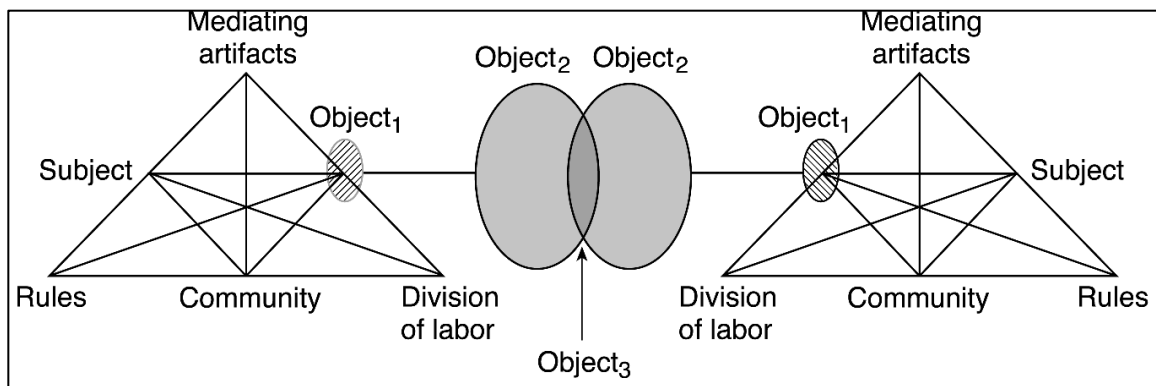
2.2.8   Linking Activity Theory to Action Research

Both activity theory and action research accept that knowledge emerges from practice. Proponents of activity theory see their process as a much more robust and reliable means of understanding the complexities in human development issues, whereas those who support action research see the reflexivity and non-prescriptive nature of the approach as

critical to analyses of people's stories in order to provide explanations as a means to change (Somekh and Nissen 2011:93). The dialogue has developed and identifies useful incidences where the two approaches can be complimentary. Action research has the capacity to "zoom in" and explore data while activity theory can be used to "zoom out" for a systems analysis of the same data (Behrend 2014:110). In this study, it was necessary to start with an analysis that highlight the complexities within the two communities given that poor people are often marginalised and their circumstances might render them ineffective to inform a complex process in the provision of financial services. The activity theory lens provided tools for meta-analysis within the case studies as a "zooming out" process.

2.2.9   Criticism of Activity Theory

Activity Theory provides a framework for describing and analysing collaborative processes. The critical component of activity theory is dialectical thinking that aims to establish a connection between the thinking process and the reality around which the thinking occurs between individuals and societal dimensions. The framework enables an analysis of human behaviour within a unit of analysis, which is the activity system under analysis. This "has to be the smallest "part" of the whole, which nevertheless embodies the whole and therefore does not reduce the complexity of the research objects in process" (Langermeyer and Roth 2006: 25). The process of dialectical thinking is made possible through mediation between the components in the activity system, and constantly questioning presuppositions during the research process. Engeström uses the

four triangles to represent an activity as the minutest irreducible whole, and therein lies one of the criticisms. Langermeyer and Roth question whether the triangular model registers the various "interrelations that render an activity system into an irreducible and undividable whole activity system"… (Langermeyer and Roth 2006: 30). They postulate that if the model suggests completeness, then it runs the risk of losing the social and societal complexity of human practice.

Langermeyer and Roth also question how the single triangle can help researchers understand the different changes that would be happening within the activity system. The diagrammatic representation presents a static structuralist dimension that may not fully recognize the dynamism existing within the system. Human praxis and individuals respond to the changes in their life conditions in ways that would impact the activity system, and would be impossible to locate in a spatial bubble. Furthermore, the model appears to pre-locate the researcher as a neutral observer analysing a system without participating (Langermeyer and Roth 2006). This may not be the case. The notion of contradictions, dilemmas or disturbance may be misconstrued to observe only those within the activity system, when in reality these can emanate from a variety of sources including other activity systems (Behrend 2014).

Despite these criticisms, I chose to use activity theory to help me understand the important variables that affect the dynamics in the case study communities and define a framework that I would use to analyse the main action research piece. The use of activity theory in this research is as a schematic to help organise the case study narratives so as to

draw out an understanding of community dynamics as they respond to the research questions.

2.3   Research Methods: Qualitative Methods

In order to address the voices of the poor, this research uses qualitative data. Qualitative research consists of 'interpretive, material practices that make the world visible' (Denzin and Lincoln 2005:3). Qualitative research enables the researcher to study things in their natural settings, attempting to make sense of the meanings of those around particular phenomena. Using qualitative methods, the researcher is able to interact with people's experience, opinions, feelings and knowledge through in-depth interviews. Because qualitative inquiries are not constrained by pre-determined categories of analysis, they tend to start with open-ended questions and therefore engender openness. A researcher can, through direct observation, postulate descriptions of activities, behaviours and interactions of human experiences (Guba and Lincoln 1994; Darlington & Scott 2002; Patton 2002).

Qualitative methods have been used in a variety of research processes including understanding the financial situation of poor people. Examples include The World Bank study between 1999 and 2005 in Bangladesh, India and South Africa, to understand how the poor manage to live on as little money as US$2 a day (Collins et al 2009). The

methodology enabled poor people's narratives to unfold and inform the construction of 'financial diaries'. An in-depth assessment of the Ugandan Microfinance market used qualitative methods to develop a deeper understanding of clients' choices to use different financial services, and also how and why clients moved between financial service providers (Mukwana and Sebagin 2003). Qualitative methods were again used in a study to try and address the increasing concerns about the efficacy of microfinance and also to ensure that the social mission to improve poor people's livelihoods did not get lost in the drive to commercialise (Copestake et al 2005). Thus qualitative methods have been used in relation to financial services. In this research, qualitative methods are used to create dialogue space that enables poor people's voices influence actions in their favour. Financial services like any other service can only contribute to intended outcomes if there is a deliberate effort to respond to articulated needs. This has not generally happened in microfinance. Furthermore, some critics of microfinance have cited poor people's discomfort with products features that are imposed upon them, like the requirement to work in groups or being required to guarantee one another's debts (Chapter 1 page 8). Dialogue space enables poor people to inform the type of financial services that would meet their expectations and the space should also inform poor people on the limitations that microfinance institutions might have in responding to financial needs thereby calling for a mutual understanding on design and delivery of services.

2.3.1 Limitations of Qualitative Methods

Traditional scientific research using quantitative methods is primarily concerned with measurement and analysis of causal relationships between variables and not the process of it. It presumes a stable and unchanging reality that is studied through empirical methods of objective science. The evidence of quantitative research tends to be very robust through measurable variables and is largely value-free of researcher's view. Qualitative research on the other hand is about the socially constructed nature of reality, utilising value-laden inquiry in trying to find answers on how social experience is created and given meaning, and recognising the relationship between what is studied and the researcher (Denzin & Lincoln 2000). Proponents of quantitative research view qualitative research as tentative and unscientific with a very exploratory and subjective view. Any research methodology needs to be able to "obtain reliable and valid knowledge appropriate to the research being conducted" (Ryan and Hood 2004:80). To this extent, qualitative research presents important limitations in that theories and facts are not independent. Facts can only be viewed through a theoretical window, thereby compromising the objectivity of the research. The second problem comes with process of induction on the basis of facts at hand. The reality is that the same facts can support different theories. An example is the fact that the COSUN women were part of the teams that dug trenches for the water system in their squatter settlement. That fact supports the agreement of community contribution of 25% towards the cost of the water system that was installed. The COSUN women use that same fact to support their view that they were duped because they expected to receive free water and jobs at water selling points

(Chapter 6.4 on page 185). Facts can also be value statements therefore compromising the value-free posture of research. And then there is the interaction between the inquirer and the inquired. A combination or any of these instances compromises the validity of qualitative research (Guba and Lincoln 1994). It becomes important therefore that robust data validity be created and demonstrated within the research.

2.4 Philosophical and Theological Underpinnings of the Research

As will be apparent from the preceding discussions of action research, and activity theory, this research has characteristics that are steeped in the critical social science paradigm. Critical social science focuses on "the *critique and transformation* of the social, political, cultural, economic, ethnic, and gender structures that constrain and exploit humankind"(Guba and Lincoln 1994: 110). Critical theory is linked to the Frankfurt School in Germany where conversations started around understanding the social sphere especially in relation to power structures and dominion. A critical social science theory is therefore concerned with "issues of power and justice and the ways that the economy; matters of race, class and gender; ideologies…and other social institutions and cultural dynamics interact to construct a social system" (Kincheloe & McLaren 2002: 90). This research focuses on microfinance as a poverty reduction strategy within a social system. It recognises that poor people are often marginalised and can experience powerlessness due to social structures that work against them. In involving poor people in

the inquiry, the research presupposes that they are holders of knowledge that can inform a process that challenges their social realities towards a higher level of emancipation (Freire 1970; Fay 1987). Fay postulates: "critical social science assumes that humans are active creatures, that is, creatures who broadly create themselves on the basis of their own self-interpretations" (Fay 1987:47). In listening to the voices of poor people, the assumption is that they have knowledge that can inform loan products that would benefit them. Critical social science aims to go "beyond surface illusions to uncover the real structures in the material world in order to help people change conditions and build a better world for themselves" (Neuman, 2000: 76).

This research also reflects theological leanings that recognise God's concern for the marginalised: poor people, the weak and destitute. This concern for social justice is repeatedly echoed by the prophets, and forms a special theme of Jesus' ministry (Sider 1993). Sider locates the concern for social justice in the creation story on the basis that God created that which is good to benefit all people. Thus an abundant life as God intended is the ideal that transformational development aims to achieve as communities' stories become part of "the story of God's redemptive work in the world" (Myers 1999:114). My own beliefs align with the thinking that a better future must include a transforming Christian community that is proactive in securing abundant life for the marginalised. Because poor people tend to view themselves as without much value and unable to make meaningful contributions to processes around them, it becomes imperative that transformative engagements be deliberately sought in order to restore this distorted and disempowering view. Christian microfinance institutions can be proactive

in enabling empowering engagements as poor people are allowed to influence the design and delivery of financial services that contribute towards an abundant life. Listening and responding appropriately to the voices of poor people will not only ensure improved services, but will have an added advantage of contributing towards restoring the distorted and disempowering image that poor people have of themselves.

2.5   Conclusions

This chapter provides a description and rationale for selecting participatory action research as the methodology to achieve the research objectives. It also explains how the case study nestling within the methodology provides an analysis of the two communities to inform an understanding of contexts that support dialogue space for poor people to speak and influence livelihood solutions. The chapter introduced the innovation of conducting a more holistic analysis of the communities through the activity theory lens as something that was being used for the first time in a microfinance research. The following chapter will outline how the research methodology is applied in practice.

CHAPTER 3: The Research in Practice

This chapter discusses the application of the research design as outlined in Chapter 2. The overarching methodology is participatory action research with a nestling of a case study within the methodology. The analysis of both the Chinyika Community and COSUN group is done using the cultural historical activity theory and the ensuing findings are used in analysing the findings from the design of a microfinance loan with the COSUN group. The research uses qualitative methods of collecting data.

3.1   Selecting the Communities

I became aware of both the Chinyika community and COSUN group through my work environment. At the time that I was Executive Director of ECLOF International in Switzerland, the Chinyika Community Headman visited our offices with a request that we consider providing microfinance services to his community. He narrated how the community had successfully attained food security by working together to address the problem of famine that had befallen them as a result of persistent drought. Their cultural and historical connection to the land and traditional grain crops informed decisions to make critical changes in food production thereby securing a solution towards food security. They thence reverted to traditional grain crops, which were better suited to the arid regions they were in. I thought this achievement and the community story behind it

was a significant component in the efficacy of poor people's voices, and therefore an incentive for understanding that cultural historical influence.

I had also been part of a team that helped design the community-driven microfinance initiatives by CARE International in Central and Southern Zambia. I was therefore aware of the existence of community cooperative societies that would have been supervising savings and credit groups as part of the microfinance activities in the community. I knew that there would be experiences of poor people interacting and possibly informing microfinance activities. I approached the CPSCC leaders who recommended that the research be conducted with COSUN, one of their savings and credit groups. Thus the selection of the communities was wholly as a consequence of contacts through my work environment, rather than being through a sampling process, as is more common with academic research.

3.2   Ethical Considerations

In both communities, my goal was to create an atmosphere of trust and mutual respect. I outlined the purpose of the research and the procedure to be taken. It was necessary to clearly explain the reason for the fieldwork and to court their willing and un-coerced participation (Herr and Anderson 2005). In the Chinyika case, it was the village Headman who initiated the conversation and consented to the research with the village members. When we got to the village, further elaborations of the purpose of the research were made

to the villagers. I had prepared some interview questions but the Headman told me to desist from using questionnaires or the recorder due to sensitivities in the village that we needed to respect. On the second day, we were allowed to use the recorder and captured some of the data that way. Though the village Headman had given consent for us to collect data, we still inquired with the leader of the village committee who also consented to us conducting the interviews and capturing data.

In the COSUN case, I sought permission from the leaders of the CPSCC, who selected the COSUN group to be the one I would work with. They gave their consent and proceeded to introduce me to the women. I explained to the women the purpose of the research and their role in it. I interpreted these initial conversations as consent. I later presented a statement of ethics form for clearance with the Oxford Centre for Mission Studies (OCMS) Ethics Review Board in May 2012. In the statement of ethics I declared to abide by the ethical guidelines established by the Economic and Social Research Council (ESRC) of the United Kingdom. My research was cleared to proceed.

The COSUN group participated firstly to inform the overall research plan of the participatory action research and to provide material for comparing with the Chinyika community data in the process of developing the analytical framework. The COSUN group then continued with the research into designing a loan product and actually obtained a loan. This was fully explained to them in advance. As the research progressed, I provided the group with information regarding the direction of the research. The reason for giving this information was to continually assure the principle of reciprocity and

respect for allowing and participating in the research. Herr and Anderson affirm "the principle of respect and reciprocity addresses the idea that research participants must not be treated as a means toward an end, but rather as "reflective moral agents" who deserve to be treated with dignity" (Herr and Anderson 2005: 120). During the process, the group agreed on rules that we all had to abide by. For example, the leaders had requested that I provide snacks and refreshment at all the meetings, however as the women became freer with me, they questioned the fact that they had food at meetings while their children at home would not partake of it. They therefore opted for the money equivalent so they could buy food for their children and not have any food during our meetings. The group had the option at any time to stop participation and a good number of them chose to do so, soon after receiving the loan they had designed. While this shortened the research, it presented itself as an outcome.

3.3   My Role as Participant Researcher

In this research, I present myself both as researcher and microfinance practitioner. The entry into the Chinyika Community was made possible by a direct request from the village Headman who wanted ECLOF International to consider starting microfinance activities in his area. From the onset, the Headman was made aware that for microfinance activities to be sustainable, there was need for a critical mass to generate sustainable activities. Services targeted at one village did not fit that requirement. The Headman proposed trying out a community microfinance initiative. A decision was made to visit

the village to determine the feasibility of a partnership with the community for a community-driven microfinance initiative. I took this opportunity as a researcher to also engage in a participatory inquiry on how the community voices informed the process of attaining food security. The village Headman enabled access to the Chinyika Community and I held conversations with a group of women representing the chosen leadership of the community. It soon became clear that the community viewed me as someone who was there to help them get loans for business. One participant in admonishing the group, confirmed this: "my friends, this woman has come from far and we are not saying what is in our hearts. We should just open up and say what we need" (chc.11.2). I corrected that impression and inquired on how the community managed to secure their food resource in the face of persistent drought. The community members narrated how they worked together to achieve food security. I was thus able to collect data for the first case study.

Having been born in Zimbabwe, I still had a strong mastery of the local language and that helped me conduct the interviews and communicate my research objectives in the Shona language. The community did not necessarily change its view of me as a 'donor' who would bring money under the right circumstances, but because I spoke the language, they connected with me as "*mwana we mumusha*" (a child of the village). I also engendered this view by observing traditional etiquette of dress, sitting and greeting arrangements. Furthermore, the Headman's influence made it possible for the village to have a high acceptance of my research objectives and me.

In the COSUN case study, I was aware of the existence of community-driven microfinance activities having worked as a CARE International program microfinance consultant when they were setting up the initiative. Some of the leaders of the CPSCC remembered my earlier interactions with them and were keen to enable me to do my research. It was clear at that point that they saw me as a possible connection to much needed funding for the program which was floundering. I contacted this community with a dual identity of researcher with a desire to have access to one of their groups with whom I would conduct my research, and as a microfinance practitioner who would provide a loan in response to the voices of this community. I soon gathered that a number of researchers had preceded me and so my request was not alien. I was able to trace one of the researchers who confirmed having interacted with CPSCC. Unfortunately I was unable to access his research data as follow-up meetings did not materialise.

Also, I realised that there were subtle pecuniary benefits that came with these research initiatives and the women felt that they were being denied of these benefits. The COSUN women talk about this during the research conversations:

Text	English translation
…*uyu muntu aishilefye mukutila asambilileko…mwana wesukulu (c.4.4). Tulachita amaworkshop ayapusanapusana but ilingi abakuntanshi balatunyantilila…ndalama ziingongena chabe beve batidyera masuku pamutu…ifwe tuli ma tools (c.5.3)*	This person came to learn- a research student (c.4.4). We participate in a lot of workshops though our leaders are the ones who get the money- they use us as tools and take advantage of us (c.5.3).

The leaders had asked me to provide food for the women during the meetings as was their practice. When we had our first meeting with the women, they opted to have money and not food. This added to the basis for acceptance. I thus collected data towards the case

study from the first set of interviews with COSUN group. I then worked with the same group to design a loan product that they would access. With the Chinyika community, I am wholly an outsider researching their practices that led to attaining food security in a time of drought. In the research with COSUN, my position shifts from being an outright outsider to researching with the group in designing a loan. Though researching with the group allowed for closer relationships, I could not claim a strong position as an insider. In the continuum, my position had shifted somewhat towards the insider but not completely immersed (Jorgensen 1989). A particular action that provides evidence of this is when the COSUN women stopped coming for meetings without us collectively agreeing to rescind the initial research plan that purposed to continue meetings after the loan was provided.

3.4   The Gender Dimension

While this research did not aim to place focus on gender issues, I recognised that gender would be a key consideration in both communities. The Chinyika Community is a patriarchal society with defined male and female roles, and the COSUN group is an all-women group selected by a male-dominated leadership. The gender perspective recognises the challenges that women face to gain voice and claim power from their own voice as Goldberger et al assert (Goldberger et al 1987). Also, women have financial needs that emanate from their households and enterprises. Lifecycle events like the birth of a child, payment of school fees, rent or construction of a home make demands on

women. They resort to various financial mechanisms depending on the level of pressure and the availability of disposable incomes. The availability of such financial mechanisms are often far and apart thereby denying women access to finance on demand. Women's low levels of education generally also mean low level of financial literacy and therefore reduced opportunities to navigate the financial landscape. Thus though microfinance services tend to focus a lot on women, part of what this research would determine is the extent to which women can articulate their needs to influence microfinance practitioners in the way they serve them. What seems obvious from microfinance practice is that because of women's lower mobility, they mitigate what Murdoch calls "moral hazard", a problem where there is a fear that clients will "take the money and run" (Murdoch 1999:1584). In other words, there is the notion that women are dependable with regards repaying loans and that is one of the criticisms of microfinance that it takes advantage of their women clients (Murdoch 1999). In addition, women have very little borrowing alternatives, so their financial needs tend to go unmet.

On a broader level, women are often affected by patriarchal traditional cultures and norms that are wrought with power imbalances in favour of men, relegating women to roles of care giving and providing for the family from meagre resources. These roles mean that women are often time-poor to effectively take advantage of opportunities around them. The Chinyika community is a patriarchal society and the role of the woman was clearly in subordination to the man. Though the village had recognised women leadership in the village committee, the women acknowledged this was a special consideration. The Chairperson confirmed that men allowed them to lead because women

are more concerned with ensuring that there is food in the home (ch.b.11.1). In the COSUN case, though the research involved 16 women, they still looked up to the leadership in the cooperative who were mostly men. Some of the challenges they faced were as a consequence of their subordinated roles as women. They did not think highly of themselves and their leaders saw them as uneducated and therefore not understanding how the cooperative worked (Chapter 7.2.1 on page 208). There seemed to be no real effort from the leaders to educate the women about how the cooperative worked. The women also felt that they were sidelined when it came to giving them information and this led them to think that they were being taken advantage of.

3.5   Immersion into the Communities

Though the two communities accepted me, I remained wary of considering this as immersion of any significant depth. Wax observes that field workers could "not go native even if the natives allowed it" (Wax 1980: 273). He cites the need for a researcher to be disciplined in observing, taking notes and analysing while at the same time participating in the research. The research activities in themselves can serve to alienate a well-intended effort to be fully immersed in the community where field study occurs. In this research, I did not spend an extended time with the Chinyika Community, and because we were unable to provide the microfinance services they needed, the data collected was only used in the case study to determine the elements that enable poor people's voices influence development initiatives that they deem beneficial.

On the other hand, I interacted with the COSUN women over an extended period of 18 months. I found that they had been part of various other research activities and participated in this research upon instructions from their leaders. Whether they agreed to the research because they understood and agreed with the purpose remained unclear till well into the research, when it became apparent that they had their own unspoken expectation of help to improve their livelihoods. At that point, my interactions became more significant with deeper immersion. As an example, it became apparent during the conversations that there were trust issues between the COSUN women and their leaders. The research opened up space where the women could articulate what they thought had gone wrong. At one point during the research, the women refused to participate in a three-day workshop that their leaders prescribed. The leaders saw that as an act of defiance that they linked to my presence in the community. This created a dilemma I could not ignore. The leaders still wanted to have a say in what was happening in the group, but the women did not see it that way. This necessitated some negotiations on my part on the basis of the initial agreements that the leaders would honour the voices of the women. I reminded the leaders of the essence of the research and managed to negotiate an understanding that enabled the women's voices to carry the day.

3.6   Collecting, Transcribing and Transliterating data

I generated secondary data from background reading on the various aspects of events in the communities under study. Primary data came from direct interaction with the communities. Though I had a questionnaire in the Chinyika case study, this was not used. The interview took the form of conversations. I was in the company of the Headman and his colleague along with two consultants who were looking at the feasibility of doing community-driven microfinance in the village on behalf of ECLOF International. Similarly, in the COSUN case, I started with a set of questionnaires that guided the conversations. The women broke out into groups and discussed the questions, then brought back feedback. I used this feedback as a data source. I also used narrative inquiry techniques of reflexive interviewing whereby the researcher asks questions and participants respond, and additionally "the interviewer notices and shares personal experiences of the topic and comments on the unfolding communication between both parties" (Etherington 2006:77). That way, natural conversations ensued. This became an important way of listening to the stories especially in the Chinyika case where the researcher needed to be sensitive to the prevailing political situation that would place the community at risk if seen to be entertaining external interviews. It was also helpful that I knew the local language(s) in both cases.

Conversations were all recorded on an audio recorder. In a few cases, data was lost due to malfunctioning equipment. However in these instances, the journal notes were able to fill

in the gaps. In Chinyika, the first set of interviews happened with the headman in Harare. The team then drove to the village where further conversations happened with the participation of the leaders of the formal community organisation that was set up to drive the initiative for food security. On the following day, the whole village came together to narrate their story and then later on, I sat with the women and engaged in a conversation. Further conversations happened with smaller groups. In the COSUN case, the first set of meetings happened with the CPSCC leaders. Then weekly meetings happened with the sixteen women who compose the group. They narrated their stories initially in response to structured interviews, and then freely shared their experiences in a more open manner. Intermittently during the research, feedback meetings happened with CPSCC leaders, and that provided valuable information to the research process.

The data from the Chinyika community was largely in Shona except for the conversation with the Headman, which were in English. Similarly, the data from COSUN was in a mixture of English, and the local languages Nyanja and Bemba. A large part of the data was on the audio recorder and needed to be transcribed into text. I made a decision early on to transcribe all the data as spoken on the basis that "every word that people use in telling their stories is a microcosm of their consciousness" (Vygotsky 1987:236). Initially I sought the help of a transcriber to process the data. This not only took a lot of time, but the transcribed data ended up with many gaps. I therefore decided to transcribe all the data on my own. While this was truly time-consuming, it afforded me an opportunity to immerse myself into the data. Some of the nuances in conversations became clearer. I had data in four languages: English, Shona, Bemba and Nyanja. I made a decision that I

would keep the data in the source language to try and contain the challenge of "converting ideas expressed in one language for one social group to another language for another social group, which entails a process of cultural decoding" (Halai 2007). I only translated into English the data that I chose to use and represented it alongside the original text in *italics* in the source language. I also prefixed the data with the name of the speaker. All the participant names have been changed to safeguard their identities. The following is a sample:

Example of data use in source language and English

Lubuto…ngefifine balelanda, tupelela fye umu mwine- ukukosa twalikosa, nomba wakuti tukwateko uwakututwalako pantanshi nangu ukuti uchite ichi- nangu ni business ine kulaba ukusambilila- iyo business mwalachita muchite ifi nefi.	…as it has been said, we are just left behind. We are strong and we want to work, but we do not have anyone to help us develop, to tell us what to do. Even doing business requires someone to teach you. We do not have such a person.

3.7   Analysing and Referencing of Data

Chinyika Data: Adopting Activity Theory as Analytical lens

The fact-finding trip to Chinyika revealed that the community structures and historical context had a great bearing on how individual and collective voices influenced what happened in the community including how livelihoods were supported. This insight shifted my thinking regarding the research approach. I needed to understand the historical background and cultural connotations that had enabled attainment of food security. This led to identifying activity theory as the most appropriate lens through which to analyse the Chinyika Community. The intention of the case study was to highlight contextual

conditions related to what poor people's voices are and how they inform livelihood initiatives (Stake 1995). This context would be relevant to the research objective that draws from the voices of poor people.

Data Analysis Through Activity Theory Lens

I adopted Jonassen and Rohrer-Murphy's approach to applying activity theory using emerging theories data (Jonassen and Rohrer-Murphy 1999). The approach consists of six steps as follows:

Table 3.1- Jonassen and Rohrer-Murphy Application of Activity Theory

Step 1- Clarifying purpose of the activity system	This includes understanding the context within which the activities occur and understanding the subjects, their motivations and interpretations of the perceived contradictions in the system
Step 2- Analysing the activity system	This includes defining the subjects and their peculiarities; defining the relevant community and the rules, roles and how it all comes together; defining the object or expected outcome of the activity.
Step 3- Analysing the activity structure	This includes defining the activity itself and the various component actions and operations.
Step 4- Analysing the mediators	This includes the various types of mediators and mediation such as the tools used in the system, the formal and informal rules and the various roles that influence the activity system.
Step 5- Analysing the context	This includes the individual and communal beliefs at work in the context; the structure of social interactions; how tasks are organised; the space to participate and influence what is happening in the activity system.
Step 6- Analysing activity system dynamics	This includes understanding the interrelationships that exist between the components of the activity system and how formally established they are. Also how these have changed over time.

I started by organising the data for structural and reflexive analysis. Structural analysis identifies patterns inherent in the discourse, text, event or phenomena while reflexive

analysis involves a decision to use intuition and personal judgement to analyse data (Dooley 2002: 343). In order to facilitate this level of analysis, I adapted the grounded theory approach of coding the data by organising the data around the six steps indicated above.

Coding Data

I used grounded theory to analyse the data generated from the action research part. Grounded theory is a method that enables organising data through a coding system to generate theory from emerging patterns in the data. The resultant theory is grounded in the data that is systematically collected and analysed to reveal patterns of action and interaction between and among various actors (Strauss & Corbin 2008). The following example demonstrates the first level of coding into many categories:

A sense of being let down
d.1.1   they used uneducated people- us
d.1.2   abrogated their promise to give us jobs
d.1.3   loans with no grace period- unable to repay
d.1.4   we do their desire not ours
d.1.4   leaders do not include us in projects where they make money

Perceptions
c.4.5   leaders are paid to share with community but they don't
c.5.2   workshops come with monetary benefits
c.5.4   leaders use community as 'tools'
c.7.2   leaders sold food aid instead of giving to the poor
c.10.1   'white man' promised to give us money but did not

Learning
a.5.3   coop as place for exchange of information
b.2.2   others come to learn from coop (research student)
c.2.3   there must be outcome with all learning that is brought
c.2.4   those who teach must not leave until outcome happens
c.2.8   too much learning- little benefit- only eating
c.4.1   others learn from us and get better while we remain

As the patterns emerged, I was able to integrate them into categories to enable a better analysis (Heath and Cowley 2004). For instance, taking the three categories above and verifying some of the data with what the leaders said, I was able to consolidate them into a category code-named "**How the women describe their circumstances"**. Using grounded theory, I was able "to explore basic social processes and to understand the multiplicity of interactions that produces variation in that process" (Heath and Cowley 2004:142).

Referencing data

I kept all the audio recordings in one folder and transcribed each one under a specific file name as follows: <u>DW0018 Introduction to women by leaders</u>. Each audio recording was transcribed into text as a separate marked document using the alphabet. Each document was then segmented and numbered. The third level is the sub-segments within the segment, which are also numbered, giving an overall referencing as follows:

Document marker	Letter of the alphabet a.b.c…..
Segment marker	Numerical identifier- 1,2,3,…..
Sub-segment marker	Numerical identifier- 1,2,3,…..

As I have two sets of data: the Chinyika community data and the COSUN group data, I decided to prefix the Chinyika data with 'ch' as a way of differentiating the two. Thus a reference in the text that appears as ch.d.4.2 refers to document D, segment 4 and sub-segment 2 within segment 4 of the Chinyika data set. A reference that appears as d.4.2 refers to document D, segment 4 and sub-segment 2 within segment 4 of the COSUN data set.

3.8   Use of Grounded Theory to Organise Data

I used grounded theory as an approach that would enable me to reflect on emerging theories from the data. Grounded theory is a tool of analysis for gathering and organising the data to enable theory to emerge (Strauss & Corbin 2008; Glaser 2007). Being not value-free, I had to "learn not to know" in order to be sensitive to the data (Heath & Cowley 2004:3). This openness to the data enabled me through induction to generate questions that led to further data collection until a theory emerged. In some cases, it informed secondary data collection through literature reviews. For example in the Chinyika case study, data showed that the community sought a new way of securing food security as a result of the drought. Yet the drought that happened in prior years had not elicited a desire for new knowledge. This inquiry sent me back to the data until I found some incidences that were critical to the decisions made. In search of contextualising this phenomenon; I was able to develop a specific understanding of the concept of 'critical incident' (Flanagan 1954) and used that in my analysis (Chapter 6.4 on page 183).

3.9   Addressing Issues of Validity

In order to establish validity, I adopted Herr and Anderson's goals of action research and the validity criteria they articulate (Herr and Anderson 2005). The following table outlines the goals and validity criteria:

Table 3.2- Goals and Validity Criteria in Action Research

Goals of Action Research	Quality/Validity Criteria
1) The generation of new knowledge	Dialogic and process validity
2) The achievement of action-oriented outcomes	Outcome validity
3) The education of both researcher and participants	Catalytic validity
4) Results that are relevant to the local setting	Democratic validity
5) A sound and appropriate research methodology	Process validity

Herr and Anderson 2005:55

Herr and Anderson elaborate that dialogic and process validity aims towards generating new knowledge and has to do with interactions with peers in the industry and in this research, I attain that through interaction with my supervisors who bring a wealth of understanding of the issues in microfinance as well as participatory action research. Outcome validity relates to the outcomes of the research. In this case, through the research process, the women were able to speak out and inform the design of a loan product. They were also able to get the loan and pay back. Though the process did not produce many loan cycles as the women stopped meeting, it helped to reframe the problem in even more complex ways than I had anticipated. As a researcher, I realised that there were complex factors at play that needed to be considered in doing participatory action research with communities that might not have the level of understanding needed to inform the process. For example, the fact that women had no real understanding of interest that is charged on loans meant that a different approach was needed. This was learning for me as well.

Catalytic validity happens when the research process re-orients views to the social realities that people live in. This research process helped the women to question some of the practices they had adopted over time. For example, the issue of workshops was

discussed extensively, and against the wishes of the leaders, the women ultimately agreed to do away with the workshop because they felt it was not necessary to their current realities. This was a new reality for me as well. I had to stand by the women as part of the group. This was the right decision at the time. The democratic validity highlights the women's context. Though the intention of the research was to enable poor people's voices to inform the loan process, not having access to credit is one of the problems that the community faced and therefore the emerging solution was appropriate for them. The process validity occurred through triangulation in collecting data between the interviews in the group, conversations with the leaders and information from appropriate literature.

3.10   Reflexivity

Reflexivity is a process that acknowledges the researcher's influence to the research process in as much as the research influences the researcher. Reflexivity is about the awareness of the multiple influences. Gilgun asserts that researchers need to be reflexive in the following three general areas:

- The topics they wish to investigate. This means they account for the personal and professional meanings their topics have for them;
- The perspectives and experiences of the persons with whom they wish to do the research; this includes both informants/participants/subjects as well as research partners who have a stake in the research, such as funders and agencies/settings in which the research takes place, and
- The audiences to whom the research findings will be directed. This means that researchers write to specific audiences, presenting ideas and evidence for the ideas in language that audiences can understand… (Gilgun 2010:1).

This research is an outcome of my own reflexivity. Having been a microfinance practitioner, my passion for the continued relevance of microfinance in the poverty discourse raised the kinds of questions that led me to want to find out whether poor people could inform financial services and what that might look like. The voices of the Chinyika community and COSUN group became very critical to my understanding their context, and the process of working with these communities was immersed in reflection. I mulled over various concepts as I understood them, and rechecked with communities to get deeper meanings. As someone who came from a similar background, I did a lot of introspection on why certain things were the way they were. I also recognised that I probably represented a power dimension as someone who could provide money. When I visited Chinyika, I was heading an international organisation with potential for financial support to the community. In the COSUN case, the cooperative leaders as well as the women saw me as someone who would make the much-needed resources available. My acceptance into these communities was preceded by this notion. I therefore had to constantly keep reminding the group regarding the purpose of the research: to give them a voice so they could influence decisions for beneficial financial services. I also contacted experts in the local languages to have an appreciation of the nuances so as to aid my reflexive process. I dug up antiquated literature to get a sense of the historical background especially as it related to people's territorial movements.

The issue of cancelling a workshop against the wishes of the leaders in the COSUN case is an example of the mutual collaboration that involved reflexive dialogue. We had

analysed the advantages and disadvantages of workshops and agreed that we would not do it. The community saw me as someone who could help them, and that presented a potential social problem on the prevailing power imbalance in the community. I saw my role as that of levelling out that imbalance by enabling the women to speak out and decide how they wanted us to work together. In another example, the leaders had wanted me to buy food at the meetings as was the practice. After the first meeting, when the women realised that I would listen to them, they cancelled that arrangement and asked that they be given the money to buy food that each one of them would take home to eat with their children. Their level of confidence in the process increased with each decision they made that worked for them (Finlay 2010).

3.11   Conclusion

In this chapter I explained in detail how I conducted the research using the research design methodology described in Chapter 2. This includes how I identified the communities and collected the data through to analysis. The following six chapters will outline in detail how I went about responding to the research questions:

1. What are poor people's voices regarding their livelihoods?

1a. How do they influence beneficial responses?

2. How can poor people's voices inform microfinance practice in the design and delivery of appropriate loan products?

Chapters 4, 5 and 6 focus on responding to question 1 and 1a as an analysis of both the Chinyika Community and COSUN group using the activity theory lens to draw out an analytical framework. Chapter 7, 8 and 9 capture data that responds to question 2 with the COSUN group designing a loan product.

PART II- PARTICIPATORY ACTION RESEARCH

CHAPTER 4- Chinyika Case Study

This chapter analyses data from the Chinyika Community of Masvingo Province in Zimbabwe using the activity theory lens in responding to the two questions:

1a. What are poor people's voices about their livelihoods?

1b. How do those voices influence actions that contribute to their livelihood needs?

The Chinyika community belongs to the Shona speaking people, the largest ethnic group in Zimbabwe and Mozambique, consisting of several linguistic dialect groups like Korekore, Zezuru, Manyika, Ndau, Karanga, and Kalanga (Chemhuru & Masaka 2010). Zimbabwe is a landlocked country in Southern Africa with a population of 11.4million people (CIA 2013). The Shona settled on the Zimbabwe plateau around 1 AD, having moved from the north across the Zambezi River (Tavuyanago et al 2010). The Shona were also the most "dominant political group on the plateau and were responsible for the creation of the powerful pre-colonial states of Great Zimbabwe, Torwa, Mutapa, and Rozwi" (Tavuyanago and Kudakwashe 2008: 255).

Figure 4.1   Zimbabwe Map

The Shona settled on the hills where they constructed stone houses (*dzimba dzemabwe*), and were credited with being very industrious agriculturalists, animal herders and fishermen. History has it that the Shona first settled in the valleys but had to relocate to the hills where there was less soil erosion, in order to support their farming activities. While there are arguments supporting the notion that hill settlement was driven by military defence motives, Tavuyanago and Kudakwashe assert that the choice of settling in the hills was done from the premise of securing sustainable food production and pasture for animals. (Tavuyanago and Kudakwashe 2008).   To supplement their livelihoods, the Shona were adept at making use of wild plants and insects in their diet. Important to their existence was a harmonious relationship with their environment. They made good use of their harsh environments by being responsive to opportunities. The Portuguese introduced maize as a European crop in the 16th Century, and the Shona

quickly adapted to the farming of maize as an additional crop (Tavuyanago et al 2010). Though the environment was really harsh for the maize crop, there was a high demand by colonialists who used it to feed their hired labourers and provided a ready market for surplus maize stocks. Thus maize gained importance as a trading commodity that brought much needed cash to meet payment of the various newly introduced taxes. By and by, more attention was paid to maize as the other grains were excluded from the commodity market. Those locals who went to work for the mines, adapted to eating *sadza* made from maize meal in place of traditional grains (Tavuyanago et al 2010:3). Thus food production became centred on growing maize.

4.1   Zimbabwe- The Country Context

Zimbabwe was first known as Southern Rhodesia and ruled by the British South African Company (BSAC) under charter from Britain between 1890 and 1923 (Smith 2008). In 1923 Southern Rhodesia was annexed from BSAC and continued to be ruled by the existing government as a white protectorate under the British government until 1953, when it became part of the Rhodesia and Nyasaland federation consisting of three countries namely Northern Rhodesia, Southern Rhodesia and Nyasaland now known as Zambia, Zimbabwe and Malawi. Ghana's independence in 1957 spurred a desire for freedom and self-rule among several colonised African countries (Nkrumah 1963). This wind of change resulted in Britain ending the Rhodesia and Nyasaland federation in 1963, and soon after (1964) granting independence to Northern Rhodesia and Nyasaland.

The white protectorate government in Southern Rhodesia was unwilling to include indigenous Zimbabweans in an independent government resulting in the British government refusing to grant them independence, and consequently, the white-ruled government proclaimed a Unilateral Declaration of Independence (UDI) in 1965 (Sibanda 2005). This declaration was seen as an act of defiance and attracted trade and investment sanctions from Britain with the support of the United Nations (Wilson 1956), to pressure the white government to hand over power to the indigenous people. At the same time, within Zimbabwe, the nationalist movement that had been poised for independence re-focused their energies into a guerrilla uprising to force transfer of power to the indigenous people. This uprising became a long and protracted struggle for independence from the white-led government, which was finally won in 1979. Robert Gabriel Mugabe was elected Prime Minister and formal independence endorsed on 18th April 1980. He became President in 1987 (Sibanda 2005).

Establishing an Independent Zimbabwe

The pre-colonial agrarian economy was under the control of traditional Chiefs and Headmen. All that changed with colonisation. The first white settlers who came to Zimbabwe were looking to do mining, following the successful mining discoveries in South Africa. However, they quickly realised that the region was not as endowed in mineral resources, and turned their interest to farming (Blume 1996). The Lippert Concessions of 1889 allowed would-be settlers to "acquire land rights from the indigenous people" (Njaya and Mazuru 2010:166). Further pieces of legislation like The Land Apportionment Act of 1931, The Native Land Husbandry Act of 1951 and The

Tribal Trust Land Act of 1965, served to clearly separate the indigenous or native lands from those held by the settlers, who had also become the colonisers. These instruments gave legal control of land to the settlers and consequently alienated the indigenous people such that "in 1893, British troops and volunteers…conquered Matabeleland and Mashonaland. Every British soldier and volunteer was allowed 2,428 hectares of land, and within a year 25,900 square kilometers of the most fertile land was seized" (Njaya and Muzuru 2010:166). Njaya and Muzuru report that indigenous people were dispossessed of over 80% of their cattle while their lands were reassigned for mines, farms and industries. Indigenous people were moved away from their ancestral lands and only a few natives with money were allowed to buy land in the Native Purchase Areas. The mass movement of indigenous people into designated reserves created overcrowding and land degradation due to over-cultivation leading to poor yields (Njaya and Muzuru 2010; Muchineripi 2008).

The fruits of the hard won independence were bittersweet in that the new government did not have much control over land, the main productive asset of the country, and therefore little control over food security (Muchineripi 2008). The newly independent country decided to prioritise land reforms to correct what they considered a key anomaly (Njaya & Muzuru 2010). In order to gain control of land parcels that were now in private hands, and make these available to indigenous Zimbabweans, the government instituted a land redistribution exercise that was highly criticised internationally, and impacted negatively on commercial farming (Van Buren 2003). The resultant poor agricultural performance compounded with persistent drought led to reduced food reserves and ultimately famine.

Van Buren writes: "Although the drought was the immediate cause [of famine], the difference from past droughts, when the agricultural system was organised well enough for commercial farmers to produce enough food in good years to create sufficient reserves, was that many commercial farms had been confiscated…severely affecting crop yields" (Van Buren 2003: 1230).

Zimbabwe had also attracted criticism on other issues including political violence, restricted media and reluctance to allow EU elections monitoring for transparency. Consequently the international community imposed a range of sanctions including withdrawal of international aid, trade and arms embargo (Staibano & Wallensteen 2005). The economy succumbed to this pressure with serious repercussions, the most telling one being the ever-increasing rate of inflation reported at 231 million per cent in October 2008 (Berger 2008). In this article, Berger gives an example of a loaf of bread which traded at Z$500 in August 2008 and rose to a sum of Z$10,000 by October 2008. Muchineripi narrates that persistent poverty necessitated food and other aid to poor families though this was far from adequate (Muchineripi 2008).

The rural areas that relied largely on subsistence farming were further affected by persistent drought. The newly installed Zimbabwean government had recognised early on, the need to support peasant farmers to increase their yields in order to maintain acceptable livelihoods. The government supplied key inputs like seeds, fertilisers and implements (Chikobvu et al 2010). This legacy did not last as the economy deteriorated. Support to small farmers who held a large part of agricultural activities in Zimbabwe,

waned and disappeared. Poverty therefore took root with a notable gap in food production (Tavuyanago et al 2010). Chinyika is one of the places, which was adversely affected by this turn of events. Thus food shortage was worsened by the perennial droughts and a severe lack of the right inputs to support agricultural activities.

4.1.1 Chinyika Community location

The Chinyika Community is located in the Gutu District of Masvingo Province and lies in agro-ecological Regions 3-5, which are dry, prone to droughts and ill-suited for maize growing. Agro-ecological zones are "land areas characterised by similar climate, ecology and agricultural activities" (Chikodzi & Mutowo 2012:1).

Figure 4.2 Agro-ecological Zones in Zimbabwe- Map
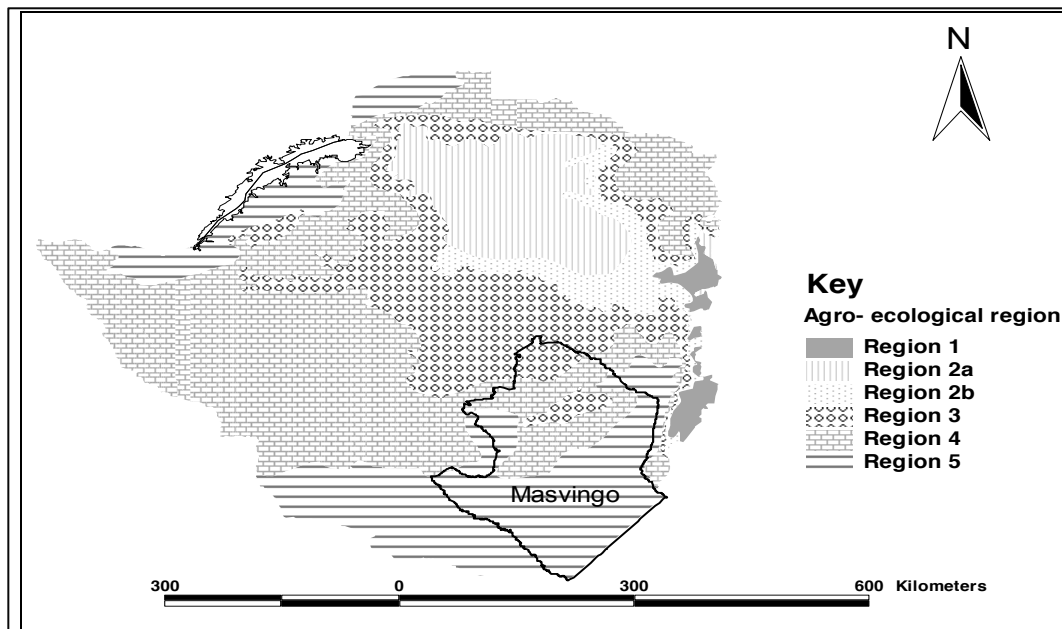
Extracted from Chikodzi et al 2013:108

Figure 4.3 Gutu District, Masvingo, Zimbabwe
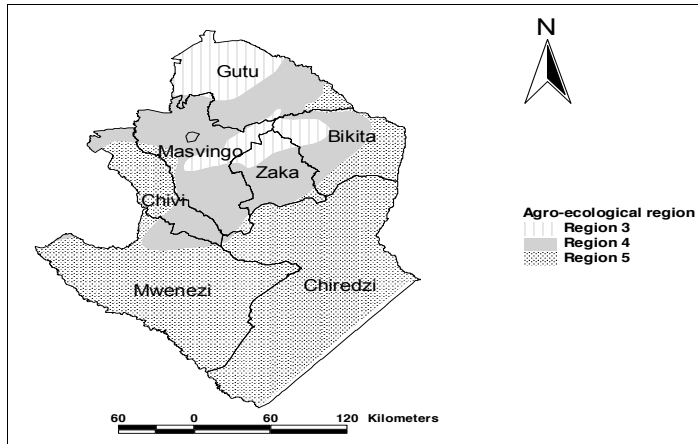
Extracted from Chikodzi et al 2013: 109

4.2   The Chinyika Activity System

The following diagram is a representation of the Chinyika community activity system:

Figure 4.4- Chinyika Activity System
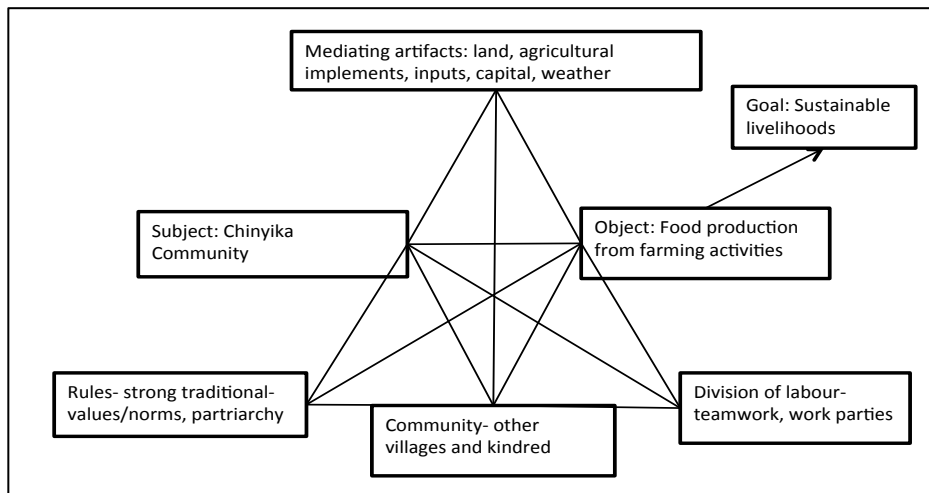
The Chinyika Community are the subject whose object is food production from farming

activities as they interact with mediating artefacts like land, agricultural inputs and

weather patterns. Within their context are strong traditional rules and values. For example, being a patriarchal society, the women know that they need authorisation from the men to take on leadership roles (ch.b.11.1). They also interact with other members of the community in sharing food and other social events. In terms of division of labour, the community comes together in working parties to plough a field, build a hut or most major projects (Tavuyango et al 2005). The diagram above shows the interconnectedness of the activity system with the individuals using mediating artefacts that include land, and agricultural implements within an integrated community to produce food for their sustenance.

The Purpose of the Activity System

The Chinyika activity system focuses on food production. Traditionally, the Shona staple food was based on grain crops like millet and sorghum as they were prolific even in harsh conditions, and had multiple uses. The pounded meal was used to prepare a thick porridge called *sadza*, which is still eaten as a staple food, and for brewing beer. Celebrations to commemorate ancestral spirits could only be done with beer brewed using malt from traditional crops. Additionally, sweet sorghum reeds were chewed like sugarcane and used as a snack. The stalks were used for building, bedding, fencing and especially for constructing granaries to store the grains. Furthermore, the outcome of the activity system engendered the social norms of the community on the importance of sharing food. The proverb sums it up:

> '*ukama igaswa hunozadziswa nekudya*' (relationships on their own are never adequate, they are only made adequate by people sharing food). Among the Shona, a person who could produce more food and, thus, had some to share with his/her neighbours was always held in great esteem.

Such a person had more friends and relatives. By contrast, a person who was not prepared to share food with others was considered not to like those with whom he/she did not share food with (Tavuyanago et al 2010:5).

Analysis of the activity system

The poor conditions caused by limited quality farming inputs and persistent drought introduced a disturbance in the system and adversely affected food production such that "in Zimbabwe, the famines of 1974, 1982, 1992, 2002, and 2004 affected the lives and livelihoods of millions of rural households…" (Chikobvu et al 2010:6). Food shortages led to cycles of poverty that in turn led to migrations to urban areas as people searched for alternative means of earning a living (Tavuyanago et al 2005). A community member narrates: "In the year 2000 things were getting harder and harder-the rains were failing…there was nothing to eat. People were feeding off wild plants…it was a desperate situation" (chd.3.2; chd.4.1). This voice is corroborated by the voice of the Chairperson of the committee;

Tendai: Tiri mukati mwenzara…takararama mukati mazwo tichirya chakata…(ch.a.2.2)	Tendai: During the time of famine…we survived by eating wild fruits…

Dinah, a community member testified: "In 2005 CARE International came to our rescue with food hand-outs, otherwise people would have died" (ch.d.4.3); "no-one had food in their homes- we thought we were going to die and did not know what to do. It was so hopeless…" (ch.d.7.2). The following figure demonstrates the system with drought as the contradiction that led to a famine:

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Figure 4.5- Chinyika Activity System with Drought Contradiction
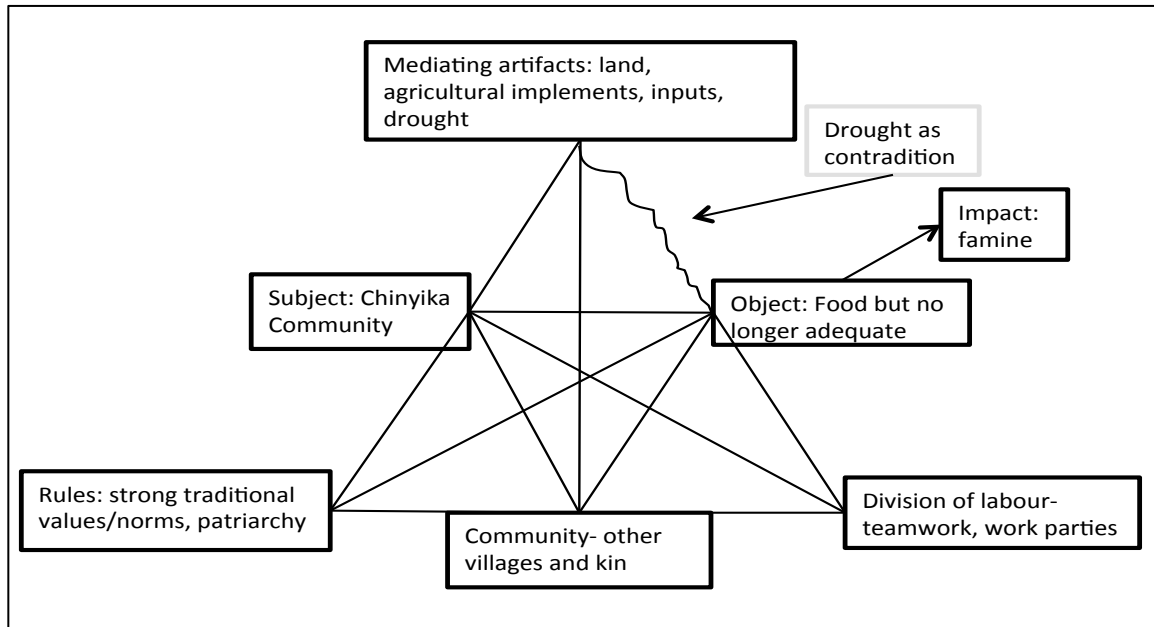
Persistent drought introduced a dynamic that the community had no skill to negotiate. The resultant famine made them appeal to their headman for a solution. He in turn provided a short-term solution by sending bags of maize to the village, while working on a longer-term process. He knew that reliance on maize as a single staple crop combined with persistent drought presented a poor set of circumstances for food security. He lamented: "the combination of smaller plots and with the difficulties of growing maize in Gutu has created a situation where many rural communities now consume more food than they produce" (ch.a.6.5). The Headman was aware that the long-term solution would require a new way of knowing which they did not have. He thus enrolled in a participatory research process that required the involvement of the community in learning new ways of food production using an infusion of traditional and modern knowledge for sustainable food production (ch.a.5.3).

<u>Analysis of the activity structure</u>

The Chinyika Community is a closely-knit Shona community with traditional connections that include a common ancestry. The Shona kinship system is an intricate pattern of closely or remotely related persons in a society that has precedence and succession, showing superiority and subordination without absolute equality. What this meant is that there was always someone to look up to, and that person had authority. Holleman speaks of a structure that starts with *rudzi-* a widely scattered body of people sharing the same clan or *mutupo*, consisting of several sub-clans sharing the same name or *chidawo* specific to each separate sub-clan. As a patrilineal society, the *chidawo* passes from the natural father. Holleman elaborates: "The main significance of the *rudzi* lies in the fact that on the strength of a common *mutupo* and *chidawo*, people can claim common origin through the patriline even when actual kinship cannot be traced…" (Holleman 1952:24). This structure includes as *mhuri* other kinship groups like in-laws and uterine kinsmen, thus "any combination of relationships may be found in the same village or neighbourhood" (Holleman 1952. 29). Holleman sees the interplay between tribe and land in establishing economic value that re-enforces the community identity:

> …successive generation of tribesmen…strengthened by the belief that the tribal ancestors who founded the tribe, established the communal rights on the land for the benefit of future generations of their own kin (and those incorporated into the tribal unit), and that their spirits are still closely interested in and connected with the land (Holleman 1952:17).

Originally, the villages consisted of 6 to 25 people with kindred connections. The rotational farming methods made it imperative for this small village unit to keep moving in pursuit of available arable land. Government policies that created and relegated Africans to native reserve areas meant less mobility and bigger villages, though still

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functioning under the established structures. The Shona observe social values and norms that re-enforce social cohesion. The production of crops brought together the community to accomplish the labour intensive work of land preparation, sowing, weeding, harvesting, husking and storage. Co-operative work was achieved through work parties, which called for reciprocity. The work parties were further used as a way of "socialising the young into adulthood" (Tavuyanago et al 2010:6). Work parties also served as a way of easing tension and suspicions as well as providing corrective measures to erring members of the community through jokes and teasing while imparting important truths that knit the community together.

The Shona have a strong connection to the land- a shared space where people call home. Communal lands amplified community assets as Chikobvu et al describe:

> … mostly rain-fed, marginalized farming areas in the agro-ecological region IV and V, characterized by customary land tenure, high population densities, small farm sizes, low use of agricultural inputs, and low productivity... Communal lands are thus areas where agriculture production is done at subsistance level. Land is communally owned and everyone has the right to use it (Chikobvu et al 2010: 6).

Auret confirms the notion of home from the Shona perspective: 'To the Shona, *musha* does not only mean a 'home' but also the community, who reside in a common geographical area, share common interests, common traditions, a common way of life, and common values' (Auret 1990: 2). This reflects a strong sense of togetherness, which determines how they live as a community.

Gender is an important consideration in the community. Through the eyes of Tendai, the Chairperson of the Chinyika Community Development Project (CCDP), we see a subtle shade of the concept of 'home' as she describes how the women became an important part of the committee leadership. She uses the word "*musha*" translated literally as home, in responding to the inquiry on how the Committee came to be led by a woman and composed of women in the majority:

Tendai:Vakaona kuti madzimai anogona kubata basa iri nenyaya yekuti vanamai ndivo vanochengeta **musha** *kazhinji- ndovarimi vanorima varipamkova…. (ch.b.11.1)*	Tendai: They saw that women can do this work because it is the women who keep the home…it is the women who are the farmers located at home

The connection of women and home is very befitting in the context of the Shona culture, which is patrilineal. It is the woman who organises the practical aspects of the home (Mukonyora 1999:275). Her main role is to look after her home, this is the basic meaning of *musha*.

Analysis of the mediators

Land is a critical tool that the Chinyika community mediates. Traditionally, they farmed on a piece of land for a period then let it lie fallow as they moved on to a different location. When the Shona were assigned to native reserves, overcrowding depleted the fertility of the land. The maize crop that they had adopted required a certain amount of rainfall and accompanying inputs in order to optimise on yields. The inputs had been subsidised by the government, but as the economy deteriorated, this support waned and stopped. Persistent drought worsened the situation and consequently famine ensued. The community gradually moved from producing surplus food to being net consumers

(Muchineripi 2008). Land as a mediating artifact was no longer as productive as expected.

Farming and religion were intricately intertwined as part of the artifacts available in food production. Gelfand identified the Shona religion as being very much a part of the agricultural and natural life of the people. He observes that "…thanks must be given to the spirits of the land, the *mhondoro* and ancestors… this ceremony of *mishashe* is followed by that of thanksgiving to the tribal spirits for the harvest of *zvio,* the traditional millet of the Shona, from which alone beer can be prepared for religious ceremonies" (Gelfand 1970: 2). Gelfand notes that the religion of the Shona is purposed to keep the people on the land and close to nature. The Chairperson of the committee also recognizes the place of ancestral spirits as a strong factor that binds them.

Tendai: Iyi nzvimbo ino iyi nozwamuri kuona izvi ndodzaiva **ndotsika dzedu** *dzaiitwa nevabereki vedu kare- zwatirikurarama ndozwairarama nevabereki vedu kare- saka ndozwatiri kurararamao nazwo. Nozwamurikuona izvi ndizvo zwaiitikwa nevabereki vedu kare* (ch.b.13)	Tendai: This place and all you see here represent **our traditions**- what our ancestors did- how we are staying alive now is the same way our ancestors stayed alive. What you see us doing now is what our ancestors did.

When she says *ndotsika dzedu* (our traditions), she is implying a strong connection to a common ancestry. The phrase *'tsika dzedu'* talks of more than the literal translation of traditions. Mangena and Chitondo elucidate:

> "Among the Shona, the phrase *tsika dzedu* (our values, customs, norms and traditions) puts everything into perspective. *Tsika* means to put your footmark on top of another's which literally means to follow someone. Thus, by assimilating the values, customs and traditions of our forefathers, we are basically following their footmarks in doing what is good (Mangena and Chitondo 2011: 235)".

Kinship is an important factor in the production process of the community. The hierarchical structure ensures clear lines of authority to govern the way the community lives and survives together. The very broad kinship parameters provide a sense of belonging and connectedness that engenders community oneness. Thus when famine hit the area, the Headman identified with his responsibility as the traditional leader over the people in that community;

> When I discovered I was next in line for the chieftainship, I felt a strong desire to give something back to my people. I am considered to be one of the leaders in Gutu, which brings a responsibility to assist my community in times of hardship" (ch.a.7.5).

The voices of the community became an important mediating artefact in the activity system. The villages raise their voices with their Headman with a need for help in finding a solution for the famine. The village Headman had some unique characteristics that enabled him to speak on behalf of the collective community voice. As a Headman, he had the authority over his village to bring about benevolent actions (Muchineripi 2008). He was also competent to realise the need for new knowing when problems arose.

Weather: The mediating artifact that introduced a contradiction in the activity system is the weather patterns. The drought made it difficult for the community to achieve food production and it led to famine as it had occurred over an extended period (Chikobvu et al 2010).

Analysis of the context

Though the Shona are often seen as the largest ethnic group in Zimbabwe, this blanket term is only used to identify groups that speak any of the Shona languages and have similar cultural traditions as well as a shared history. Rather, the Shona "define themselves politically as subjects of a particular chief and not linguistically, culturally or ethnically" (MacGonagle 2007:5). Holleman gives some insights into the hierarchy of the Shona. The chief (*ishe*) retains the highest authority of the tribe (*nyika* or *rudzi)*. This is divided into smaller units called wards or *dunhu* (*madunhu* in plural) under the control of the Ward Headman. Each Ward has under it several villages (*musha*) under the hereditary village Headman (*samusha* or *sabuku*), and membership to this community is based on kinship and/ or residence (Holleman:1952). Within this clear hierarchical structure, the *samusha i*s the head of the principal family and controls the whole village. In the hierarchical structure, there is a clear line of authority from the paramount chief through to the subjects under a Village Headman. This structure serves as the division of labour in the activity system. This following diagram captures that line of authority.

Figure 4.6- Shona Tribe Hierarchical Structure
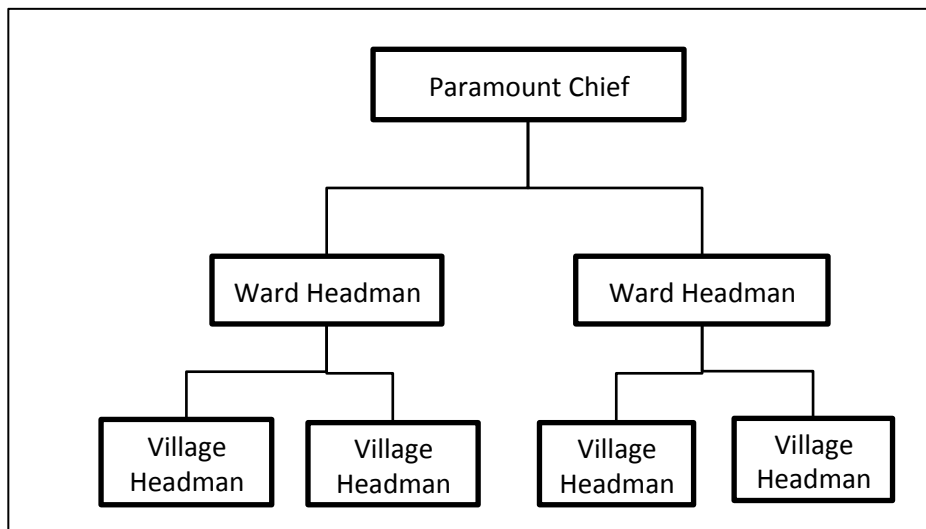
Within the village context that had clear structures and an ability to meet the needs of the villagers, the famine that ensued from persistent drought created a sense of helplessness. The villagers had no known solution to the problem and called upon their Headman for help. The Headman represents the collective voice of the community. While the community may not have been competent to find a lasting solution to their problem, they could trust the Headman to do so. This expectation was inherent in the system context.

Analysis of the activity system dynamics

In his quest for a new way of ensuring food security, the Headman enrolled in a research programme and in so doing, brought in a second activity system represented diagrammatically as follows:

Figure 4.7- Collaborative Activity System
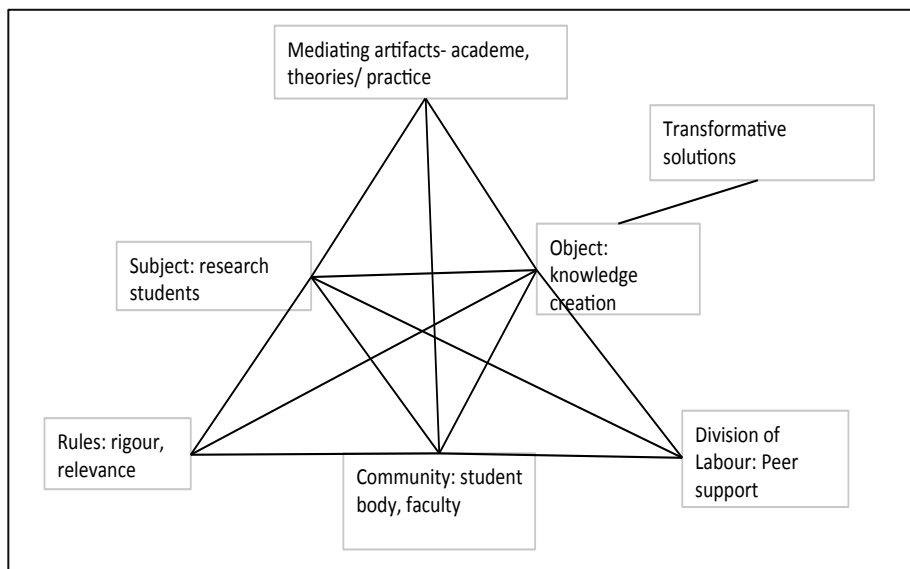
The object of this activity system is knowledge creation. Research students interact with the academe and theories or practice as mediating artefacts to get to the object of

knowledge creation that informs transformative solutions. Within this activity system are rules that ensure rigour and academic relevance as well as interacting with the student body and faculty as a community. The division of labour happens through peer support, supervision and learning from one another. The interaction with the Chinyika Community activity system as a participatory action research process through the Headman, enabled the community to reflect on the food security problem they had and generate a new understanding that led to a more sustainable solution of reverting to traditional grain crops but using modern farming methods. Engeström defines the process as moving from the "initial state of unreflected, situationally given 'raw material'…to a collectively meaningful object…, and to a potentially shared or jointly constructed object" (Engeström 2001:136). The learning environment enabled appropriate inquiry towards a meaningful and transformational object constructed by the Community. This is the diagrammatic representation:

Figure 4.8- Chinyika Activity System Collaborating with Research Activity System
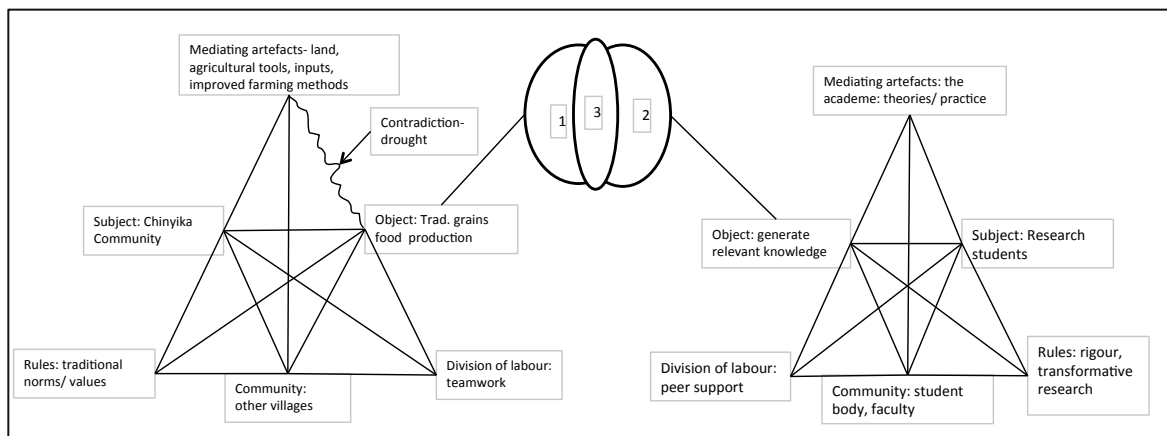
The transformation happens at the meeting of the two objects to produce the sought result as object 3. This provided new knowledge towards reaching their goal of food security. The community members became leaders of CCDP.

The community identified some of the obstacles that would need to be surmounted. These included demonstrated assurance that harvests would not fail (ch.a.15.3), that they would enjoy this grain as a staple food the way they enjoyed maize *sadza* (ch.a.15.5), and that there would be an available market for surplus grain along with a commensurate profitable sale value (ch.a.15.7). The Headman along with the other leaders ensured that the new committee had resources like millet seed to be distributed to the villagers who were ready to start growing the crop, and also access to Government Agricultural Extension services for expert input on modern farming methods suitable for indigenous crops. One of the Committee members narrates their involvement:

> …so the seven of us were elected in 2006…they [the community] chose us because we were seen to be competent and they felt that they could communicate with us. Our role at first was to buy seed and distribute it. The extension workers were then brought into the project. We could not do without them. The village Headmen also became involved…from the time the first rapoko[3] seeds were planted, and results emerged a year later, people could see we were right…one plant yielded 68 stems…(ch.d.7.2).

The committee dealt with the obstacles through community participation in activities along with prizes for best farmer. The committee built a little hut on a rock, which they called the village-learning centre, and through this centre, information was disseminated.

Tendai discusses this idea:

Tendai: Patakatangira committee yedu… ivo vari ivo vasabuku, saka vakauya vakazwiona vakaona kuti zvokwadi vanhu vangu vari kufa nenzara ndobva vatitaurira- ndingati vakataurawo nemadumeni yedu ndobva vakurukurawo navo ndobva vakurukura nemasabuku akavakidzana navo ndobva vati hutigarei pasi tione kuti tingazwiringa sei-	Tendai: When we started our committee… the village Headman came and saw that indeed my people are perishing from famine-he consulted with the Government Extension Officers and also headmen from neighbouring villages. They saw that there was need to do something about the situation.

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[3] Rapoko a small reddish grain also known as finger millet, which can be milled into flour and used for brewing beer, mostly for traditional rituals, or cooked into a thick porridge for meals http://www.irinnews.org/printreport.aspx?reportid=95489 accessed on 06/09/13

ndo pavatanga kuronga kuti tofanira kuita committee inotungamirira- kuti zwinhu zwibudirire zwofanihwa kuva necommittee. chb.4	They agreed that there was need to establish a committee that would foresee the success of a plan to end hunger.

Once the community members had shown keen interest to embrace the livelihood solution, the learning process included field days where practical demonstrations were held. Tendai explains:

Tendai:…mafield day atinoita Tinotanga nekudemonstrata – vanoita demonstration yekurima kudzidzisa kuti unorima seyi – mapedza kuita ploughing, vodzidziswa zwekuita kuti kudzwara sei rukweza kwacho- tabva ipapo toenda pakuzoona kuti zwakura- zwabereka sei- zwaibva zwakadii- saka pese ipapo pataatichiungana tichiita izwozwo, vanhu vanenge varipo vachiuya kuzodzidza…chb.5.1	Tendai: …This is how a field day goes- we start with a demonstration- they demonstrate how the ploughing should happen, after ploughing, they teach us how to plant the millet- after that we learn how to tend the plant until it produces and matures- during all those processes we come together – the people who are around all come to learn…

As the community owned the process, their collective voice was being enhanced and they could see the benefits. When asked what food security meant, and how much stocks of food they have at any given time after returning to growing indigenous crops, Cecilia, one of the villagers responded: "no we do not have stocks of food. We mean that we now know what to do to make sure we never go hungry again- there are a few people who have granaries but those are better off" (ch.c.10.2). "Now we have gone back to growing *rapoko*. This has helped us but it is not everyone who has it. There are still people in the village who have no food…but we help each other…" (ch.c.9.2). Tendai describes the success factors:

Tendai: …*kushanda kwedu kwatinoita tinoshanda namasabuku, tinoshanda namacounsellor, tinoshanda navashe, tinoshanda namadhumeni yedu vanotidzidzisa*	Tendai: …in our work we work with our headmen, our chiefs and his councillors. We also work with the extension officers who teach us the

kurima kwacho- ... saka kana tichishanda nevanhu vese ivavo vakahwa kuda nekuti tinenge tichibatana masabuku namadzishe, namacounsellor namadumeni yatataura – saka ndokuwanda kwakazoita vanhu vachiuya kwetiri nekuti takatanga kushanda nevanhu ivavo. ch.b.3	practical steps of cultivation- so that as we are working like that, people see how we are working together with our leaders in love and unity, and that is how a lot more people have come and joined to work with us.

Through the Headman's participation in the research program, the activity system is able to open up the community to expansive learning and therefore move towards a solution. Tendai attests to this:

Tendai: ...tinofanira kurima chinhu chinonzi rukweza chirimwa nevakuru vedu vekare...- zwatirikurarama ndozwairarama nevabereki vedu kare (chb.1.2;ch.b.13.2)	Tendai: …we should grow millet which was grown by our ancestors…the way we are surviving is the way our ancestors survived

One of the things that they realised early on in the research process was that they had lost the knowledge to grow the traditional grains and therefore agreed to re-learn how to grow traditional grains. Learning together was a way of getting to that knowledge as Mai Shumba, the Secretary says:

Mai Shumba: Vakazova nechidzidzo kutidzidzisa icho chekuti kuti nzara iyi ipere tonofanira kurima chinhu chinonzi rukweza chairimwa nevakuru vedu vakare… ch.b.1.2	Mai Shumba: They had lessons to teach us that for famine to go, we needed to grow the traditional crop of millet which was grown by our ancestors.

In relating with millet, they knew that their ancestors survived over long periods without food shortages, and had food surpluses that they used to purchase other livelihood items like cattle through barter system. The Headman noted that as long as they continued to have crops that do well in the environment, food sustainability over long periods was possible. Through this participatory research process, the community was able to move from a dilemma to finding a sustainable solution to their problem. They also expanded

their capacity to resolve the problem. The following diagram is a representation of the expansive learning.

Figure 4.9- Expansive Learning Chinyika Activity System
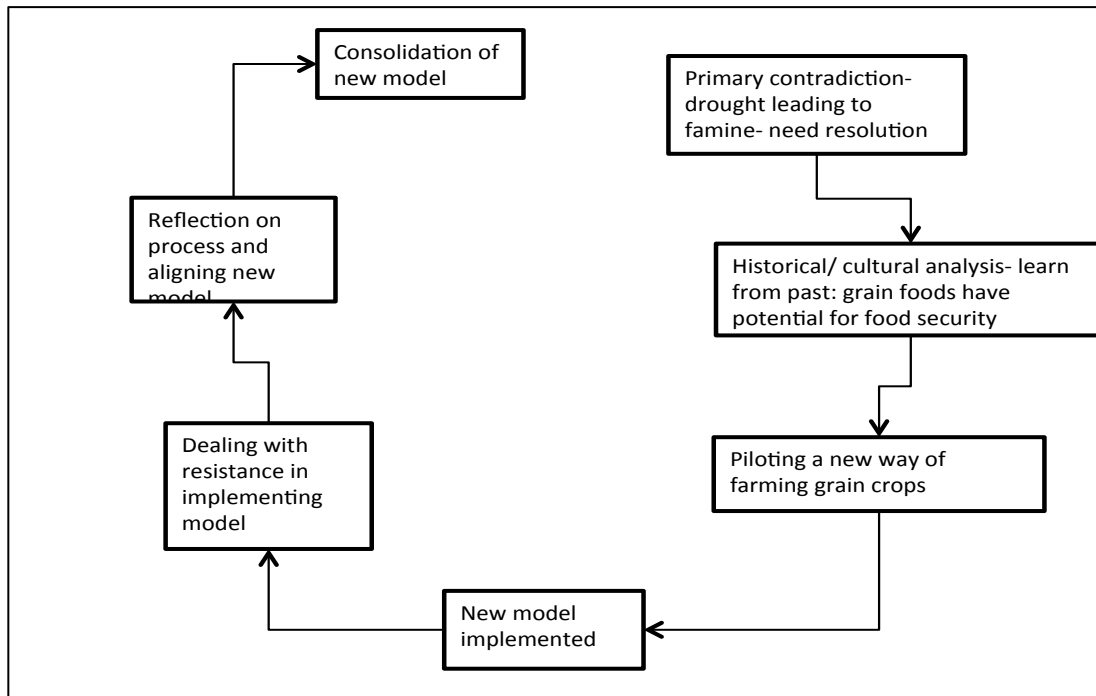
As a consequence of interacting with another activity system, the Chinyika community not only found a solution to their livelihood problem but expanded their knowledge by going back to their traditional grain crops while utilising modern methods. The Chinyika Community was producing surplus indigenous grain and had managed to market some of that surplus to an agricultural wholesaler. Through the Headman, this wholesaler agreed to provide technical support to the community to improve yields. The Headman narrates that the wholesaler "created a cash market for our crops, by purchasing unprocessed grains directly from village associations. They have developed a marketing strategy and packaging for finger millet, which can now be bought in supermarkets in Harare" (cha.21.8).

Figure 4.10- Transformed Chinyika Activity System
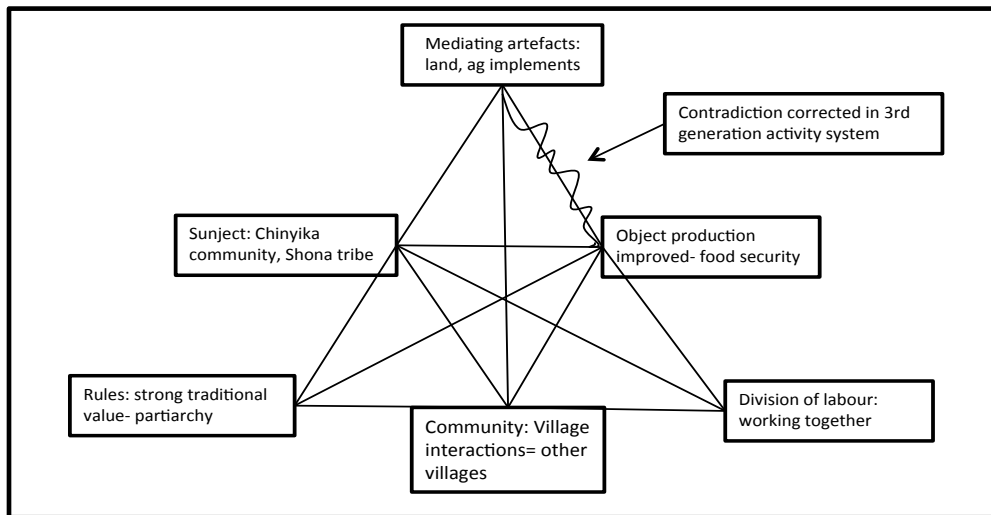
In this diagram, drought is present but no longer a disturbing contradiction. The result is improved food security.

4.3   Need to Interact With Microfinance Activity System

This success triggered a desire by the Headman to invite a microfinance organisation that would provide financial services for a variety of economic activities by community members. It was not clear at this point whether the Headman was acting in response to the voices of the community or whether this was a need he sensed in his role as the Headman. He therefore approached the Geneva, Switzerland offices of ECLOF International, a global network of financial institutions, to consider providing financial services. ECLOF International had closed their offices years earlier due to the deteriorating economic conditions in the country, which led to several other international organisations exiting. At the request from Chinyika, ECLOF International decided to

explore the feasibility of a community based microfinance business model. A team was tasked to review the request by traveling to the region and making an assessment of the viability of the request.

4.3.1   Brief Background of ECLOF International

ECLOF International is a global microfinance network with its headquarters in Geneva Switzerland. It operates in countries of Africa, Latin America, Asia and Eastern Europe to provide financial services through Churches and organisations that are affiliated to the World Council of Churches. ECLOF was established in 1946 as one of several institutional tools that the ecumenical movement had under the World Council of Churches to serve the different needs of the ecumenical family (Kanyoro & Berge 1990:6). ECLOF was registered as a Swiss foundation to take over the work of Association Protestante Internationale de Prêts (APIDEP), a Swiss loan fund set up in 1928 by a team of Swiss bankers to cater for the needs of the Church in Switzerland (ECLOF 1996). ECLOF first functioned under the Reconstruction Department of the World Council of Churches with a focus on giving loans for Church rehabilitation in Europe after the war. In the 1950s, it broadened its reach into Asia, Africa and Latin America, working with grassroots communities through local Church councils to bring about human development. Financial services include credit, savings, and insurance product specifically structured to empower disadvantaged and vulnerable people in communities to break the cycle of poverty and improve their livelihoods. ECLOF was

funded by the ecumenical aid agencies through the World Council of Churches. By the end of 1988, ECLOF had a presence in 59 countries (Kanyoro & Berg 1990:8).

4.3.2   The ECLOF Activity System

The activity system of a national ECLOF (NEC) would consist of:

<u>Mediating artifacts</u> such as lending capital, appropriate governance and management skills as well as management information systems to track loans given to clients and provide data for timely management decisions.

<u>Subject</u>: the local Board likely under the National Council of Churches together with management and staff whose mandate is to provide useful financial services through a sustainable business model.

<u>Rules</u>: rules include compliance with regulations and internal management of resources as well as accepted lending protocols.

<u>Community</u> includes other programmes by the National Church Council as well as other financial institutions within the nation of operation.

<u>The object</u> is the provision of appropriate financial services to the target group- poor people- in ways that enable them to use those services in economic development activities.

<u>The overall</u> outcome is that earnings would improve incomes in participating communities and consequently enhance livelihoods.

Due to various operational challenges, a number of National ECLOFs in Africa became inactive (Kanyoro and Berg 1990:16). In Zimbabwe, the challenges were compounded by the general downturn in the economy leading to the closure of the NEC in 2008. The request from the Chinyika Community for ECLOF International to consider providing microfinance services came a year after the closure of the local office. It was agreed that a brief assessment of the Chinyika situation be made with a view to developing an alternative delivery model that would function regardless of the existing challenges in the country.

ECLOF was unable to come up with a model that would ensure sustainability of a microfinance initiative for the Chinyika community in the absence of a local office. Consequently the two activity systems did not come together at all. This process was not possible as the ECLOF activity system was itself suffering the consequences of a contradiction caused by a downturn in the economy that led to closure of offices. The Chinyika community was therefore not able to inform the design and delivery of any financial services.

4.4   Conclusion- Responding to the Research Questions

The importance of this case study is that it identifies the dialogue space that the community members used to articulate their livelihood issues. Because of their strong

community structure and connectedness to their ancestry, the Chinyika community have an inherent way of meeting their livelihood needs through food production. This is part of who they are. Consequently when famine strikes, they are able to talk about the effects of that phenomenon among themselves. The lack of a viable solution in the immediate makes them resort to desperate means like foraging for wild vegetation. They realise that the problem is beyond what they had experience and knowledge to resolve. They are also aware that they do not have the means to arrive at that solution and need to influence some others to help them arrive at this solution.

Being aware of the fact that the community structure allows them recourse through the Headman, they send word to him. They thus deposit the content of their individual and collective voices in the person of the Headman. The Headman in turn realises that as a community, they do not have the expertise to address the food production problems in the face of persistent drought. He is able to enjoin another activity system to come up with a long-term solution. In this way, he enables the voices of the community to influence processes that benefit them. In this case study, the headman is a critical figure who assumes the collective voice of the community and uses his own academic story to craft a pathway to a solution for the rest of the community. His decision to enjoin another activity system was in exercise of his own agency as well as the collective agency of the community. When he initiates interaction with another activity system he ensures that the community participates by keeping that dialogue space open. The Headman takes on his role in a benevolent way. The Headman becomes the champion of the community and has the authority, respect and recognition to do so.

The following case study will review the COSUN group in peri-urban Zambia to provide

a basis for comparison with the Chinyika community in terms of what the voices of poor

people are and how they inform processes that benefit them.

Chapter 5- The COSUN Group Case Study

The COSUN Group case study is patterned on the analysis done on the Chinyika Community in the previous chapter. The COSUN group was set up as part of a community-driven microfinance activity system in an unplanned settlement of Lusaka, Zambia. As in the Chinyika case, the analysis will aim to respond to the research questions:

1a. What are poor people's voices about their livelihoods?

1b. How do those voices influence actions that contribute to their livelihood needs?

COSUN Women's Group is a financial savings society (FSS) that was affiliated to CPSCC as part of CARE International's project called Program of Support for Poverty Elimination and Community Transformation (PROSPECT) with the aim of enabling community-driven development (CDD) in Zambia. COSUN is composed of sixteen women and was selected by CPSCC to take part in this research.

5.1   Zambia- The Country Context: Rural to Urban Migration

Between 1899 and 1900, the time of the annexation of the region now known as Zambia, the African kingdoms who occupied the region, were placed under the jurisdiction of the BSAC, a mining prospecting company that started mining copper in the then Northern

Rhodesia and Katanga (now Zambia and Congo). In order to ferry copper to South Africa, the mining company built a railway line along which cities and towns were established around the 1930s (Mulenga 2003). These industrial activities created a demand for labour in the mines as well as in the newly established towns along the line of rail. Young and able-bodied men in villages and rural areas responded and moved to the mines and cities for paid labour. The mines provided social amenities like schools, hospitals, housing and food rations for the workers and their families. The mining towns typically had "mining compounds, government African locations, railway compounds as well as commercial and European residential sectors" (International African Institute 1956: 147).

Figure 5.1- Map of Zambia: Labour flow into the mines

(Map of Zambia 2015)

The Private Locations Ordinance of 1939 enabled unemployed or self-employed people to settle as squatters where this would have been previously impossible (Mutale 2004). Thus migration occurred even where rural people were not assured of jobs in the mines or other emerging industries. The Private Locations Ordinance enabled people who moved into the urban centres to stay on and not return to their villages of origin. Following the enactment of the African Housing Ordinance in 1948, African labourers were given permission to bring their families into the towns/ cities they worked in (Mutale 2004). Not only was agricultural production in the rural areas adversely affected by mass migration, but the evident new lifestyle reflected an economic advancement from paid employment, highlighting rural poverty and precipitating further migration (Wilson 1956).

5.1.1 The Beginning of Squatter Settlements Around Lusaka

Lusaka was established as a railway siding in 1905 and in 1913 the white settler farmers were granted administrative mandate under an elected Village Management Board and thereafter became the capital and administrative centre due to its central location and abundance of underground water to support permanent residency (Mulenga 2003). The white settlers employed indigenous people from villages in rural parts of the country and from neighbouring countries. They temporarily housed workers in native compounds on the understanding that they would return to their villages at the end of the short-term contracts (Hansen 1982; Mutale 2004). The majority of Africans who opted to remain after the expiration of employment contracts settled in squatter settlements where they

put up dwellings as they could afford. Mulenga notes "the striking feature of the early self-help housing…was the use of unconventional building materials and their location just outside the city/town boundary. The Private Locations Ordinance … did not insist on the statutory building standards." (Mulenga 2003:6). Mulenga argues that consideration was given to the fact that most African workers were generally not highly paid and therefore could not afford to build houses in accordance with the urban housing standards prescribed in the Town and Country Planning Act (Mulenga 200).

Independence from colonial rule in 1964 came with recognising Lusaka as the site for the new government administration and also as the capital city. Investments into expanding the city brought with it opportunities for employment for many and increased rural to urban migration. The economy of the country was on the upswing with the government being "direct recipient of revenues from copper" following an aggressive nationalisation of major parts of the economy (Rakner 2003:45). Housing priority was given to the employed. In 1965 the government introduced "the site and service schemes" which involved plot pegging, and provision of communal water supply and roads (Hansen 1982: 125). This effort did not get rid of existing squatter settlements as immigrants kept coming. Squatter settlements were formally recognised under the Second National Development Plan of 1972, with a focus on the need to provide planning and other services, and avoid "wholesale demolition of good and bad housing alike…" (Zambian Government 1971:262). This recognition was necessary because the lack of social amenities like running water, electricity, schools and health facilities in these squatter

areas triggered pollution of the environment and an increase in diseases leading to very low productivity (World Bank 2002).

In 1981, The World Bank commissioned the Lusaka Squatter Upgrading and Sites and Services Project, which "was probably the first upgrading scheme in Sub-Saharan Africa and provided more than 30,000 new and improved shelter sites in informal settlements in the city." (World Bank 2002: 13). In 2002 a study revealed that by 1999 Lusaka had a total of 300,000 housing stock of which 90% consisted of squatter units accommodating 70% of the city's population on less than 20% of its residential land and in 37 informal settlements (The World Bank 2002:9). Residents of these squatter settlements cited problems such as "illegality of residence and the general lack of water, school, roads, sewerage/drainage/sanitation, security, building space, clinic, community centre, employment, and loans" (World Bank 2002:10). Poverty was rampant. The upgrading of squatter settlements brought them within the ambit of the local government authority who retained the role of providing housing and other social amenities like water. The biggest challenge however was lack of resources to address the cited problems. At the instigation of the government, local authorities sought to partner with the donor community to find solutions. Donors and the NGO community took on the role of supporting improvements in infrastructure, services, and the environment, and generally the quality of life in the settlements (Garrett 2004).

Poverty in Squatter Settlements in Zambia

The beginning of large-scale copper mining in the late 1920s had set off a burst of industrial development that transformed the country by the time of independence in 1964 (Ferguson 1999). From being a purely rural agricultural territory at the time of take over by the BSAC in the 1890s, modern Zambia had by 1969 arrived at an urban population of 1.1million people, representing 30% of the total population. The economy was very vibrant, making it "one of the richest and most promising of the new African states (Ferguson 1999:1). Throughout the 1960s and the 1970s Zambia was reckoned as a middle-income country with per capita gross domestic product that was the highest in Africa and higher than other middle-income countries like Brazil, Malaysia and Turkey, and with excellent prospects for full industrialisation (Chizuni 1994). This phenomenal economic success was riding on the success of copper- thus the decline of copper prices and the oil shock of the 1970s spelled a serious decline in the economy, leaving Zambia near the bottom of the World Bank's hierarchy of developing nations (Rakner 2003).

The newly independent government had provided food security for the ever-increasing urban population through specific policy directives that anticipated "increased crop production and availability by providing high producer prices for various crops, especially maize, the staple crop" (Chizuni 1994:46). In anticipation of this agrarian revolution, President Kaunda promised "a pint of milk and an egg a day" for each Zambian, all produced by local farmers (Payne 1965:10). While the producer prices remained high, the government hoped to keep prices of processed agro-products like mealie-meal and cooking oil as low as possible through a process dubbed "price

differential subsidy" which meant that buyers would pay US$8 for 50kg of maize and sell it to the millers for US$7, then claim from the government the US$1 as the price differential subsidy, plus the cost of handling, storage and any other related costs (Chizuni 1994:46). Chizuni explains that food processors could claim the difference between the economic prices they may have tagged and the government controlled prices. As the economy became weaker, heavy food subsidies took up 18% of government recurrent expenditure and resulted in budget deficits as high as 14% of the gross domestic product (van der Geest 1994). The fall of copper prices in 1974 greatly reduced national incomes even though social spending did not stop: these were sustained through domestic and foreign borrowing which escalated national debt from US$0.63billion in 1970 to US$7.22billion in 1990 (Rakner 2003).

Though food subsidies were a major drain on government resources, they provided a means for the government to placate public criticism especially in urban areas (Rakner 2003). However borrowing from the International Monetary Fund (IMF) in 1985 came with austerity measures that removed food subsidies thereby sparking food riots and general unrest especially in urban areas (Potts 1995). The government responded by introducing a food coupon system for the unemployed and urban workers that earned below a certain amount of money (van der Geest 1994). Potts argues that the food subsidies helped to smooth the consumption of unskilled workers whose meagre incomes made it difficult for survival and notes the IMF reform conditions were based on an erroneous view of "a labour aristocracy characterised by high wages and subsidised food and housing…" (Potts 1995:247). The austerity measures resulted in the privatisation of

the mines, parastatal organisations and support infrastructure, and brought about massive retrenchments, and consequent loss of wages to support livelihoods. Kazimbaya-Senkwe asserts "formal employment declined from 30% in 1980 to less than 10% in 1990…." and that 77,300 formal jobs were lost between 1992 and 1995 (Kazimbaya-Senkwe 2004:99).

The economic decline eroded many of the benefits of living in urban areas resulting in very high levels of poverty. Saasa points out that following a modest poverty quantification based on a vegetarian calorific content which excludes meat or fish, and does not fully factor in other needs like shelter, education, health, lighting, etc., 69.7% of the Zambian population was below the poverty line in 1991 and this went up to 73.8% in 1993 (Saasa 2002:16). In response, the government partnered with the World Food Programme (WFP) and commissioned the Peri-Urban Self Help Project (PUSH) that ran from 1991 to 1994 (Garrett 2004:7). WFP invested US$1.5million and partnered with the Canadian International Development Agency (CIDA) who put in a further C$1.5million to implement a food-for-work project. This program, dubbed PUSH I, involved distribution of food in exchange for building roads and drainage systems, and clearing garbage. CARE International was mandated to supervise the implementation of the project.

5.2   CARE International- an Overview of Development Focus

CARE International is a development agency that started emergency relief work in Zambia in 1992, in response to extreme urban poverty (CARE Zambia 2013). Typically CARE raises funds from individuals, corporations, foundations and other private sources in the North, then leverages these funds with contracts awarded by Northern government development agencies for development projects in needy countries. Though it started as a relief organization, CARE soon shifted focus to initiatives that address root causes of poverty and household insecurity through holistic partnerships with communities as key stakeholders.

The oil crisis of the 1970s triggered the soaring of fertiliser prices, and compounded with droughts, created repeated grain crop failure, leading to food insecurity, especially in Africa (FAO 1995). It was noted that food insecurity occurred even where food was available at national level but probably not accessible at household levels for various reasons (Frankenberger et al 2000:3). The realization aligned with Sen's theory on food entitlements, which postulated that a number of socio-economic variables influence access to food at household level. These variables include how poor people produce their food, how they acquire incomes, what type of community support they have and what type of assets they command, along with their migration patterns (Sen 1999:5). Chambers and Conway, also noted that where migration had happened, food insecurity was caused by lack of employment in urban areas, contrary to the experiences of rural populations who gain their livelihoods from multifarious activities (Chambers and Conway 1992).

The new discourse established the concept of livelihoods as comprising "the capabilities, assets (stores, resources, claims, and access) and activities required for a means of living." (Cited from Chambers and Conway 1992 in Frankenberger et al 2000: 3).

Thus livelihoods were considered sustainable when they were able to "… cope with and recover from stress and shocks, maintain or enhance its capabilities and assets, and provide sustainable livelihood opportunities for the next generation." (Cited from Chambers and Conway 1992 in Frankenberger et al 2000: 3). Many international development stakeholders such as The World Bank, Food and Agricultural Organisation (FAO), Department for International Development (DFID) and The United Nations Development Programme (UNDP) embraced the sustainable livelihoods approach and integrated the concept in their interventions. The various permutations of this approach had common origins and principles rooted in the "participatory methodologies, ecosystems analysis, vulnerability and livelihoods" (Hussein 2002:54).

5.2.1   The CARE Household Livelihood Security Framework

In 1994 CARE adapted the sustainable livelihoods approach called the Household Livelihood Security (HLS) framework, which they defined as "adequate and sustainable access to income and resources to meet basic needs (including adequate access to food, potable water, health facilities, educational opportunities, housing, and time for community participation and social integration)" (Frankenberger et al 2000:3). The

policy framework would guide actions to enhance poor people's capacities to secure their own livelihoods, which so far had been ravaged by "lack of access to adequate housing, water, and sanitation; poor health, discrimination, and marginalization in society; and patterns of labour, land ownership, and debt that trap individuals and societies alike in extreme inequality" (Nelson and Dorsey 2008: 4).

In Zambia, CARE used the HLS approach in the interventions that responded to the numerous social challenges in the unplanned squatter townships around Zambia. (Garrett 2004). The change of government in Zambia in 1991 from a one-party state to multi-party democracy underscored the need for greater democratisation and decentralisation to empower grassroots organs. The participation of local people was part of the aspirations of the new government and sat well with the thinking in CARE. Local government facilitated the establishment of Residents Development Committees (RDCs) registered as community-based organisations (CBO) with the Registrar of Societies to indicate their non-partisan and non-government existence and thus ensure neutrality (Garrett 2004). The mandate of the RDCs included overseeing improvements to market facilities, roads, drainage, water, sanitation and garbage collection as well as promoting economic and cultural activities.

The end of PUSH I was also the end of CIDA's commitment to the food-for-work program. CARE partnered with Oversees Development Agency (ODA) the then British government aid wing- to be renamed the Department for International Development (DFID). The partnership was important for both parties to implement a project using the

sustainable livelihoods approach. Like CARE's HLS, DFID's livelihood approach included two critical elements that would enable this partnership to synergise and achieve mutual goals:

- Firstly, it was people centred in enabling analyses of livelihoods from the perspective of the people and involving them in determining the underlying reasons for their problems. It also involved them in determining the best courses of action to address the problems
- Secondly, it was very holistic in cutting across various sectors and social groups. It recognised the multiple influences that impact on people's lives as well as the multiple actors. Thus it recognised the multiple livelihood structures and aimed to achieve multiple livelihood outcomes (Farrington et al 1999:4).

The partnership agreed to set up PUSH II (1994-1997) in the same communities as PUSH I to run as a pilot for community-driven development projects (Garrett 2004). PUSH II eliminated the food-for-work component and instead was run as a pilot using the sustainable livelihoods approach. The community-driven emphasis was to enable the communities identify their problems and participate in defining solutions. Participatory approaches like Surveillance and Rapid Appraisal methodology, and Participatory Appraisal and Needs Assessment (PANA) were used and led to formation of Area-Based Organisations (ABO) with leadership to mobilise and manage community projects (Garrett 2004:16). Thus PUSH II was established to pilot a community driven intervention of reducing poverty through community empowerment that would "place important decisions about service provision and about money in community hands" (Mattingly 2008: 130). PUSH II initiated community-based and self-managed FSS groups that contributed money into savings pools and used that money to lend out to one another. In PUSH II, CARE trained 2000 women who had been part of the food-for-work program to participate in FSS groups. Sanderson and Hedley report that 900 people

formed savings groups and accumulated savings of an equivalent of US$18,000, and loans were given to 73 groups for a total value of US$10,000 (Sanderson & Hedley 2002: 250).

In 1997 PUSH II came to an end and the work was assumed by a new CARE project called PROSPECT, which focused on three key thrusts:

- Institution Building to establish effective, functioning local institutions called area- based organisations (ABOs);
- Infrastructure Improvement, which helped construct a water system, including tap stands; and
- Microfinance, primarily for women, which established self-managed savings and loans groups based on the traditional savings system, chilimba (Garrett 2004: 16).

Under the microfinance component, existing FSS groups were placed under the oversight of newly formed community umbrella cooperatives whose role was to oversee the groups and manage a pool of funds available for group members to borrow from. The newly introduced umbrella cooperative societies would initially borrow lending capital from PROSPECT and create a revolving fund as they lent to community members (Takaizya 2002). They would in time be sustainable to raise their own funding. CPSCC is one of those cooperative societies. Like any other project, PROSPECT had a defined life span. The project was meant to run from 1998 to 2004 but extended a further year and finally wound down in 2005 (Mattingly 2008: 130).

5.3   The Activity Systems: PROSPECT, CPSCC and COSUN

PROSPECT

In the analysis of the COSUN group, it is important to note that PROSPECT was itself an activity system whose purpose included the establishment firstly of COSUN women's group as an independent FSS then secondly the establishment of CPSCC as the umbrella body to supervise COSUN. The following is a diagrammatic representation:

Figure 5.2- PROSPECT Activity System
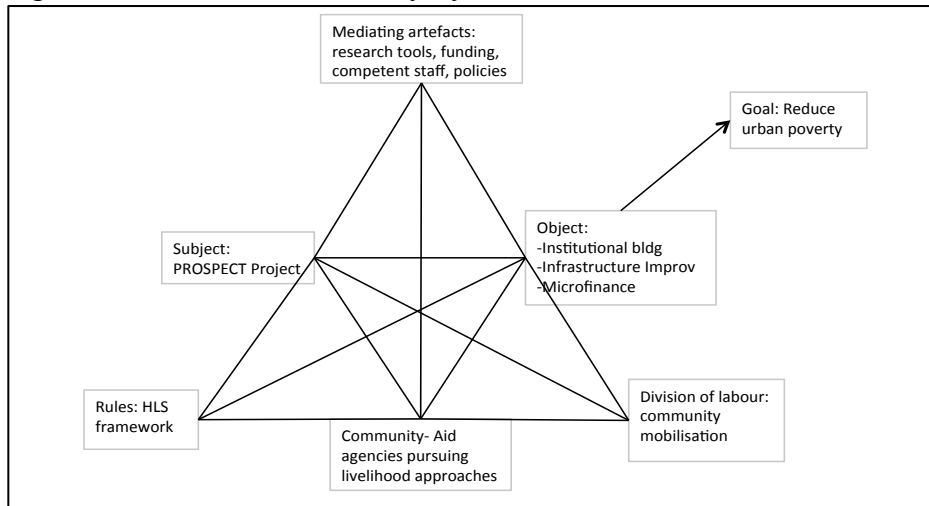
The commencement of the PROSPECT Project in 1998 sat well with the newly adopted HLS approach that focused on enabling communities to be at the forefront of their own development. Thus the object that PROSPECT as the subject pursued was to ensure the three outcomes of institutional building, infrastructure improvements and economic empowerment through community-driven microfinance activities. The ultimate goal was to bring about livelihood improvements as a strategy for urban poverty reduction. To achieve these outcomes, PROSPECT employed research tools like PANA to understand

the needs of the community, donor funds to get the projects going and specific staff competencies. The CARE HLS approach was inspired by a wider development agenda that embraced the sustainable livelihoods approach towards development as discussed on page 145. Thus a conglomeration of these agencies constituted the community. Division of labour happened as PROSPECT mobilised communities to enable local ownership. PROSPECT's ultimate goal was to reduce urban poverty by creating an environment where communities would drive their own development and in so doing, improve livelihoods. Their initial assessment indicated that water was the biggest need and that became the entry point (Garrett 2004). In order to make water readily available, PROSPECT chose to engage three main thrusts as discussed above. The formation of the COSUN women's group and CPSCC were an outcome of these initiatives as evident in the diagrammatic representation below.

Figure 5.3- Implementing PANA Expectations
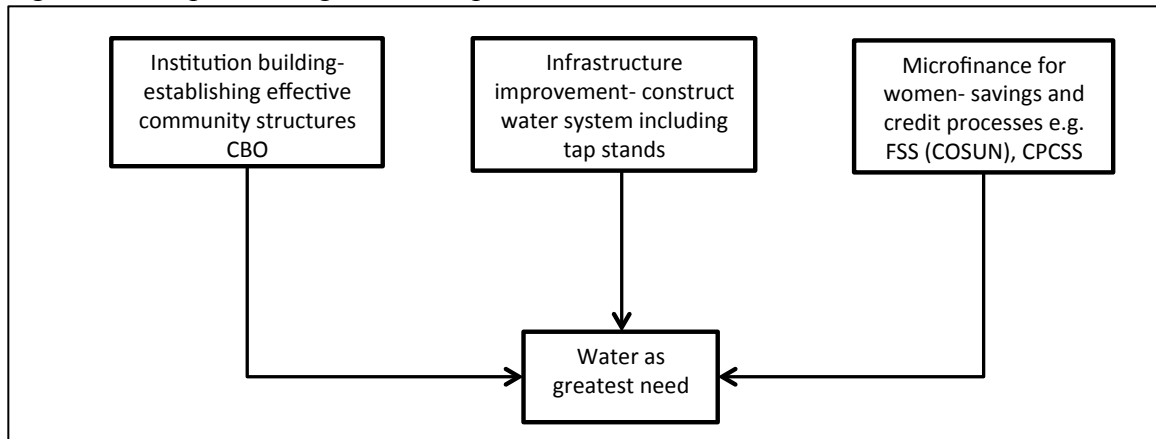
It is important to note that PROSPECT as an activity system had a short life span and after it wound down, the relationship with COSUN and CPSCC also ended.

5.3.1 The COSUN Group and CPSCC Activity Systems

The COSUN activity system was set up to interact with the CPSCC activity system in order to benefit from financial services like access to loans and a secure place for savings, all with the intention of improving livelihoods (Takaizya 2002). The analysis considers the two activity systems in tandem.

Purpose of the Activity Systems

The COSUN group- The purpose of the activity system was to empower the women by enabling them to save and borrow money for economic activities in order to support livelihoods. When PROSPECT was established, more emphasis was placed on personal empowerment to enable the women to generate enough money to pay for the water whose infrastructure was being put in place (Garrett 2004). Due to the small amounts saved, the aggregated sum would remain inadequate for lending to all the group members to support their economic activities, hence the need to have the umbrella cooperative society that would initially get lending capital from PROSPECT for on-lending to the groups. Subsequent lending capital would be sourced from financial institutions like banks or MFIs once the cooperative societies were stronger (Takaizya 2002). The COSUN women put together their savings and deposited it with CPSCC, the umbrella body. The COSUN activity system is diagrammatically represented as follows:

Figure 5.4- COSUN Activity System
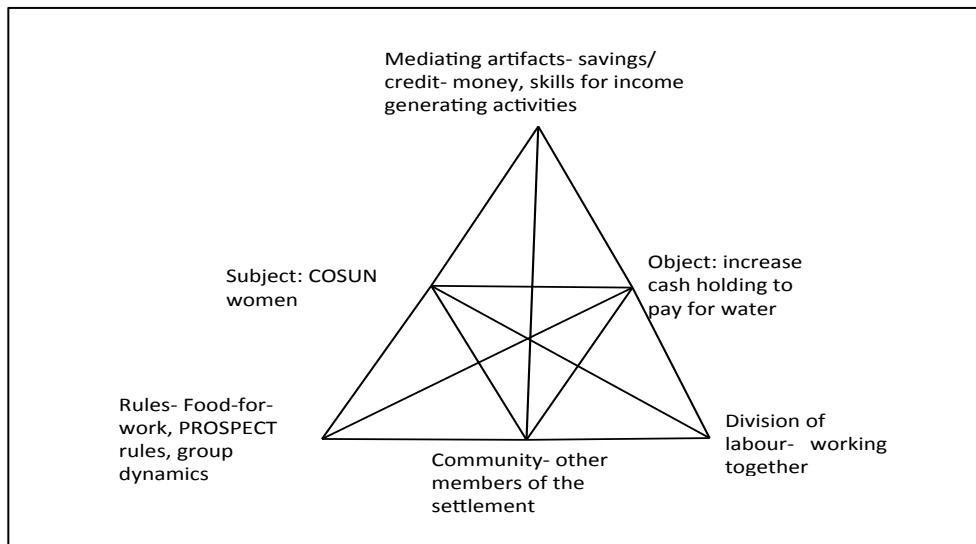
The motive of this activity system is to ensure that the women have enough money stored aside in order to pay for water. They save whatever money they might have and it is assumed that they also borrow for income generating activities.

It is not clear whether the motive to increase incomes for water purchases were in line with the women's expectations. Later on there were disappointments when the women realised that they would be required to pay for the water (e.8.3). What is known is that it met PROSPECT's logical aspirations to empower that community in line with PANA results. In addressing this need, PROSPECT included the savings and credit schemes as a means to the end of ensuring sustainable water system in the community. It is evident that by agreeing to form groups, the COSUN women as the subject of this activity system, embraced the phenomenon of the savings and credit scheme as a way of generating more income. Most importantly it seemed that the COSUN women did not understand that they would be required to pay for the water as was corroborated by one of their leaders (e.8.3).

Within the community are other members with whom they have a neighbourly relationship. Since the settlement is a fusion of different ethnic groups, they have assumed neighbourly relationships whose bonds are only as strong as the members accommodate and trust one another. They constantly lament the need for leadership to guide them along (c.4.3). This seems to be their biggest challenge.

CPSCC functions as an umbrella body overseeing several affiliate groups like COSUN in the community. The cooperative model was chosen to actualize the essence of a community-driven initiative to "promote member interests around a common goal" and therefore engender principles of self-help, self-management and self-accountability (Takaizya 2002: 5). The leaders serving on CPSCC were part of the leadership cohort that had been trained by PROSPECT to manage various community-driven initiatives. Additionally, the CPSCC had representatives sent from various FSSs to ensure the interests of the groups were safeguarded. Apart from providing loans, the CPSCC would receive voluntary and mandatory savings from FSS as part of the financial services they offered. The diagrammatic representation of CPSCC looks as follows:

Figure 5.5- CPSCC Activity System
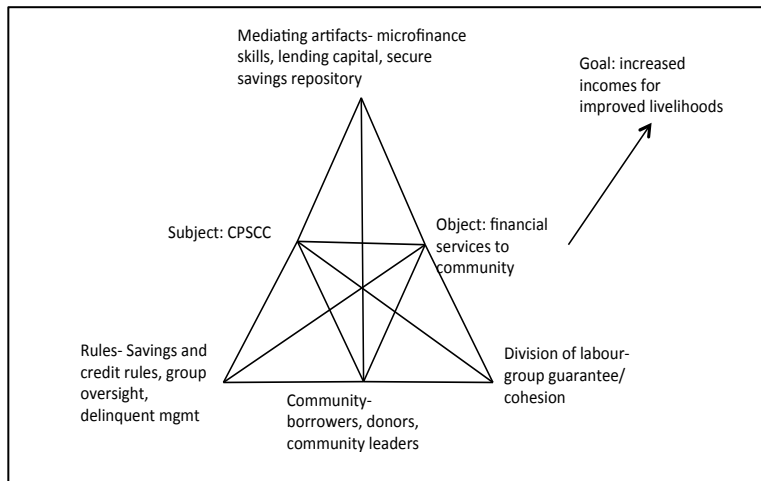
CPSCC is the subject in this instance interacting with appropriate skills, lending capital and a secure savings repository as mediating artifacts to arrive at the object of providing community driven financial services for increased incomes and improved livelihoods. In doing their work, they have to instil savings and credit rules to ensure compliance, oversee affiliated groups like COSUN and ensure management of delinquent management of past due loans. Within this context, they interact with various borrowers in the community, PROSPECT staff and other leaders like those overseeing water projects. With regard to the division of labour, they depend on affiliate groups to work together in a way that co-guarantees the loans in the absence of collateral. The groups also contribute towards the activities at CPSCC. The working together of the two systems would look like this:

Figure 5.6- Intended Outcome of CPSCC and COSUN Systems
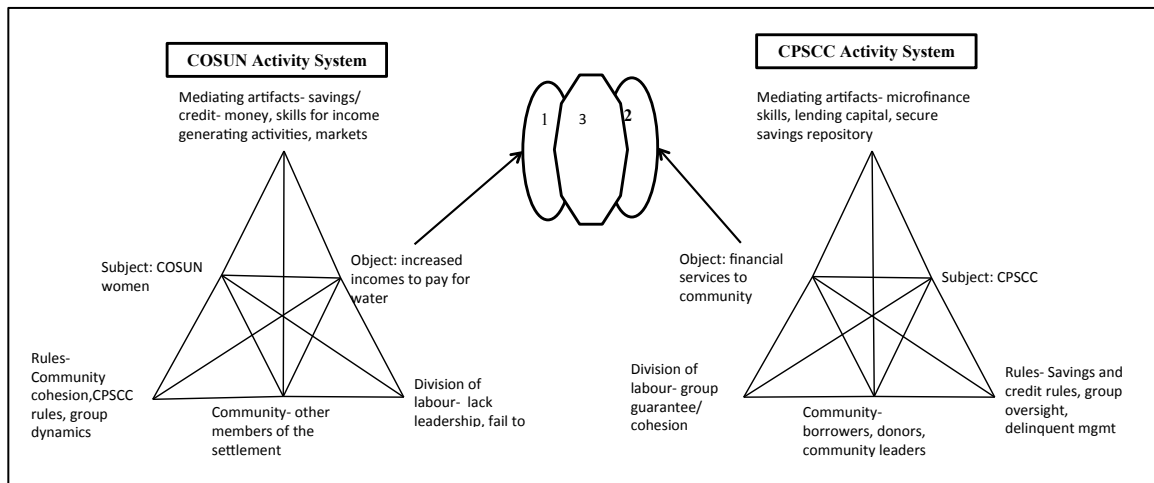
The CPSCC activity system would supervise COSUN, store their savings and provide a place where bigger loans would be provided. Thus the outcome of the two activity systems working together would be more coordinated savings and credit provision represented by the oval space 3 in the diagram.

Analysis of the Activity Systems

COSUN

Leadership- The COSUN women come from different ethnic groups. They do not have familial or traditional bonds through which they can establish commonality. The institutional building component of PROSPECT had identified and trained leaders who would galvanise the community around development activities and provide oversight. These structures do not seem to be well coordinated to provide the women the support they needed to secure their livelihoods. Thus a lack of benevolent leadership is the constant complaint that women have (c.4.3)

Surmounting language barriers- The women speak different languages and dialects but manage to communicate using informal language used in the city. The following excerpts in their use of language show a fusion that constitutes an acceptable lingua franca.

Example 1-

*Twenzi: Chamene tinajoinila group iyi kuti tizilongana pamodzi tizipasana nzeru then tizipezako tandizo penango…(*c.1.4)	Twenzi: We joined this group so we could meet together, share wisdom and maybe find help.

The text is in Nyanja but spiced with bits of Bemba and English:

Bemba   English

Chamene tina|join|ila |group| iyi kuti tizi|longana| pamodzi tizipasana nzeru |then| tizipezako tandizo penango.
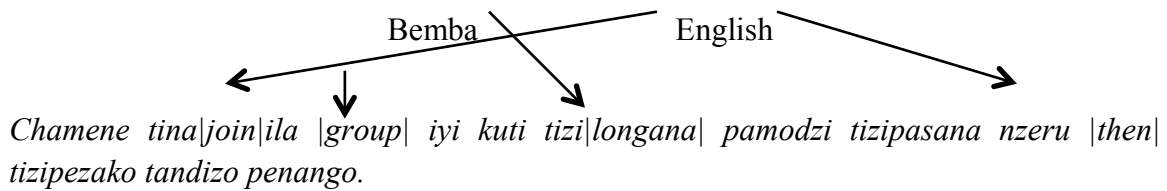
Example 2:

Sonaya: …tatwiishibe amalamulo balelanda….	Sonaya: …we do not know the rules they are talking about

Bemba   Nyanja

…tatwiishibe |a|malamulo| balelanda….
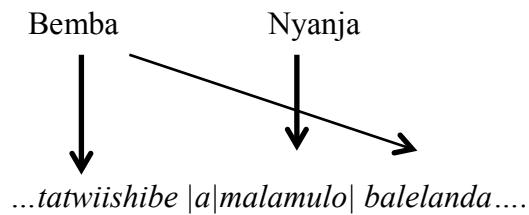
Example 3

Luboto: … *niexample napela. Ebakusogolo tuleeba*	Luboto: ..this is an example I am giving. Those are the leaders I am talking about….

English   Bemba   Nyanja

ni|example| napela. Eba|kusogolo| tuleeba
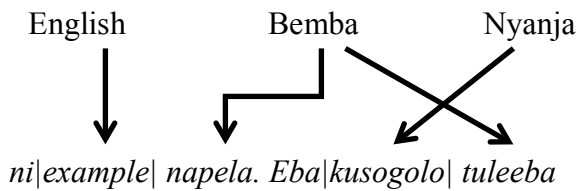
Example 4

Sonaya: … uyu nalanda kale, so teti	Sonaya: …this one has already spoken, so

tumufunse nokumufunsa- ifwe nomba kuyaipusha kwi group.	we cannot ask her- we will now go and ask the group.

The text is in Bemba with bits of English and colloquialised Nyanja

English   Colloquialised Nyanja

"Kuyu nalanda kale, |so| teti |tumufunse nokumufunsa|- ifwe nomba kuyaipusha kwi |group
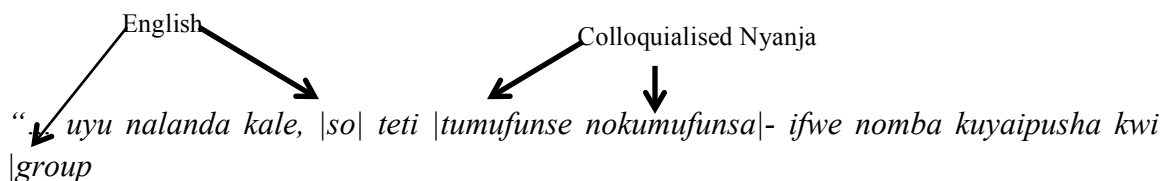
This community has found a way of creating a common expression and experience. Kramsch states that language "expresses…embodies…symbolises… cultural reality" (Kramsch 1998: 3). For this community, the need to retain social oneness had necessitated an emergence of a way of communicating that infused various languages. To the extent of understanding one another, the emergent language is a functional mediating artefact.

All live in poverty- The fact of them belonging to a group that was set up to support the needy suggests that they identify themselves as people in need of assistance out of poverty. Chinyanta corroborates this as a member of COSUN:

Chinyanta: ife bazimai timankhala namafamilies. Tilephela kuti tithandize family ili yako, kabili tiyembekeza chabe bamuna batipase, ise kuti tiyende patsogolo kulibe. Mumalo mwakuti naiwe uyendako patsogolo we mwine wake- family vakakupempa, utengapo chabe….manje mumalo mwakuti tilibe vochita, that is why timankhala so chabe. (C.6.8)	Chinyanta: As women, we have [extended] families who need help, but we just wait for the husband to give us [money]. If you had progressed on your own, it would be easy to help when your family asks for help. Now because we have nothing to do, we are helpless.

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The reason for their coming together is expressed in the conversations:

Twenzi: *Chamene tinajoinila group iyi kuti* *tizilongana pamodzi tizipasana nzeru then* *tizipezako tandizo penango…(c1.4)*	Twenzi: We joined this group so we could meet together, share wisdom and maybe find help.

The women identify poverty as their big problem. They are not able to buy food over sustained periods, send their children to school, and have proper housing. Ultimately they find it impossible to manage their homes. One of them reported that she is "unable to think properly" when she does not know where to turn to (group work feedback). Their efforts do not seem to bring them anywhere closer to solutions that would ameliorate their poverty status. They listed these problems:

Umphawi kwaine ndikusowa zinthu *Umphawi uthantauza kubvutika* *Umphawi ndikusowa zakudya zokwana* *Umphawi ndikusakwanitsa zonse zapanyumba* *Umphawi ndikusowa zochita chifukwa cosowa ndalama zozithandizila* *Umphawi nichintu chimodzi chamene chilengesa muntu kuleka kuganiza bwino; monga kusowewa* *Umphawi nimatenda panyumba, njara, bana kusaphunzira* *Sinikwanisa kumanga nyumba chifukwa chosowa ndalama (*Group work feedback)	- Poverty is being deprived - Poverty means suffering - Poverty means not having enough food - Poverty means failing to meet the needs of the home - Poverty is being helpless because of not having money - Poverty is one thing that causes a person to stop thinking properly- it is being deprived - Poverty is disease in the home, hunger and children not going to school - I have failed to build my house because of not having money.

Generating income- This activity system is expected to help them accumulate money and access credit to finance business activities. Though they made regular savings, the women had no record of the savings they had made over time and could not hold the CPSCC leaders accountable (d.3.2). They also had not been able to access credit due to lack of funds with the CPSCC.

Rules- One of the requirements of working together in a group is that they should have rules or a constitution. These rules pertain to their existence as a financial service society. However, when asked, it was not clear whether these guiding principles were of consequence or not. Chiseche, the representative from the CPSCC office was at hand to provide some information:

Researcher: ...muli na maconstitution yamagroups? *Chiseche: Group iri yonse ilinayo-bazipangira beka- vapaseni chance vakatenge kuli vaChairman, maybe next week vangabwere nayo (d.6.2)* *Researcher:...mukakamba kuti simwenzoziva, ndiye kuti iyi information munalibe mumalamulo? (d.5.1)* *Sonaya: nalimo vaChairman evangakwata. (d.5.4)*	Researcher: Do you have group constitution? Chiseche: Each group has it- they made the rules on their own. Maybe it is with the Chairman- they can bring it next week Researcher: If you say you did not know, does it mean this information is not in the constitution? Sonaya: Maybe the Chairman has them.

CPSCC

Though CPSCC was set up specifically to provide the much-needed capital, this did not work out as planned. The groups that had taken loans before PROSPECT wound down stopped paying back. CPSCC had no other donor to give them new lending capital. The CPSCC leaders see this as PROSPECT's problem. Their expectation was that PROSPECT should have left enough money to continue giving out loans. Boniface, a Board member with CPSCC explains:

> We used to have a lot of groups and CARE[4] used to work with us. I think
> it has all to do with the manner CARE left. They just left without leaving
> what I call an exit strategy. They more like just left people in

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[4] Both CPSCC and COSUN group members used the name CARE to refer to the PROSPECT project. There was hardly any usage of the project name PROSPECT.

suspense…and the moment CARE left, people used to come here expecting that CARE left some money(e.12).

The PROSPECT approach led to the formation of ABOs to provide community leadership and "placed important decisions about service provision and about money in community hands" (Mattingly 2008: 130). The establishment of CPSCC is part of the exit strategy that PROSPECT activated to enable community structures to continue with interventions that were in place. However this strategy was wrought with leadership challenges from inception. Though PROSPECT trained a special cadre of leaders to focus on community development, political sensitivity lingered and impinged on the quality of community support given. One of the reasons is that community leaders were originally elected to promote political agenda and engaging in a development focus meant moving them from one motive to another (Garrett 2004). The desired transition may not have happened going by the women's experiences.

Furthermore, it was unclear how the quality of community leadership would be sustained, and what fund-raising strategies they were going to employ to beef up the loan fund after PROSPECT had left. The CPSCC lament that the groups not only defaulted on loan repayments, but that the cooperative had become only for a few people (a.5.4) They even made decisions to give loans to non-cooperative members against the spirit of serving affiliate groups (Takaizya 2002). Thus CPSCC have a view that PROSPECT should have left a solution that would have mitigated the problems of lack of money for loans.

<u>Analysis of the Activity Structure</u>

<u>COSUN</u>

The activity structure responded to the expectations of the programme in that they were asked to come together as an FSS group (Takaizya 2002). They were also made to adopt a constitution to govern their activities, though this was not internalised and therefore not followed. Rather they deferred to the Chairman when asked about the content of the constitution (d.5.4). The activity structure was therefore perceived as an external construction that depended on continued external support. Hence Pelile's views:

| *Pelile: Kubwera so mwamene mwabwerera ...kumankhala monga ati kubwera chabe kutidya nzeru chifukwa chakuti bamaphunzira muli ife; vakaphunzira vija vamene vichitika muno mukomboni mwathu, vakaenda ninshi vaenderera batiivala. Ife kuti batipeleke pasogolo paja pamene tifuna, kumankhala kulibe wotibwereranso (c.4.1).* | Pelile: …others come the way you have come, but they are only interested in learning from us; when they have studied what goes on in our compound, they leave and forget about us. Instead of helping us to develop the way we want, they never come back. |

<u>CPSCC</u>

The leaders in the CPSCC were part of this urban community and were trained by PROSPECT to manage the microfinance component of the development initiatives (Garrett 2004). It is not clear the criteria used to name them as leaders. What is documented is the protracted process to identify a fresh breed of leaders to drive community empowerment through PROSPECT (Garrett 2004). There already existed leadership disputes between representatives of the ruling political party and the resident development committees (RDC) who were meant to represent the communities to the

extent that "participation [was] not as widespread as desirable and that the 'elites' of the community may have captured the RDC" (Garrett 2004:29). The COSUN women confirm that they do not know how their leaders are chosen:

Sonaya: ...elo tabafwaya olo kwaba amaelections tabafwaya ukutila ati umbi ateking'e over awe aah-aah, from 1997 niumowine ulya uwabako.....(d.22.1)	Sonaya: …when it is election time, they do not want someone else to take over- no- from 1997 it is the same person…
Chiseche- so apa vakamba ati vanachita dissolve nakwamene vazakavotela sitimaziva- tiona chabe vabwerera futi muoffice…so chabe…(d.22.2)	Chiseche: … now they are saying that they have dissolved [all the positions]. We will not even see where the voting will take place- they will just be retained…

The idea of a cooperative society to provide financial services is something that was designed by PROSPECT and not the community. The motivation of the leaders may not necessarily have been altruistic. In essence, both activity systems were externally engineered and therefore the purpose of both activity systems were intricately intertwined with the ideals of PROSPECT. Apart from the need for water, the motives of the community in the activity systems remained unclear.

Analysis of the Mediators

COSUN

The mediators include individual and collective voices, skills to run businesses, money to be used as business capital and markets to sell their merchandise. Because of a lack of an effective dialogue space, the women's voices do not seem to amount to much. They lack information of what is going on that should benefit them (d.7.9). They also seem to lack reliable leadership and hence constantly look for people to come and help them (d.1.5).

They lament their lack of business skills and working capital as mediating artefacts. The business activities tend to be more opportunistic than planned. As they reflect on their capacity to do business that will generate them an income, they find their skills wanting:

Lubuto: ...ngefifine balelanda, tupelela fye umu mwine- ukukosa twalikosa, nomba wakuti tukwateko uwakututwalako pantanshi nangu ukuti uchite ichi- nangu ni business ine kulaba ukusambilila- iyo business mwalachita muchite ifi nefi (c.7.5)	Lubuto: …like it has been said, we are just left behind. We are strong and we want to work, but we do not have anyone to help us develop, to tell us what to do. Even doing business requires someone to teach you. We do not have such a person.

Whatever little savings they put together is deposited with CPSCC though there is no accountability and the women have not had access to that money in a long time. They seem to have given up hope of retrieving it (d.5.2). The women do not complain about lack of markets. Rather they seem to do everything in their power to ensure that they sell their merchandise to sustain their families. This is evident in their wanting to be freed from workshops so they can attend to their businesses; and their inability to continue research meetings once they got the loan (j.4.2).

CPSCC

CPSCC is facing difficulties with the mediators. The management of the programme shows signs of the challenges being faced. The fact that CPSCC failed to collect debts from their member groups raises concerns about their skills in managing the lending portfolio (a.2.4). The lack of lending capital to continue providing credit and therefore the reduction of groups from 36 to 6 weakens their grasp on this mediating artifact (a.5.1). The leaders decided to start lending to non-members thereby negating the cooperative spirit of serving affiliate members. With regards their interaction with the COSUN

women, the leaders do not demonstrate accountability on how the cooperative works. The women had faithfully contributed their savings but only a few had accessed a loan. They did not know how the money they saved was secured and some of them had not received interest for a long time (d.4.5). During the research, a conversation between the women and Chiseche, the CPSCC officer reveals the women's knowledge gaps regarding how the loan scheme works:

Mwaba: *Zamene zija ndalama zamene tisonka nizamene mupasa maloni…?(d.3.2)*	Mwaba: So you give loans from the money that we bring here as savings…?
Mwaba: *Nafunsa chabe cifukwa… Limbi bambi mwalibulako- sitinatenge ndalama.(d.3.4)*	Mwaba: I am asking…maybe some of you have been paid something…I have never been paid.
Pelile: *kodi ndiyekuti bonse bamene basaving'a mumagroup bamaleta pano?(d.3.5)*	Pelile: Does it mean that all the groups who make savings bring the money here [to the cooperative]?
Towa: *ehhee (d.3.5)*	Towa: Yes
Pelile: *then imwe ndiye mwamene mutengamo loni?(d.3.5)*	Pelile: Then you take that money and give it out as loans?
Sonaya: *esho batupela amaloni (d.3.6)*	Sonaya: Yes that is what they give us as loans
Researcher: *Nibangati muli iyi group bamene sibanali kuziva mwamene kuno kusevenzera. (d.4.1)*	Researcher: How many of you in this group did not know how the cooperative works?
Voices: *Tonse sitenze kuziva (d.4.1)*	Voices: We all did not know

Continued conversations further revealed that group members had little understanding of how the cooperative handled their saved money:

Chiseche: *… every year timapasa 10% interest kundalama zanu… Savings ipasiwa ngati mwaleka nipamene timapasa.(d.3.3)*	Chiseche:…every year we pay 10% interest on your savings…we return your savings when you stop being a cooperative member

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Sonaya: Icho twalandila ukutila tapali icho twishibe pantu uyu mukashana alondolola ukutila ati ngakwapita umwaka tulasenda ten percent kulya ku group abantu.(d.5.1)	Sonaya: We said we do not know anything because this girl said that the cooperative pays ten percent through the group…
Towa: Kale kwaleba…ngomwaka wapwa baletupela… nomba nshishibe ifi alanda ati uno mwaka ewo tamwapoka uyu mwaka upwile…nshiishibe kuli mwe vasangwako pali ino nshita…Olo five year olo 4 years taipokwa (d.5.1)	Towa: Sometime back…at the end of the year, they used to give us…now I don't know whether this is happening as she says…maybe 5 or 4 years have passed since we were given.
Kunda: Kaili problem yamene sitinatengele chifukwa chakuti kusaving'a kwabwerera pansi…so ndalama yakuti titengepo interest kuja siinasaving'iwe. Tizatenga pati interest? But kumbuyo uku tenzotenga kang'onokang'ono- aliyense pano anatengapo…(d.5.2)	Kunda: Maybe the problem is that savings have come down…so there is no money to give us. How will they give us interest? But in past years, they used to give us

Furthermore, the CPSCC leaders do not demonstrate responsible oversight of the COSUN group. When the women challenge them, they quickly wash their hands and do not want to get involved any more (g.4.5).

Analysis of the context

COSUN

The context does not give the women a sense of belonging. They desire for someone who can take an interest in their lives and provide that support. In a village set-up, this would be part of the support structure characterised by the presence of a chief or some such authority to whom people pay allegiance. The absence of kinship bonds supplemented by territorial bonds removes that sense of belonging (Hellman 1956). The leaders were

trained for a specific purpose and are not giving the women confidence that they will get
support towards a sustainable way of making money for their livelihoods. The women
participate in community work but feel that the leaders take advantage of them and do not
reward them in proportion to their work. Jenala explains:

Jenala: …tulelanda efyotumona kuntungulushi ashitubonfya ifwe… (c.4.3)	Jenala: We are talking about what we see from our leaders who use us…
Jenala: balebonfya abantu- ukubapafye ubunga, but balebomba hard job, ukwimba umufolo … inchito ishakosa (c.6.3)	Jenala: They used people- hard work of digging drainages and other strenuous jobs for a bag of mealie meal …
Jenala:…ubunga fye babika limbi natusaladi- limbi 3 months pakuti ukesepoka akasaka kambi…elo limbi ninakulu bantu alekonkoteka fye ukwimba umufolo… (c.7.2)	Jenala: Simply a bag of mealie meal and maybe some cooking oil; sometimes three months pass before the next bag [of mealie meal]. And sometimes is it an old lady who is made to dig a ditch.

Thus the women perceive that they suffer vulnerabilities in relation to the leadership
meant to help them. While recognising PROSPECT's magnanimity, they perceived that
the help only ended with bringing them water and not much else that would improve their
lives.

Sonaya: Pali BaCARE tiziba kuti banatiletela manzi. Kuchoka apo, kulibe chamene tiona (c.1.1- groupwork feedback)	Sonaya: …we know that CARE brought us water, but after that there was nothing else we saw.
Jenala: ...banali kufuna kuti batiphunzitse mwamene tingazipelekele patsogolo mumabanja mwathu (Group 2: c.2.2)	Jenala: …they [CARE] wanted to teach us development for our households
Pelile: ...BaCARE banabweretsa chitukuko pamene banabwera kuno koma pali pano tiona chabe manzi ndive yamene yalipo…(Group 3: c.3.2)	Pelile: …CARE brought development but we only saw water…
Pelile: ...kulibe project ili yonse yamene banaikako kuti kapena tapezako	Pelile: …there is no other project that they thought to fund….

*kandalama tilundeko ka project kenango…(*d.29.3)	

They are filled with a sense of helplessness, and need someone to help them.

CPSCC

Though the CPSCC leaders recognise that the cooperative "provides a place where the community voices can be heard" (a.5.1), they do not seem to have a clear and sustainable way of achieving this in the absence of loan funds from PROSPECT. With dwindling loan funds, they see their role diminishing, as they are unable to offer loans. In the meantime, they continued to collect savings from faithful groups like COSUN (e.33) without giving accountability for the activities of the cooperative. Their reason for not accounting for the financial services they offer is that they lack resources to engage an auditor (a.6.3). They have also shifted the focus from lending to cooperative members and now lend to outsiders (a.2.3). Though they face all these challenges, they still command respect and influence on those that look up to them like the COSUN women. When planning for this research, they were able to nominate the COSUN group to participate. They also are able to influence women to participate in various workshops even though the women complain that they are not remunerated (d.2.2). During the research, when they realised that the promised loans to the women would materialise, they called for a side meeting with the intention of having the loan money go through the CPSCC offices. When the women objected, the CPSCC leaders were infuriated and

"washed their hands" from the COSUN women (g.4.5). The CPSCC leaders were not used to that level of defiance.

Analysis of Activity System Dynamics

CPSCC was set up to provide the needed support to affiliate groups like COSUN. This did not work to expectation. The dynamics in the two activity systems made it impossible to reach the ideal of providing financial services that would empower the women. The following diagram shows the two activity systems not 'meeting' and therefore not culminating into a poverty reduction proposition. The object motives do not align.

Figure 5.7- COSUN and CPSCC Activity Systems: No Collaboration
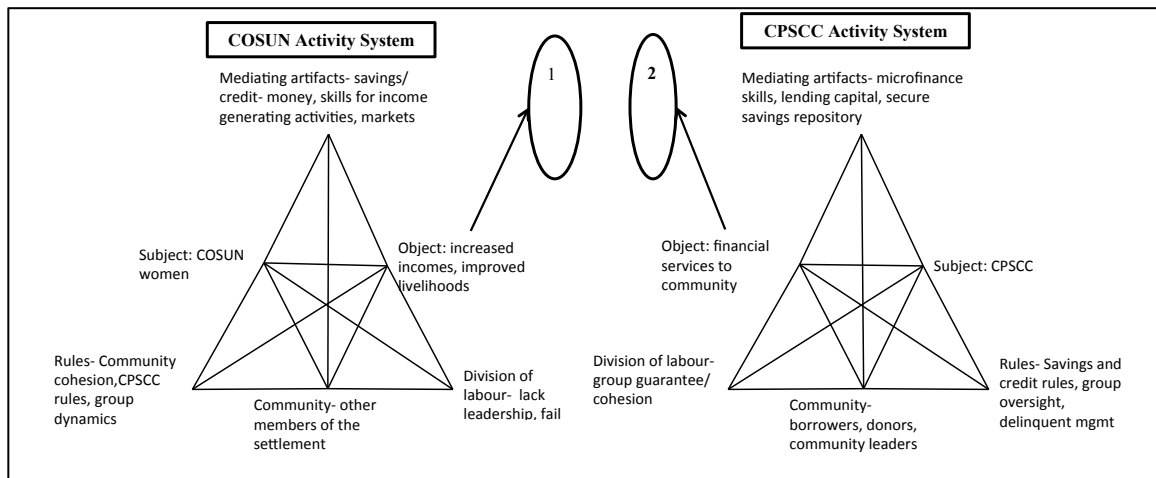
A number of factors inhibit the capacity of the community to effectively support their own livelihoods. Both activity systems suffered from lack of appropriate skills and money. Without the right skills and the capacity to negotiate the landscape, the COSUN

women keep wanting an external someone to come and help them out of poverty and this clearly is not one of their current leaders. CPSCC leaders on the other hand have a sense that PROSPECT should have had an exit strategy that left them with skills for continuity and more so money for lending out. The reality is that CPSCC found themselves incapacitated to provide sustained leadership in the provision of financial services to this community. Thus the two activity systems became dysfunctional and could not do what they were set up to do.

5.4   Conclusion- Responding to the Research Questions

The importance of this case study is that it identifies with the effects of externally driven collaboration that did not successfully engender local ownership although this was the aim. The voices of poor people regarding their livelihoods were expressed initially through the riots and civil unrest that followed escalating cost of living against reduced prospects of waged employment. The coming in of CARE was therefore proof of the influence that those voices had to bring about recourse to their plight. Through PANA, the voices were again able to express their need and CARE International through PROSPECT responded. The community did not demonstrate an understanding of the ideological changes that CARE had undergone in their programming that enabled the establishment of PROSPECT as the project that would take over from PUSH II. What is evident is the outcome of this response that left a trail of discontentment within the community. The COSUN women's group perceived that CARE only brought water when

they expected more; that they had little knowledge of how the collections from water were used; CARE did not tell them how to work together after the project wound down; they were now not aware how the leaders were chosen. The CPSCC also felt let down as they expected PROPECT to have left enough lending capital for the program to continue but left without an exit strategy that would ensure continuity in the community.

Thus the process of enabling poor people's voices to be heard did not constitute an effective and enduring dialogue space. The lack of robust support structures highlighted the extent to which the women depended on others to organise them, and how that made them vulnerable. They also realise that the very leaders who are supposed to support them are taking them advantage of, but because of their desperation, they keep hoping things will change. In analysing the work of PROSPECT in this community, Mattingly notes that the desire to deliver development outcomes may have overtaken the fact that this project needed to have been more of a research project that produced lessons with longer-term benefits than the short-term results (Mattingly 2008). It is possible that the desire to deliver development outcomes may also have been heavily influenced by the new livelihoods approach as well as the popularity of microfinance as a preferred development tool during the time of setting up PROSPECT. Ultimately, the motive that drove the interventions seems not to have been owned by the community.

The following chapter will compare the two case studies to determine patterns that may inform an analytical framework for use in the second phase of the research.

CHAPTER 6- Drawing Theories from the Case Studies

This chapter compares data from the two case studies in order to determine emerging theoretical patterns that would inform an analytical framework for the second phase of the participatory action research process. The comparison is based on responding to the questions:

- **What are poor people's voices about their livelihoods?**
- **How do these voices influence actions that contribute to their livelihood needs?**

6.1 Activity System Backgrounds

Both the Chinyika and COSUN communities are faced with precarious livelihoods without a clear pathway to a solution. Though the Chinyika Community activity system seemed functional, it had an inherent flaw in focusing on maize; a crop that was ill-suited to the climate, and being cultivated without adequate supporting inputs to boost yields. This posed a huge risk and without mitigating actions in place, the system succumbed to famine as drought persisted. The COSUN activity system was set up as a sub-set of another externally engineered activity system, CPSCC. The COSUN women look to CPSCC as a structure that would help them. This leadership structure is compromised and not benevolent so that individuals lack support. This is the COSUN group's dilemma, as they have no possibility of arriving at a sustainable solution on their own.

In both cases the lack of expert knowledge to tackle livelihood problems encountered within the community raises questions as to the usefulness of un-enlightened agency in bringing about transformation, and indeed in engaging a second activity system for expansive learning. Engeström acknowledges the possibilities of "generating agentive actions among competent adult practitioners…" (Engeström 2007:382). He questions the possibility of success for an activity system that is composed of the underprivileged, marginalized and silenced groups of people: "It seems clear that to take such subjects as equal interlocutors in interventions, the researchers need to learn new ways to listen to and amplify the voices of the subjects" (Engeström 2007: 382). The case studies will highlight some of the elements needed to surmount this problem.

6.2   Comparing Case Studies Using the Activity Systems Lens

Comparing the Purpose of the Activity Systems

While both the Chinyika and COSUN activity systems are focused on securing livelihoods, there are significant differences. The Chinyika activity system has a farming history that has inherent benefits: food security, social cohesion, utility value and serving as a connector to their religion and common ancestry as discussed in Chapter 4.2 on page 122. The contradiction that happens in the activity system leads to famine and they address this problem through an established channel- their Headman. The COSUN women on the other hand come from different ethnic groups and are in the urban settlement as a result of migration. They need cash to support their livelihoods. The

coming in of an international NGO provides some assurance of livelihood support. CPSCC was formed as an umbrella body that would oversee the groups and provide more substantial loans. The contradiction happens at various levels:

- In the absence of a husband to bring an income or where the husband has no job and there is no assured income, the COSUN women need to find another way of finding money for livelihoods. They do not have skills to do business and are not being hired though they are strong.

- They agree to participate in manual labour with the expectation of accessing free water and getting jobs at water points- this does not happen.

- Their leaders let them down and they are therefore constantly looking for someone to look up to. For example, the group makes periodic savings with CPSCC but there seems to be a lack of transparency so the women have little understanding on the security on their savings.

- The CPSCC lending capital dried up and so the COSUN women have no way of getting money to sustain their businesses. CPSCC have no way of getting more lending capital.

- CPSCC feel that PROSPECT left without a sustainable strategy for the continuity of the programme.

The community has no place of recourse to deal with these contradictions.

Comparing the Activity Systems

All members of the Chinyika activity system belong to the same tribe with historic connections and common ancestry. When there is a problem community members know where to present that problem- they have community dialogue space. The COSUN women on the other hand come from different ethnic groups and belong to a group whose formation was facilitated by PROSPECT, a project set up by CARE International to support livelihoods. The women recognise God as a common benefactor. However, they are affiliated to CPSCC who should be helping them in their livelihood problems, and because of this unresponsive leadership, the COSUN women do not have a place of recourse for their problems- they lack dialogue space. They say that those who come to help them do not fully do so.

Comparing the Activity System Structures

The two activity system structures are significantly different. The Chinyika community belongs to the Shona tribe with structures that have precedence and succession. The patriarchal system ensures a hierarchy where there is no absolute equality: there is someone with the overall responsibility and there are subjects. The system engenders togetherness and they have a common heritage. Land is communally owned, enabling all community members to have a place they call home, implying a place of support, nourishment and belonging. Togetherness is further seen in cooperative work and reciprocity. No one is ever really alone and problems are shared.

The COSUN group on the other hand are in a structure that responds to the programme they participated in, that was externally derived. They have an elected hierarchy in line with the constitution that they were required to follow. As an affiliate of CPSCC, they are beholden to that leadership. They pull together their savings and deposit the money with CPSCC though there is no clarity on how that money is safeguarded or used. Though they look up to CPSCC, they sense the need for more benevolent leaders to help them out of their poverty. In the meantime, the CPSCC leaders have their own challenges of trying to hold together a microfinance initiative without money to give out loans, and with a number of affiliate groups not paying back the loans they obtained. The CPSCC leaders' commitment to assisting the COSUN women is rather patchy as they feel that PROSPECT did not empower them enough to continue the work. So while the COSUN women are looking up to their leaders in CPSCC, those leaders are also looking to an external other in the absence of PROSPECT to provide much needed lending capital. The structure does not serve the COSUN women.

Comparing the Mediators

Critical to food production, the Chinyika Community uses basic artifacts for which they have historic familiarity. Using their passed on knowledge as agriculturalists, they are able to till the land and plant their crop. The persistent drought and subsequent famine highlighted an inherent problem within the activity system for which a solution was needed. It also raised an issue about the capacity of the community to recognise the limitations of the artifacts and devise a solution in a timely manner. The critical role of

leadership especially through the Headman led to expansive learning as a result of new information into the community to resolve the food security problem.

The COSUN activity system is predicated on the members utilising capital and skills to engage in economic activities that would earn them an income. They find themselves lacking on both accounts, and without anyone to help them. Though they are meant to obtain loans from CPSCC, only six of the eighteen women had taken a loan for business-yet they were all engaged in business, suggesting that they had managed to get resources elsewhere. The COSUN group seem to have their doubts about the usefulness of CPSCC as a complimenting activity system, but still look up to them for leadership.

Comparing the Activity System Contexts

The Chinyika Community benefit from the hierarchical authority that they look up to in good or bad time. They can exercise individual and collective agency with their voices being heard among themselves or through their Headman. The COSUN community is very different. They are a fusion of mixed ethnicity and it is not clear whether they experience a sense of belonging with one another. Their support system is much weaker than that experienced by the Chinyika community. Their individual agency is thwarted and they do not seem to have collective representation as they continue to suffer vulnerabilities even from the leaders they look up to.

Comparing the Dynamics in the Activity Systems

The dynamics in the Chinyika Community activity system are that of cohesion in identifying the problem and seeking redress utilising the available dialogue space. The Headman plans for a short-term solution while engaging in a process of ensuring a more sustainable solution that culminates in generating new knowledge for the community. His role in finding new solutions assumes individual and collective agency on behalf of the community, thereby embodying their voices in his benevolent actions. It can be argued that the Chinyika community had to their advantage a competent Headman who could undertake agentive actions for the benefit of the community. Reverting to grain crops made a direct connection with the way their ancestors lived. The community was able to start on a journey of sense-making as they reconnected with their roots. However, they fail to engage with microfinance but not for a lack of voice.

The dynamics of the COSUN group are steeped in the programming left by PROSPECT. They are overseen by CPSCC though there is a lot of dissatisfaction around that. The CPSCC leaders do not seem to have the specific interest of the COSUN group as their priority. They are actually unable to help when called upon to do so. It is possible that the CPSCC leaders may have understood their training as related to microfinance services and therefore not concerned with the overall welfare of community members. The women recall how the unfair treatment started during the food-for-work programme when they were promised free water and jobs at water points, but this did not happen. They feel cheated and taken advantage of, but seem not to have any place for recourse-the dialogue space is inhibiting. They need money for their livelihoods, but lack the

skills and other resources to make this work in a sustainable way. They feel their leaders in CPSCC let them down and it is possible that this second activity system that was meant to assist them may in fact have entrenched a sense of hopelessness.

6.3   Research Questions: Voices Influencing Livelihood Actions

In the two cases, the communities were able to talk about their livelihoods especially in connection with what was going wrong. In Chinyika's case, the desperation and hopelessness of their situation created the right space for them to take action: "…the rains were failing…it was a desperate situation. Chinyika was going down and down. People thought the situation would never come to an end. Some of us stayed at home to die" (ch.d.3/4). The Chinyika story is about a problem within the continuum of the traditional heritage. The communication started with the community and engaged the existing structures to address the problem. Their voices were heard within a recognised space and the community members could legitimately articulate themselves within this space. The Headman had unquestionable authority to act on behalf of his people for their good- he chose to do so. The community voices were able to influence the Headman to seek for a solution. The community was in the right place to go to the Headman, who was not only benevolent, but realised the need to seek for a different type of knowing so as to find a more permanent food solution. He was able to decipher the voices of his people as he was part of the milieu. He therefore provided pathways to sustainable solutions with an added benefit of expansive learning for the community. His quest for a solution led him to

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engage in a research process that built on the existing traditional knowledge that the community had and so could easily relate with. This authenticated the new way of knowing to his people. Thus the existing dialogue space was able to reveal the real underlying problem and then influence action towards sustainable livelihood solution.

The pre-COSUN story on the other hand is a story of desperation. With no money and no jobs, they can only riot against the government (The World Bank 2002; Garrett 2004). Their story is disjointed without a focal point person to represent them. Their coming into the city was also their undoing as they left the community support structures in their villages (Wilson 1956). The grassroots structures in the squatter settlements were mostly related to the political party in power and not necessarily serving the interests of the people. This posed a challenge for donors who wanted to develop community-driven projects (Drinkwater 1994). They found a dearth of leadership that could selflessly embrace the needs of poor people. There was therefore a need to develop leaders who could enable community-driven development and that meant re-focusing the community from a politically driven agenda to a development agenda. Drinkwater reflects on the community structures in the squatter settlements:

> In Zambia, before the November 1991 elections most urban organisation was based on the party- local government, women's and youth organisations were all political party structures. Consequently when UNIP lost political power organisations collapsed, with church groups remaining virtually the only institutional base within the compounds. So community - interest group development - needs nurturing, a fact and process which the PANA exercise is bringing out (Drinkwater 1994:3).

Through PANA, the external donor saw the need for a different type of leadership that would be participatory to enable the voices of all the community members. In so doing,

PANA served as the critical dialogue space for the community although it was temporary in nature as it was externally driven.

The assessment brought out the need for water in the community. In responding to that need, PROSPECT included a component of institutional building by training community leaders to manage the water and the microfinance projects that would be in the hands of the community (Drinkwater 1994). The women in the COSUN group were part of the community that provided labour to facilitate water infrastructure and also became part of the groups in the microfinance component. These initiatives were meant to facilitate provision of water though microfinance was regarded as having a personal empowerment objective (Garrett 2004). The community was able to communicate their livelihood concerns as they responded to PANA (Garrett 2004). The experiences of COSUN however, suggest that in spite of the training that PROSPECT may have given, benevolent behaviours did not take root with the local leaders: the story is disjointed. The COSUN women's story does not lead to a transformative outcome. Their voices do not have the capacity to influence long-term livelihood outcomes. Thus the dialogue space that PROSPECT created did not have sustainable benefits.

From the two case studies, we are able to relate with other factors that contributed towards or impinged the efficacy of poor people's voices in the two communities. These include the trigger towards action, the challenges of urban development and the object-motive alignment. These are discussed below.

6.4   Moving to Livelihood Solutions

In both the Chinyika and COSUN cases, the object had a direct bearing to livelihoods and therefore created the motivation to keep at it even though there were dismal results. The Chinyika case turned out differently due to the critical incident effect.

Chinyika Community Critical Incident Towards Action

Though the Chinyika activity system succumbed to the ravaging effects of persistent drought, it was not an unpredictable event in that region. The area was arid and the community had already experienced several drought spells. The resultant food shortages had become part of the way they lived. Households were constantly being adversely affected by drought, suggesting an "inadequate understanding of drought impact" (Chikobvu et al 2010:6). The question arises as to why the Chinyika Community did not take corrective measures way before the 2004 drought. Their village structure had an inherent dialogue space. Till this point, the Community had managed to produce enough to survive on, albeit in reducing quantities. In essence, they could survive. The drought of 2004 pushes the community to the very end of their resources, and they do things that they would not normally have done. Their quest for survival makes them resort to foraging the forest for wild fruits; socializing around food stopped as there was no food to share; some people simply waited to die; they received relief food from CARE International and from their Headman.

The extreme behaviours caused by the desperation became the critical incident that triggered a desire to seek a survival strategy to re-enforce group norms towards action. Flanagan defines a critical incident as "extreme behaviour, either outstandingly effective or ineffective with respect to attaining the general aims of the activity." (Flanagan 1954:338). In addition, Edvardsson explains: "For an incident to be defined as critical, the requirement is that it can be described in detail and that it deviates significantly, either positively or negatively, from what is normal or expected (Edvardsson 1992: 18). The Chinyika community remember in detail how the famine affected relationships and how they had to resort to wild fruits. They recall how the food aid was less than adequate to meet their dietary need and recall desperate measures they took including calling on their Headman to send relief food.

Furthermore, the critical incident occurred at the time that the Headman also realised that he would be the next chieftain. His desire was to cement this position by giving back something memorable for the community. The famine presented that opportunity. He redefined the problem and located it in the fact that the region was arid and would not easily grow maize. He sought to engage another activity system that would expand their knowledge in seeking a sustainable solution. As a person of influence, he assumed the role of representing the collective agency of the community to bring about a new learning. The role of the Headman was critical in coming up with a solution. The community regarded him as an authentic representation of their needs, and he was therefore able to engage proactively with another system and influence the community towards a solution. His was a strong community voice that echoed the voices of his

subjects. In explaining how groups develop norms, Feldman says: "norms that facilitate group survival or task success often are set by the leader of the group", and that "at times there is a critical event in the group's history that established an important precedent" (Feldman 1984: 50,51). Both factors influenced the community acceptance of the new thinking that the Headman introduced. That acceptance engendered community ownership of the process.

COSUN Community- Challenges of Urban Development

The COSUN situation was different. The context in the squatter settlement is that of enforced norms. Drinkwater talks about the challenges of working with urban communities as compared to rural communities:

> "In most rural areas communities are relatively easily defined as they exhibit geographical and social contiguity. This is not necessarily the case in urban areas where density and movement means that place does not necessarily easily lend itself to community (Drinkwater 1994:3).

With different ethnic backgrounds, areas of commonality were almost non-existent and donors wanting to work in these communities had to start with nurturing the groups and building local leadership. In order to promote community-driven development, PROSPECT had trained community leaders through whom the voices of poor people were to be reflected. That itself posed a challenge associated with the motivations of those in leadership, and whether they could build benevolent behaviours towards the community.

Vollan summarised some of the challenges of externally engineered urban community development as he worked on a case study of a group of South African communities. He observed that in the mid-1990s, in efforts to construct social capital that would drive community development projects, donors introduced "a large number of single-purpose committees responsible for maintenance and management (women's self-help groups, water user committees, development committees, parent-teacher committees, health committees, forest management committees, and many more) in Asia, Africa, and Latin America" (Vollan 2011:758). From his analysis, Vollan makes the following findings:

> "There is anecdotal evidence from user committees pointing toward insufficient management support from the outside organizations, unclear or too little delegation of tasks and decision-making power, insufficient financial resources as well as embezzling of money by leaders....also elite capture might increase due to the lack of transparency and accountability… with the focus on short-term incentives it could be harder to persuade communities to engage in creating long-term benefits (Vollan 2011:766)".

The conversations with CPSCC board members indicate a sense of abandonment by PROSPECT, the outside organization. Boniface explains:

> "We used to have a lot of groups and CARE used to work with us. I think it has all to do with the manner CARE left. They just left without leaving what I call an exit strategy. They more like just left people in suspense…and the moment CARE left, people used to come here expecting that CARE left some money"(e.12).

In terms of elite capture, the COSUN women believe that their leaders took advantage of the situation and siphoned resources meant for the bigger community. Jenala has this to say about that:

Jenala: Ubunga fye babikalimbi natusaladi…baleikata sana mumenso-makamaka abakuntanshi. Balebula filya	Jenala: They gave just a bag of mealie meal and maybe a little cooking oil…the leaders duped the people. They sold the

ifintu baleshitisha, balekwatilamo indalama…abengi balikula ifintu ifingi sana ukupitila muli ifi (c.7.3)	foodstuff and pocketed the money…a lot of them build structures [e.g. houses] out of this.

The fact that both CPSCC and COSUN structures were externally driven contributed to the notion that they could not exactly engender collective action, rather the perception was that the vulnerable people who worked hard were not rightly compensated and by extension a belief that those in leadership were paid from external sources for services that should have benefitted the community. Sonaya and Jenala of COSUN air their views:

Sonaya: …*kulaba amaproject yamo ayesa, intungukushi shesu shaisatusenda …twakwata limbi ka workshop…ifwe tukapelela fye muli tea. Ifikachitika kula kuntanshi limbi balabapela ifwe no-ishiba nangu fye chimo- tukesa mukwiishiba nonshi papita na one year ukutila ula muntu aliletele fyakuti …(d.1.5)*	Sonaya: …our leaders ask us to go and work with them on some projects…or maybe there will be a workshop they want us to attend…the only thing we will be given is tea. The leaders will not tell us what happened behind closed doors- we will only know maybe after a year that some things were given out.
Jenala: …ifi fintu filatuchitikila ukutila ati tatwachitefi kwena tachakabombe- nomba ukulingana nokupelelwa eko tupelelwa, vambi ma widows…twaima twaisa but tapali ichiletubombela awe (d.2.2)	Jenala: …these things happen to us and sometime we do not want to do what they ask anymore- but because we have nowhere else to go- some of us are widows…we have no choice but to agree, yet there is no benefit for us.

The COSUN case highlights a disjointed community, which fact weakened the activity system. The mediating artifacts were inadequate to construct the object. Community members lacked skills to adequately conduct economic activities and were unable to get the required capital from CPSCC. They did not have a strong community support system and democratic processes were ineffective in instilling group power dynamics or challenging existing leadership. Division of labour translated into weaker community members being taken advantage of. Attaining the object was part of the challenge. The

women worked hard, yet they perceived that it is their leaders who benefitted. Ultimately, the community failed to reach the intended outcome of sustainable livelihoods or even the preliminary outcome of affordable access to water.

<u>Object- Motive Alignment</u>

In discussing actions in activity theory, Leonty'ev recognised that objects that meet human need will be the motive for undertaking any activity (Leonty'ev 1977). Leonty'ev argues that activity often responds to two or more motives and describes the phenomenon as object motive. In the Chinyika case, the Headman's motive was to ensure long-term sustainability of food security. His understanding of the problem included his recollection of the versatility of grain crops against maize. At a social level, he understood that he would need the support of the other chiefs in convincing the community about the need to change focus from maize to grain crops. He also understood that they all needed a new way of knowing through a learning process. At a personal level, his actions were driven by his motive as future paramount chief. He saw the need to align his personal motives for the throne with the needs of the community. Furthermore, a proposition that recognised the importance of going back to grain crops made him enjoin traditional with modern agricultural practices, an action that would endear him to the community. This alignment made it possible to move the community towards a sustainable solution.

The COSUN case has several motives as discussed in Chapter 6.4 on page 187. PROSPECT was a project that was set up to pilot a community-driven development approach whose success would have informed replications across CARE International's

structure and among development agencies (Mattingly 2008). While PROSPECT's move to provide water as an object motive could have aligned with that of the COSUN women, the reality of using local leaders to take over the running of CPSCC created a discordant fit. The leaders who were trained by PROSPECT responded to PROSPECT's project design expectation for local leadership. There is no evidence that these are the people whose motive was to ensure poverty reduction for the community. What is evidenced is the protracted process to make the new community leadership plan work (Garrett 2004). The COSUN women's experiences with the CPSCC suggest a motive that was misaligned and therefore a failure to inform sustainable solutions. Other motives were at play at the time of the PROSPECT project. DFID had just embraced the sustainable livelihoods approach that espoused holistic and people-centred development that would build on community strengths to ensure sustainability (Solesbury 2003). CARE International had similarly embraced a sustainable livelihoods approach called Households Livelihoods Framework, and together they partnered in the establishment of PROSPECT (Chapter 5.2.1 on page 149). It can be argued therefore that one of the motives was to try out this bottom-up approach and thus PROSPECT should have proceeded as a research project (Mattingly 2008). A different motive could be linked to the fact that CARE International had around the same time, started a microfinance institution in Lusaka and that may have inspired the community-driven microfinance in PROSPECT (Entrepreneurs Finance Company: 2012). The various motives were not aligned to support the most vulnerable and thus the frustrations that the women experienced.

From the two case studies, we are able to pick up elements that enabled the Chinyika community to experience success in influencing actions that benefit them, and that the absence of these elements in the COSUN group had a great likelihood of contributing to a lack of success. These elements together form the theoretical framework that is discussed below.

6.5 Informing the Theoretical Framework

The case studies provided an understanding of how communities use their individual and collective agency to address challenging situations that threaten their livelihoods. In coming up with a theoretical framework, the case study analysis identified five key elements that seem essential for the voices of poor people to influence their livelihoods and to inform interventions that facilitate livelihood support. These are: the context, the structure, the object motive, the ability to identify the problem, and the action trigger.

The Context: The Chinyika Community had a hierarchical authority that ensured a sense of belonging and that all members of the community had a voice. The COSUN group did not have this benefit and perceived that they were open to people taking advantage of them. Their sense of belonging was highly compromised as they experienced the constant reminders of their vulnerabilities. It is therefore necessary for the community to have a context that facilitates individual and collective agency. Individuals should have enough space within which to articulate their needs.

The Structure: In the Chinyika case, the community members quickly sought the indulgence of the Headman when they realized that they could no longer survive through the famine. When the Headman received the news, he became proactive and sought both short-term and more sustainable solutions. His level of competence enabled him to not only identify knowledge gaps within the community, but also how to bridge them by engaging an appropriate activity system. The COSUN structure on the other hand did not enable such interactions. The structure should therefore enable community members to know how to handle vexing situations, who to go to and provide a dependable point of recourse.

The Object- Motive Alignment: The Chinyika case reflects an easier process towards object-motive alignment because the Headman was part of the community and had legitimate responsibility over the welfare of the community. He also had an added object-motive as in-coming chief, so he wanted to give back. The absence of such clear object-motive alignment requires a better understanding of the dynamics that will affect long-term success or failure of activities. This is more so where individual agency is not competent enough to understand and negotiate their progressive livelihoods. Leadership becomes a key component that unifies and provides direction. That level of leadership has to be locally acknowledged and recognized in the community. This poses challenges for externally constituted structures especially in urban areas where there is diverse ethnicity. In the COSUN case, a consortium that included the government, donors and CARE International externally engineered the developmental agenda. The object motives were disparate: the government wanted to appease the populace and stop the rioting; the

donors and development agency wanted to try out their sustainable livelihoods models; and the communities wanted food prices to come down, subsidies and employment since most of them had been retrenched (Chapter 5.1.1). There is therefore need for parties driving a development agenda to ensure adequate alignment of motives for development solutions that are commonly owned.

Ability to identify problems: In the Chinyika case, the community re-acted to the famine they felt in the immediate. However, the Headman realised that hunger was a result of focusing on growing maize, which was ill suited for the climate. His ability to identify that as the problem enabled him to seek appropriate solutions that would address that specific problem on a sustainable basis. Thus the capability of individual and collective agency is greatly assisted by the inherent competence of those intending to exercise such agency. The Chinyika community had within the context and to their advantage, a Headman whose competence identified a knowledge gap for which they needed the competence of another activity system. The COSUN group did not have this advantage. Though PANA had identified water as the problem, literature points to other problems that were being experienced in the squatter settlements (Chapter 5.1.1 on page 144). Even the water solution was not successfully resolved, as community members who were unable to pay were still not benefitting. There is therefore a need to identify the underlying problems in order to come up with appropriate solutions that last.

The Action Trigger: People have a knack of adapting to their environments and normalising problematic situations until a specific event triggers action. In the Chinyika

case, the area itself was arid and maize farming was inherently problematic. The drought worsened the situation, though it happened over a period of years before the community sought for a solution. There were therefore opportunities at earlier times for the community to take action. The drought of 2004 pushed the community to the end of their resources that they started doing things they had not done before like foraging the forest for wild fruits and tubers. This event triggered action. The COSUN case on the other hand was in a situation of decreased incomes that had protracted and may have become normative. This is evidenced by the fact the community has leaders but members continue looking for benevolent leaders because they have experienced that those who come to them do not have long-term commitment to them. This raises the question of what happens when there is no obvious action trigger. There has to be a way of understanding what the acceptable normal would look like before livelihoods deteriorate. This again points to strong and benevolent leadership that would determine certain livelihood standards below which action would need to be taken.

Figure 6.1- Analytical Framework From Case Studies

Context	• Context that facilitates individual and collective agency. Individuals should have enough of a space within which to articulate their needs.
Structure	• The structure has to enable community members to know how to handle vexing situations, who to go to and provide a dependable point of recourse.
Object-motive	• Ensure alignment of object to the motives that support structures provide
Identify problems	• The community needs to be able to identify the problems in order to come up with appropriate solutions.
Action trigger	• There has to be a way of establishing the acceptable normal before livelihoods deteriorate.

The framework developed using the cultural historic activity system lens, highlights the complexities of communities that cannot be ignored when evaluating the capacity of poor people's voices to inform development interventions that benefit them.

6.6   Conclusion: Dialogue Within Communities

Both the Chinyika Community and the COSUN Group experienced challenges in arriving at livelihood solutions. The Chinyika case was ameliorated by the fact of being a cohesive community with support structures that were inherently recognized as part of their heritage, and included community dialogue space where all members belonged and could find recourse. Their livelihoods were also tied to this heritage and it served them in

times of famine. When existing knowledge and competencies were no longer adequate to address emerging problems caused by the drought, the structure enabled a new way of learning and opened up a more effective pathway to food security. In the COSUN case this was not the case. In this peri-urban context with ethnic fusion, there was an absence of support structures that could cohesively galvanise the community to arrive at lasting livelihood solutions. Externally driven solutions seem superficial, as they did not enable strong community ownership to build on existing efforts. What was conspicuous was the absence of a galvanizing structure within the community. The CPSCC leadership were opted into their roles by PROSPECT and seem not to have a plan for serving the community in the absence of PROSPECT. Yet in this community is the Church whose objective motive would align with the COSUN group. Their theology recognizes a preference for poor people and the COSUN group constantly referred to God's benevolence even in their difficulties. Though the PROSPECT Project did not pick on this as an available structure, the reality is that it is in the community and could serve as the support structure for the community.

The following Chapters 6, 7 and 8 will focus on the COSUN members using the dialogue space provided to articulate their livelihood needs and design a loan product that responds to those needs. They proceed to access the loan they design and provide some input on the experience.

CHAPTER 7- COSUN Group Members Discuss Basis for Loans

The following three chapters analyse data from COSUN group members captured in the design of a loan product. The preceding three chapters responded to the inquiry on the efficacy of poor people's voices in relation to how they inform actions that benefit them. An analysis of the Chinyika community through the activity theory lens identified elements that made it possible to achieve food security in that community. In comparison, an analysis of the COSUN group as discussed in Chapter 5 highlighted the challenges they faced in securing livelihoods even though community structures had been constructed for them: there seemed to be no beneficial support. Chapter 6 summarised critical elements necessary for the efficacy of poor people's voices. The following chapters analyse data collected from interaction with the COSUN group in response to the question:

How can poor people's voices inform microfinance practice in the design and delivery of appropriate loan products?

In Chapter 7 the COSUN group members utilise the dialogue space to discuss their basis to obtain loans. In Chapter 8 they design the loan product and get the loans. Chapter 9 provides a synthesis of Chapters 7 and 8 in coming up with a theory for dialogue space in microfinance.

7.1   The CPSCC Leaders Introduce the Research

The CPSCC leaders chose the COSUN group to be part of the action research process because they considered them consistent in meeting as a group and paying in their group savings. In introducing the research process to the women, the leaders provided a rationale for the research process. They referred to the time when the groups were first formed and how it was now necessary to review progress. They indicated that the research work would help inform that process. They addressed the women in the introductory meeting:

Mumbi: ...pantu elyo baCARE baleta ifi fintu, kwali ifintu fimo kwati fyakutendeka...kwamba kuma groups. Fimo fimo tafyaleunfwika bwino bwino sana elyo fimbi fyaleumfwika. Mulandu baishilefumamo tamwali kutontonkaya bwino bwino: bushe amabumba twasha mu community yakatwalilila mumusangonshi?(b.3.2) *...nokumfwa amatontonkanyo yenu efyo mungafyaya ukuti fyende...tukwate na program yakukumana pa mulungu so pano pene twambe inchito icho tungachita ukutila chitwalilile (b.3.5)*	When CARE came, we were all starting to work with groups. Some things were clear but other things were not very clear. Because they [CARE] left, there was no clear follow-through to find out how the groups in the community would continue. ...we want to know your thinking, how you want this work to go forward. We should have a weekly program which we should start now and see how we can make this work.

The Chairman of the CPSCC Board emphasised the importance of the research and the need for the women to freely express themselves.

Swema: iyi program ili muminwe yesu...amaka yonse yali muli imwe efyo mwalabeeba, nabena balakwata amaka yakwiishiba ati apa na chilinga nangu apa tachilingile...kwakana, kulanshyana- not ukukwata akatina akakweba ati bena beka ebalelandafye...tulefwaya twaakana tumone imwe efyo mwiishibepo elyo nabena efyo batukwatile...emashiwi	This program [research] is in our hands... you have the power to tell her what you want; she also has the power to guide you in the right way and advise you when you need it- this is about sharing and discussing- do not have any fear to express yourself so she is the only one speaking...we want you to share so that you say what you know and she will tell

ningapela, nangu elo tulefuma tekweba atimuli mweka iyoo- tuli bonse (b.4)	you what she knows as well. These are the words I can give- do not think that you are alone even when we are not present- we are together.

In this way, the CPSCC leadership encouraged the group to participate and share their experiences.

7.1.1   The COSUN Group Members' Responses

At the beginning of the research process, soon after informing them of the purpose of the research, the group expressed their expectations as Pelile explains:

Pelile: Ife ndife ozipeleka. Monga bazimai bamuno mu Chipata compound, ndise bozipeleka. Chifukwa ndaba olo poyamba manzi aya, nga chakuti tinali baulesi, ngati sitinaiyambe iyi project yamanzi. Manje chifukwa chozipeleka,…monga mwamene mwakambila kudala…che timavutika kuti imwe amene mumabwera, mukabwela mwatiletela nkhani, mwaenda mwaendelela (b.16.1)	Pelile: We are committed. The women of Chipata compound are committed. You can see even when doing the water project, if we were lazy and not committed, the water project would not have happened. As you have observed, we are truly committed. What worries us is that you who come to us and bring us something to look forward to, when you leave, you never return.

They assert themselves as hard-working and committed people. Their reference point is the work they did in the water project. They also know from past experiences that some of the people who had come into their area with the intention of helping them did not stay long enough to see them out of their problems. Right from the beginning, they express their need for support, suggesting that whatever support they had was inadequate to meet their expectations.

7.1.2   Reflections on the Research Introductions

The CPSCC leaders had selected the women of COSUN group to participate in the research. During the introduction meeting, they explain the reasons for the program and encourage the women to freely participate. The leaders' words provide a basis for creating dialogue space for the research. The leaders represent a structure that the group recognises. The group members accept to be part of the research process as a result of the leadership affirming the process. The leaders' reference to CARE international acknowledges the fact that their leadership role and the work with the community was started by an external party- CARE International. This can be contrasted to the Chinyika Community where the structures are inherent in their historicity and community members can relate with a common ancestry, values and norms. In the Chinyika community, there is ownership, belonging and precedent. The leaders in the COSUN group context are guided by CARE's vision, which seemed even less clear when they left, according to the leaders' admission (Chapter 7.1 on page 196). Thus the role of enabling the group's voices was steeped in uncertainty.

Right from the onset, the women assert themselves as capable of hard work against which they can derive some benefit in much the same way that they did in the food-for-work programme. They therefore expect those external people who come to them to bring them work from which they can derive a benefit. They also seem clear that a good worker who is not lazy should satisfy the giver of the work and so do not understand why those who come to them leave and do not return. This thinking is consistent with the underlying

motivation for the rural-to-urban migration. People left their village homes to work in the cities. Someone provided that work and paid the workers. The women understood that livelihoods in the urban areas were centred around working for someone or a company and receiving wages unlike in the village where folks cultivated the fields, foraged the forest and went hunting. This is the new narrative that they embraced. The food-for-work programme, though designed as a short-term intervention, gave the women a sense of work. Then it stopped. No explanation was given as to why it stopped. It is not clear whether the members of this community understood the scope of the intervention and its focus of bringing water to the community in response to the needs assessment. They would otherwise have understood the temporariness of the project presence in the community. In contrast, the Chinyika community inherited an understanding from their ancestors on how their food was secured, and when this was threatened, they embarked on a process to seek remedies within that understanding. The COSUN Group women saw a lack of commitment from external people who left them without solutions. This only serves to perplex them and now they are concerned that there is no one really interested in giving them an occupation from which they could earn an income. The women have a strong sense of their own need and not so much the need or motivation of the external party. This is their blind spot.

7.2   How the Group Members Describe Their Circumstances

The members experience frustrations with the lack of permanent and reliable support for their livelihoods as Jenala and Mthunzi explain:

Jenala: Sinenze kukwanisa vonse panyumba olo kubana basukulu- bamuna sibasebenza-(i.1.2)	Jenala: I was not managing to keep the home or send children to school- my husband has no job
Mthunzi: Tifuna kuti mutithandizire tipite patsogolo nchifukwa chake tifunsa kuti kupita mtsogolo kuli kulipila msanga tifuna tichinje- tabena tilibe azimuna ndipo sitiyembekeza kukwatiriwa iai-(j.3.4)	Mthunzi: We want you to help us develop that is why we are asking that we pay up quickly- we want to change, we do not have husbands and we do not hope to get married.

The group members recall their struggles to make ends meet and recognise that without someone in gainful employment and with a regular income, they are greatly disadvantaged. Ordinarily, they would have expected a husband to provide for the family but some of the women are widows and others have husbands who are not in gainful employment. They describe varied conditions as discussed below:

Their efforts fail them

Though the women are strong and can provide manual labour, they are very aware of the inadequacy of this capacity. They recognise that they lack the means to meet their livelihood needs, and therefore need help. Lubuto shares her views:

| Lubuto: Ifwe tulelombako fye ukuti mutulubululekofye. Mumone fwebambi natukwata abana bamasukulu, umwana alefilwa ukuya kusukulu- nga alachita shani…Ukukosa twalikosa nomba uwakuti tukwateko uwakututwalako pantanshi nangu atwebe ukuti uchite ichi- nangu ni business ine kulaba ukusambilila- iyo business mwalachita muchite ifi nefi, nomba takuba- (c.7.5) | Lubuto: We are asking that you save us. See the way some of us have school-going children, if a child fails to go to school, what can they do? …We are strong but we do not have someone to help develop us or to tell us what to do- even in business one has to learn- now we do not have someone to teach us. |

The survival of their families requires a constant and stable supply of money to pay for their needs. Without this, they remain vulnerable to poverty. Their experiences speak of constant worrying about how to provide for their families, and some of them have failed to meet some important family needs like sending children to school. The constant theme in their conversations is that of asking for help towards a more lasting solution. They use words like *mutulubululekofye* (save us) and *twalikosa* (we are strong), indicating that they understand that even with their best efforts, the solution to their problems is beyond their capacity to grasp. They actually joined the group in the hope that it would give them a solution. Sonaya and Lubuto confirm this:

| Sonaya: Tulajoina amagroup pantu tulafwaya ukwakuti waafwilishiwa- (i.18.2) | We join groups because we desire a place where we can find help. |
| Lubuto: Amagroup tulayafwaya nomba uwakututwalako pantanshi takwaba- (c.7.6) | We want to be part of groups but find that there is no-one to help us develop |

The food-for-work programme required that they work in groups and they performed hard manual work often reserved for men and therefore know their capabilities. However, the digging of trenches did not translate into a permanent source of income. Thus even though they know that they can work hard at anything that is required of them, they realise that they need more than just their strength to make it.

<u>They are Taken Advantage of</u>

As the women reflect on the days gone, they realise that they have been taken advantage of. Twenzi and Jenala share their frustrations:

Twenzi: Kumbuyo uku tinali kungoyembekeza babwera batinamako ivi batiphunzisako ati yembekezani kulibe vinali kuchitika- (i.9.1)	In the past, we kept on waiting- they would come and tell us lies, teach us some things and tell us to wait but nothing happened.
Jenala:...balabula fino tuli igroup chaba kwati chibombelo cabo- ifwe tuli ma-tools- (c.5.5)	They take us people who are in groups and use us as their tools.

They worked in the food-for-work programme and benefited from food as well as community amenities like water. Though they complain about some of the unfair practices, they received some benefit. Long after, they are still being asked to participate in various events including workshops but no longer see any benefit- this is their narrative. They therefore suspect that their leaders are getting all the benefit exclusively, and attribute this to the fact that they are ignorant and not very educated. This seems to be the reason they have been given at various occasions like their inability to qualify for work as water attendants even when they had been promised (d.28.5). Sonaya explains how they get taken advantage of:

Sonaya: Kulaba amaproject yamo ayesa, intungulushi shesu shaisatusenda kuli akamulimo kwakuti nakwakuti, kwati if mwaisatusenda. Twakwata limbi nakaworkshop. Kala ka workshop, ifwe tukapelelafye muli tea. Ifikachitika kula kuntanshi limbi vakavapela ifwe noishiva nangu fye chimo- tukesa mukulaishiba ninshi papita na one year. Ukutila ati ulya muntu aliletele fyakuti nafyakuti-muleunfwa mayo. Echalenga ukutila at ifwe tuli matools – (d.1.5)	Sonaya: There are projects which come and our leaders come and take us maybe for a workshop. The only thing we are given is tea. We will not know anything else. You will only know maybe a year later that there were some benefits associated with the workshop you attended but in the meantime nothing was given out. That is why we say we are used as tools.

They reflect on the hard work they have put in the community and see that it is those who made them work who seem to be getting benefits, and that there is no altruism around them. All they remained with are bad memories of unfair treatment as Jenala reflects with sadness:

Jenala: Ubunga fye…akasaka kabunga, babikalimbi natusaladi…limbi 3 months pakuti akesepoka akasaka kambi. So ilya nabena, baleikata sana mumenso-makamaka abakuntanshi. Balebula filya ifintu baleshitisha, balekwatilamo indalama, limbi 3 months elo limbi ninakulu bantu alekonkoteka ukwimba umufolo, tabapelwa bunga nangu saladi-… balya abakuntashi balishitisha nendalama balilya. Abengi balikula ifintu ifingi sana ukupitila muli ifi- (c.7.3)	Jenala: Only mealie meal…a bag of mealie meal, maybe they add some cooking oil…sometimes 3 months before you get another bag of mealie meal. Our leaders duped us during that time. They took those foodstuffs and sold them without thinking of the people. Sometimes it could be an old woman bending to dig ditches without being given any food- 'wait no supplies yet…'. Our leaders sold food and used the money. They built [houses] using this money.

Their vulnerability and sense of helplessness make them realise with hindsight that even the food-for-work programme that was meant to bring relief to the community may have been more oppressive than benevolent.

Lubuto: Batwebele ati tamwakalelipila …mwamona…uyo onse uushakabombeko tukamumona … tamwakalelipila indalama iiliyonse – so bombeni amenshi yalaisa- efyo twaimbile imifolo ukufuma kulya …(d.28.1)	Lubuto: They told us that we would not pay [for water] if we dug the drainages-anyone who was not willing to work would not benefit. That is how we started digging ditches.
Kunda: Vanakamba kuti ife vamene tikumba mifolo tizayamba kupeza nchito yotapisa manzi pamatap, but after nchito ija yasila, nkhani yotapa manzi – noyamba kukamba kuti vafuna vaja vanthu vophunzira- ndiye vamene vazayamba kutapisa manzi … (d.28.5)	Kunda: They told us that all those who were digging ditches would be employed to work as water attendants at the communal taps. But when we finished digging, they turned on us and said that they could only employ educated people as tap attendants.
Lubuto: Olo abana besu bekala fye, takuli tumonafye ifinso fimbifimbi efyaisa papompi – kanshi avavantu valemba shani? Vasendanafye fila fine- …d.29.1	Lubuto: Our children are not working, yet we see faces we do not know as tap attendants- we wonder how they were employed. They take people they know-

After doing heavy manual work of digging ditches and laying pipes to enable water access, they looked forward to the benefits that they were promised once water was running: they were told that for their labour, they would get free water and opportunities for them and their children to be employed in manning water points. They now realise that these were false promises or rather that they were duped. A few of them had been lucky to be employed in the early days, but that did not last. They were asked to relinquish those positions rather unceremoniously as Sonaya explain:

Sonaya: nangu ukutila olo warning ukutila uzaleka nthawi yakuti yakuti- kutila fye ati iwe lelo yapwa. Efyo twalekele ifwe…Twaletapisha amenshi…nokubomba iyi yine iyachibombebombe muno mwine, ngayaonaika mwayawaya- (d.24.1)	Sonaya: They did not even warn us that the job will end on such and such a date- they simply said today you are stopping. That is how we stopped….We were tap attendants as well as doing any general maintenance work if things broke down.

One of the reasons they were given for stopping their work at the water points was that they lacked education. However, the fact that a few of them were actually employed negated the reasons of their lack of education for not getting further jobs (d.28.5). In any case, when they were being asked to dig the trenches, their lack of education was not an issue. Going by the women's experiences, it appears that the promise of jobs and free water may have been used to coerce them and not necessarily as a promise that was going to be kept. In that regard, it can be argued that the leaders did take advantage of them and excluded them in benefits for which they toiled.

<u>They have few options</u>

For all their efforts, they do not see viable options to secure incomes, and that keeps them

tethered to a system that is not working for them. Jenala shares her views:

Jenala: ... nomba kulingana nokupelelwa oko tupelelwa bambi mawidows, bambi kuti batila nalyupwa nomba vulnerable, nalyupwa nomba kupwa fye, ishina, nomba fila fine ngachaisa ichamusango ifi- iyoo limbi ifi kuti chabakobwino- twaima twaisa but tapali ichile tubombela awe- tuleima ifintu twaishiba ukuti limbi aba- tulalimbika, limbi- kapena aba vangatichiteko bwino kupambana paja, so kambili tisevenzesewa navakutsogolo – (d.2.2)	Jenala: …because of despair; some of us are widows, others though married, are vulnerable- married in name only [husband does not have means to provide]- so when we are called, we think maybe this time it will be different, and we come, yet there is nothing that is working for us. Often we are used by our leaders [without any benefit].

The continuing theme for the women is the lack of reliable support that would be present

if they had husbands earning an income. They see this as their weakness, and because of

that, they keep responding to activities that do not benefit them. The community seems to

have no place of recourse for them. While they recognise the need for help, their

experiences have taught them that the possible sources of help available to them are not

as benevolent as they thought they would be. Mthunzi and Chinyanta reflect:

Mthunzi: Ino nthawo tili pakuzisevenzera osati kuyembekeza wina ali yense- (i.20.2)	Mthunzi: Now we have to work and not wait for anyone else.
Chinyanta: Tenzekungowayawaya- wotithandiza kunalibe- sembe sitili so bazimai- ngatuleesha mwe (i.11.2)	Chinyanta: We were delaying because there was no-one to help us. We would have developed by now

The experiences make them realise their own potential and that they can work on their

own if facilitated to do so. These comments came after they got the loan.

They hardly know what is going on

Often they did not know what was going on because that information was simply not passed on to them.

Pelile: Chifukwa tinali kuti batigwira pamaso chifukwa vinango sitiziba. Baja babili bakabwerera ku group sibakamba kuti vamene tinaphunzira niivi naivi. Babwera bankhala chabe 'tiyeni tizisaving'a chabe'. Tisaving'a koma sitiziba kuti zisebenza bwanji ndalama zija- (d.7.9)	Pelile: We think they dupe us because we do not know a lot of what goes on. Our two representatives do not tell us anything when they come back [from cooperative meetings]. They just come and tell us to continue saving [through the cooperative]. We save but we do not know how the money is used.

Their representatives who sat at the cooperative meetings did not explain to the women a lot of things including the reasons for the workshops. During the research, the CPSCC representative was asked to come and explain some of the cooperative processes, especially how groups are constituted. After the explanations, it became clear that an information gap existed between the group and the cooperative and that may have fed into frustrations in the group. It was not clear whether the leaders were aware of this gap or whether they perpetuated it.

They have lost confidence in their leaders

The women have mixed feelings about the people that have come in the name of helping them:

Sonaya: Elo nangu baCARE bene tabatala besa ukuti batuchite address meeting ukutila mebantu ichalenga ukutile ifwe tube kwati twaluba tatulemoneka kuchinso chenu chilli so so so – tatumfwako nangufye report iili yonse. Abene report limbi nivapanopene paoffice yabo eyo	Sonaya: CARE did not address us to tell us why they left- we did not get any reports. Maybe they gave the report to the office but we have not been told anything.

vashile but ifwe tapaba echo twaishiba-(d.33.2)	
Lubuto: Nangu ifi fine ifyamenshi indalama tulipila tatwaishiba ukutila bushe indalama shiya kwisa- nangu shibomba chinshi – abene veka evaishiba – pantu pakuchita inchintu fila fine vatwebele ati imbeni imifolo twaimba, neliline bafilwe baletwibukishako O bane indalama mwakulalipila nindalama twakulachita ifinefi – nomba takwava- twalivalavako. Ngafinshi vakatuchitila…(d.33.3)	Lubuto: We do not even know how the money we pay for the water is used. We are the ones who were digging, should they not think of us as well? Or even to tell us how the money is being used. Nothing of that sort happens- we have forgotten about them [CARE]- what do they do for us?

In light of their negative experiences, they do not think PROSPECT really paid attention to their plight when they came into the community. Similarly, they think that their leaders do not care for them. They have therefore lost confidence in PROSPECT as well as in their local leaders. Though they know that they need help, they are sure that the current structures and leadership will not provide that help.

7.2.1   How the Leaders View the Group Member's Circumstances

At a feedback session, the CPSCC leaders were informed of the frustration that the COSUN group had expressed. The leaders acknowledged the women's views about their circumstances and had comments. Swema said: "It's true those are realities" (e.6.1). Mumbi while agreeing with some of the views the women expressed saw some exaggeration: "…for me there is some truth to it and some exaggeration" (e.8.3). He explains the historical context that may have led to the women feeling let down:

We were doing a lot of meetings at the initial stage trying to find out the needs assessment…we were asking them what type of problems they face in the community. They said we face a lot of problems but we feel water is the major one because we are raped at night, we are killed and we are harassed [ferrying water at night from nearby suburbs]… What was coming up from CARE International at that particular time was that water was actually meant for the poor people…today all the people that suffered strongly in terms of trying to bring water structure are not benefitting much …there were stones underground digging up to the level that was required, but now these people do not even have water in their residences, they are the ones who go out again to queue…" (e.9.2-5)

His knowledge of what really happened sheds some light on the vulnerabilities that the women experienced. To an extent he sympathises with the COSUN women and agrees that the benefits did not match the labour input, and that perceived promises were not realised. However Mumbi maintains the view that the women had little understanding of what was going on rather than that the leaders neglected them:

…coming to the point of being neglected, I do not think so- it was a matter of not being able to understand the concept. So because they are not educated, I think they needed some clear cut answers and proof of what they would expect maybe five or ten years later" (e.10.2)

Boniface connects the notion of the women being neglected to the fact that CARE International left the community without leaving any money to continue the lending process:

"I think the issue of neglect …has to do with the manner in which CARE left- they left without an exit strategy. They more like just left people in suspense…the colleagues in the water sector were left with some sort of structure where to start from unlike the cooperative…the moment CARE left, people used to come here expecting that CARE left some money, the seed money, of which it was not the case…(e.12.3)

Thus the leaders acknowledge that to an extent the women were not served well and were disadvantaged but locate the source of these problems with either their

[the women] own limited understanding of the concept or CARE's inability to leave money for continued lending.

7.2.2 Reflection Regarding the Group Members' Circumstances

It is evident that the group members need someone to help them. They see inequalities whereby they are promised certain benefits and then the promises are not actualised. Instead, they see their leaders and others getting the benefits due to them. Without regular income, they have very few options to eke out a living. They have limitations to social action that would benefit them. In trying to rationalise the unfair treatment, they denigrate themselves as not educated and therefore their ignorance opens them up to being taken advantage of. Essentially the structures meant to serve them are not beneficial.

As they reflect on their concerns, the support they need ideally would include someone who takes over the responsibility of bringing a regular income to the home. All things being equal, this would be a husband, but some are widows and those who have husbands, they are not in regular employment to bring an income (i.1.2). The women would also want a more supportive community that ensures equity and does not take advantage of them for the fact that they are considered uneducated and therefore ignorant (d.7.9). These events are consistent with the urban context where support structures are weak due to little common bonding. In contrast, the Chinyika community has structures

that they can fall back on in times of trouble. While having a benevolent Headman was a plus for them, the structure in itself allowed for a place of recourse. The COSUN group women did not have this and constantly lamented this void. While the women acknowledge that PROSPECT came to help them, they remain unsure as to the intended benefits (c.1.1). A conversation with the leaders confirms this confusion. As discussed in Chapter 5, the women's labour contributed to the 25% that the community was supposed to make towards the work of clearing garbage, making roads and preparing for water supply. It is not evident that the women understood that their manual labour was counted towards the greater good of the community. They may have understood the exchange with food as payment.

The leaders recognise that the people who did the digging did not benefit much, suggesting that the arrangements may in fact have included the need to ensure certain benefits to the ones who provided manual labour. If there was anyone to ensure equity in the community in this regard, it was the leaders. The fact that even they acknowledge the unfairness in the community speaks to the discord that excludes those without the capacity to negotiate the terrain on their own. On another level, PROSPECT designed the project in such a way that its sustainability entailed residents paying for the water to create an income stream for on-going management of the infrastructure (Garrett 1994). It is not clear that the leaders or the women were aware of this. They would otherwise have connected the microfinance component, which was meant for personal empowerment as the mechanism for enabling water purchases. Unfortunately, the community leaders who should have been explaining things to the women endorsed the view that the women were

ignorant due to their limited education. (e.10.1). It is not clear from this conversation who was supposed to provide that clarity apart from these same leaders.

The fact that the leaders confirm some of the women's assertions of being taken advantage of validates the women's lack of confidence in these leaders and raises several issues regarding the role of these leaders and their ownership of the community-driven development initiative. The leaders seemed to have some understanding of the project objectives, yet even they have a sense of being let down because they were left 'in suspense' without a strong structure; with the critical omission being the lack of money to continue lending. In response to the complaint by the COSUN women on the unfair treatment regarding acquisition of water, one leader felt that the community members who had contributed to the digging of ditches for the water structure should have benefited more. Another felt that the group members had limited education and therefore failed to understand the project concepts. A review of the project documents indicated that the project focused on bringing water to the community without specific benefits for some community members. Furthermore, to ensure sustainability of the water project, community members were meant to pay for it, and that was part of the motivation for the microfinance component (Garrett 2004). The leaders came into their roles as part CARE's vision to build the community structures that would ensure continuity of the project. The discord that emanated from these conflicting views among the leaders suggests that there may not have had full understanding of the project and its anticipated outcomes. Also there might have been lacklustre commitment to the project ideals primarily because it was externally instigated. Questions arise: Could the leaders have

made it possible for the women to understand and appreciate the agreements that required them to dig ditches? Could they have ensured that the interests of the poor people were taken care of so that those who worked hard could enjoy the benefits in the future? In contrast, the Chinyika Community Headman had a role that bestowed upon him the responsibility of the village within a commonly recognised culture. He then made a decision to give back to his community and therefore he owned the vision of the community development and also engendered collective ownership.

The reality of inequalities and oppressive power structures diminished the capabilities of the COSUN women to negotiate sustainable livelihoods. Woods argues: "not all types of poor people can effectively act for themselves, even if supported externally to do so" (Wood 2003: 456). He postulates that in circumstances of inequality and the associated arbitrary exercise of power, individual or collective movement out of poverty and vulnerability will include some level of confrontation and struggle. The inability to confront the existing structures is what diminishes the capabilities of poor people to engage in social action that benefits them in the long run. Poverty can be compounded by an inability to control future events because others have that control. Wood's argument is reminiscent of the COSUN women's situation. The local structures that had been encouraged through the PROSPECT interventions as social capital- a public good- had inherent weaknesses to provide the needed support for the COSUN women and similar groups. But maybe the bigger issue would be identifying the elements that would create an environment of impartiality and trust especially in preferring poor people, and type of leadership that would bring about trust and build social capital in the community.

7.3   The COSUN Group Members' Views on External Help

The group members seem to be conditioned to looking to someone else for their livelihood needs. Being all women, they would look up to their husbands to provide a livelihood as they testify (d.2.2). This can be traced back to their gendered traditions that place the man as the head of the family and provider. This notion was further re-enforced in the rural to urban migration. The men are the ones who mostly trekked to the cities and towns in search of employment that translated into wages to support livelihoods. Reduced employment opportunities highlighted the desperate situations of those who had no jobs. Government subsidies and donor interventions, including the food-for-work program served to establish the notion of looking outward for help. Additionally, the women knew the limitations of their own skills to generate incomes that would sustain their livelihoods, and therefore the constant cry for someone to help them. They also knew from experience that external people could have their own agenda and not necessarily be benevolent. This makes them wary as Pelile explains:

Pelile: Kubwela so mwamene mwabwerera, ine mwamene ningakambire mwane nionera kumankhala monga ati kubwera chabe kutidya nzeru- kumankala kutidya nzeru cifukwa chakuti bamaphunzira muli ife; vakaphunzira phunzira vija vamene vichitika muno mukomboni mwathu, vakaenda ninshi vaenderera vatiivala. Ife kuti vatipeleke patsogolo pamene tifuna paja, kumnkhala kulibe watibwerereranso- (c.4.1)	Pelile: The way you have come, my opinion is that it is to learn from us- people learn from us. When they learn what is going on here in the community, and when they leave, they completely forget about us. They do not think about helping us to develop- no-one comes back for us.

Engaging with Loans

The women need money as working capital in order to expand their businesses. This, they reckon, can only come from external help.

Pelile: Maganizo yanga niyakuti pamene apa kuyenda pasogolo tikasiliza kubweza iyi tikafuneko thandizo inangonso kuti tionjezere ndithu mabusiness yathu- (i.12.4)	Pelile: My thoughts are that going forward once we finish paying off [this loan], we will want more help to increase our businesses.
Mthunzi: Monga aya mabusiness yamene tili nayo apa, chila munthu ali naganizo yoonjezera- monga kuli ine pashota mablanket so ndiye yamene nifuna niikepo. Nikasiliza iyi loni ndiye yamene nifuna kuti manje mukanipase nikaikepo mablanket- so ndiye pamene niyembekezera- (i.13.1)	Mthunzi: These businesses we have here, we are all thinking of expanding- I need to include blankets. When I finish paying this loan, I want you to give me another one to include blankets. This is what I am waiting for.

The conversation does not allude to any incremental income from their business endeavours that would begin to remove the need for a loan. The loan seems important to enable business activities.

7.3.1 The Leaders' Views of External Help

The CPSCC leaders belonged to the cadre of leaders that PROSPECT identified and trained to provide long-term leadership even beyond the life of the project, as Mumbi confirms regarding his own recruitment: "I was the first…I was leading what they called at that time Chipata Water working group before the RDCs came into being…" (e.8.2). They therefore collaborated with external people who brought help into the community and became an extension of the desires of external people in bringing about development

in the community. Swema explains his knowledge of the external help: "CARE what they wanted was just to empower the community…" (e.11.1). Boniface expresses his disappointment with the fact that the external help did not continue:

> …they left nothing, literally nothing. The only money that they left was the money which was now lingering in the compound which they failed themselves to collect with their whole manpower and they just handed over and said 'the money we are going to leave you is the money which is in the compound so just follow it up. If you get it then you can use it as your working capital of which we did not manage…(e.13.4)

The leaders seemed to have a more defined relationship with CARE who brought development. They seemed to be more attuned to the work of CARE International in their midst more than they represented the community.

7.3.2   Reflection on Views Regarding External Help

One of the challenges that group members had was who to look up to. At a bigger picture level, rural-to-urban migration in Zambia that inundated unplanned settlements emanated from the thinking that urban employment was a preferred source of livelihoods (Chapter 5.1 on page 139). The national economic downturn reduced employment prospects and with it earned incomes, necessitating the question of how to provide for livelihoods in an urban setting. Ensuing interventions underscored an expectation of external help. This was the general response evidenced by earlier government interventions of subsidising urban livelihoods, and the food-for-work programme (Garrett 2004). The rural to urban migration meant leaving the traditional structures and familiar cultural support and intermingling with people from different ethnic groupings who were also in pursuit of

waged employment. As these newly formed communities fell into difficulties, there was no obvious recourse for livelihood solutions. This is unlike the Chinyika community who remained within their traditional heritage and even when faced with livelihood threats, their point of recourse was their Headman who represented the essence of that heritage.

In the absence of waged employment, attempts to secure livelihoods led to food riots. Initiatives like the one brought by CARE International served to endorse that livelihood support would come from external support even by way of loans. This seemed to be a narrative that was born out of external help in this community. Community members had been organised into groups to start community savings as first order of business. However, there seemed to have been a stronger emphasis on getting loans than on savings as Jere asserted in his research discussed in Chapter 5. The whole idea of community driven development was meant to empower the community. However this may not have been fully appreciated by the community as even the CPSCC leaders felt that they were left without money to continue lending (e.12). They may not have seen their role as continuing the work that PROSPECT started, and even so, this may have been an unreasonable expectation given that PROSPECT was sponsored by a donor and there was no assurance of similar support to CPSCC. In all this, the COSUN women cannot help but speculate that the external people who come to work with them might have their own agenda (c.4.1). However, without other options, they still look up to external help for their poverty situations.

7.4   The Structures that Group Members See

The women have a dilemma in appreciating support structures around them. Pelile notes that the people who have wanted to support them with loans in the past did not believe in them and therefore the support was fleeting:

Pelile: ...kumbuyo uku bamene tenze kesebenza nabo olo kuti kwenze nkhani yamaloni sikwenze kutikhulupilira kuti kapena angatipatse chintu chakuti tingababwezere pambuyo pake iai-sibenzotikhulupilira-(h.5.1)	Pelile: Those who have worked with us in the past did not believe in us even if they talked about loans. They did not believe that they could give us something that we could pay back- they simply did not believe in us

The women perceive that they are not trusted even though they have not been tested, and this brings out a reciprocal lack of trust in their leaders. As far as they can see, their leaders use them as tools (c.6.3) and generally take advantage of them (c.4.4). They do not think that those who have wanted to help them in the past believed in them. When asked how they would surmount their knowledge gaps so they could intelligently inform solutions that respond to their needs, they did not have a clear way forward. They saw the research process as a possible answer. Sonaya is bereft in her response:

Sonaya: ...tiyeni tikambe chabe kuti zizachitika muzina la Yesu. Pamene mwabwera, ine naona kuti muzimai munzako nthawi zambiri amaona vuto chifukwa mwamene ankhalila kunyumba kwake amaziva kuti kodi mnzanga adya ciani. Manje vamuna vamaziva chabe zamumimba mwao- (d.40.1)	Sonaya: Let's say that these things will happen in Jesus' name. When you came [addressing researcher] I saw that a fellow woman would see our problems because she goes through the same issues in her own home. Men are often only concerned with their own benefit.

The lack of a reliable structure makes them even more vulnerable given their limited understanding of processes around them. Pointing to Jesus' name is given within the

sense of recognising an impossible situation that could only be resolved through divine

intervention. Needless to say, the women belong to the same parish of the local Church

and trust one another as a result. They recognise a higher power and attribute the good

things that happen to them to God. After obtaining the loan that was part of the research

process, they attributed it all to God even though this was part of the research they had

agreed to earlier. A number of women testify:

Sonaya: So pamene tinadabwa, tinankhala pansi as a group nakunena kuti mwaona mulungu atibweresera mana yamene sitinakhulupilile kuti tizatenga-(j.2.3)	Sonaya: We were surprised and discussed as a group. We recognised that God had given us mana, which we had not expected to get.
Twenzi: Mumtima ninali wokondwera-nayamikira mulungu mwamene bakambira banzanga kuti zoona ichi chintu sichinachitikepo. Tinagwira nchito zosiyanasiyana koma kulibe chamene tinali kupezamo- (h.2.2)	Twenzi: I was really happy, I thanked God like my friends have said that such a thing had not happened before. We have done a lot of different work here and got nothing out of it.
Twenzi: Tikuti Mulungu ationjezereko masiku nakuonjezera pamabusiness yathu- (h.2.4)	Twenzi: We ask God to increase our days and also increase our businesses.
Chilongo : ...Mulungu anipatsa kupyolela mwaimwe- (i.8.2)	Chilongo: God gave us [money] through you.
Mthunzi : Pamene uchita chintu ngati waimilila pachilungamo Ambuye Mulungu nabeve bamaima patsogolo kukuthandizira- (i.4.2)	Mthunzi: When you are standing in righteousness, the Lord God stands ahead of you to help you [she was responding to a question about the big loan she got]
Mthunzi : ...ninakamba kuti zikomo kwambiri chifukwa chakuti ichi chintu sichinatichitikirepo but kwaimwe munabwera zoona mumphanvu yamzimu woyera kuti zoona azimai ava lekani nibayese kuvatukula tione mwamene azazithandizira but ife tinaonga zikomo chifukwa kuti pandalama zamene tinakupemhani simunabwerere kumbuyo ndiponso simunakane- (i.5.2)	Mthunzi: I was thankful because nothing like this had ever happened to us. You came in the power of the Holy Spirit and decided to help us women. You decided to try and help develop us. We are grateful for the money we asked and you did not deny us.

Though the women acknowledged the benevolent acts of God, it was not clear how the God structure would improve their livelihoods on an on-going basis. The women's comments did not reference the motive of the research process.

7.4.1 The Leaders Representing the Structures Serving the Women

The CPSCC leaders are the ones who recommended the COSUN group for the research. To that extent, the structure served the COSUN women. During the research, the women expressed frustrations with the fact that they lacked the right skills to run their businesses. When informed, the Leaders did not have a solution but rather saw this as a short-coming of the women as Mumbi articulates:

> The point of the knowledge gap plays a very important role. If people cannot understand the concept then it becomes difficult. It is true that there is a problem if when they get the loan they just focus on repayment. In effect that are neglecting their own development because all they want is to get money to repay the loan and when they finish paying, they do not have any more money to sustain the business. So they keep needing more money. So they end up always needing someone to help them. There is no growth. - g.4.1

The structures seem to be more self-serving than focusing on the needs of the community and this may very well be part of the design focus. Boniface compares the cooperative to the water sector: "I think the colleagues in the water sector were lucky because they were left with some sort of structure to start from…unlike the cooperative" (e.12.3). The cooperative were left with no ready cash to on-lend whereas the water sector continued charging for water provision and therefore the leaders saw this as a better structure

probably because it had a clear source of money from tap collenctions and could continue functioning.

7.4.2 Reflection on Women's Views Regarding Structures Around Them

The women lack the right financial skills to intelligently negotiate and engage with those who have resources like microfinance institutions, and possibly inform financial services that would respond to their needs. While the leaders seem to have an understanding of the problems, they do not see themselves as part of the solution. The implication of women 'neglecting their own development' (g.4.1) removes the leaders from any responsibility in this regard. It is also not very evident that even if they were benevolent towards the community, they would have the capacity to provide a lasting solution. The leaders were trained by PROSPECT for a specific purpose, to provide leadership through the microfinance initiative and therefore the lack of lending capital frustrates this role. The focus seems more on what they have to work with than on the communities they need to serve. This phenomenon is what Vollan refers to as one of the pitfalls of externally initiated collective action. He observed that as soon as the money finished, most externally initiated collective actions would stop serving the community and come to a close (Vollan 2011). In the case of CPSCC, this becomes true though the cooperative did not close but continued to collect savings and engage the women in the few opportunistic activities that came their way. This research may very well have been one of those. This however leaves the women without any proactive structure to serve them.

The women acknowledge God as the one who would resolve the conundrum of their livelihood concerns. It is also worth noting that they all belong to the local parish of the Catholic Church and therefore have that common structure, though its role in their livelihoods was not explored in this research. The literature reviewed does not provide any evidence that at the time PROSPECT was seeking appropriate structures with whom to engage the community-driven initiatives, they considered the Church as an appropriate structure to partner with. When they found that they could not work with existing community structures due to the presence of conflicting political agenda, they opted to invest time and effort into training a new cadre of leaders to manage the community initiatives they started (Garrett 2004). The leaders that PROSPECT trained are the ones in whom the COSUN women have no trust as they had failed to provide livelihood support.

7.5   What the Group Members Said About Business

The women expressed that they faced specific challenges in running their businesses and therefore some of the businesses were not doing well. However the general feeling was that if they had capital, they would improve their businesses and also exploit other business opportunities open to them. They however expressed varied experiences with running businesses:

Sonaya: Amabusiness yengi elo mwaliba win na loss. Ichilenga win chakuti ngawapoka ilya ndalama yabusiness wasanga pang'anda ifyakulya epo fili waisoda isaka lyamalasha waishiba ati	Sonaya: There are a lot of businesses and there is also winning and losing. You win if when you get a loan, there is food in the home. This enables you to buy a bag of charcoal [for resale] and make some profit.

ukasangapo ka profit. Nomba limbi nomulandu wakupelelwa ngawabula kalya kaloni elo ngapali insala pang'anda walabula pala pene pali loni…ninshi loni ilya tawakwanishe ukulipila (d.10.2)	But sometimes because of desperation, at the time you get the loan, if there is hunger in the home, you are forced to use part of the loan…you then fail to repay the loan.
Jenala: Kwaliishilepo bambi abatufundile elyo muleshitisha mulya mulefwaya profit nomba mulashako labour…business ifunika kuyambila mumutu- business yamene nichita izanipeleka kusogolo kapena iai-izanipasako phindu kapena ilibe pindu (d.11).	Jenala: Some people came to teach us that often when we are doing business and seek profits, we forget the cost of the labour we put in…business must start in your head [planning]- will the business grow or not; and will the business help me or not.
Mthunzi: Kumbuyo uku tinangoyamba business. Sitenzoziba kuti business tiyenera kuyendesa mnjira bwanji. Business yanga nikugulitsa. Choyamba kumbuyo ninalikugulisa mabucket maplastic namatropical. So pamene ninatenga ndalama ninapitiriza ndipo ninaikapo vitenje. So kupyolela mumaworkshop yamene tinaphunzira mwamene munthu ayenera kugulisila kupezera profit namwamene afunika kuodera. Tinaphunzira kuti umu mwamene niodera so namwamwene nipezera profit so. Pali ino nthawi nikwanirisa kulipila ngakhale mwana wasukulu ali ku private school.(i.3.5)	Mthunzi: In the past we just started business without knowing what to do. My business is trading. I started with selling plastic buckets and flip-flops. So when I got the loan, I increased my trading line by including cloth wraps. We learnt in the workshops how we should conduct our businesses so that we have a profit. We were taught how to buy supplies in bulk and resell at a profit. I am now able to send my child to a private school.

Though getting a loan opened up possibilities of making money, there were also pitfalls. One of these was that often business intentions were disturbed by the desperation of their poverty status: money meant for the business could be used for household emergencies thus increasing chances of defaulting on loan repayments. The second critical issue is that the women felt that they did not really know how to do business. They had been organised into groups to save money and borrow for business. However, they did not understand the intricacies of business and needed someone to help them along. They had received some instructions from the numerous workshops they attended and they talk

about these. Some women seem to have benefitted from the training they received during the workshops. When asked whether being part of a group enables them to consult over business issues, this is what one of them had to say:

Fales: …*kuimwena fye nendalama shobe wemwine waeshakoichi waeshako ichi…* *(d.13.1)*	Fales: You have to work on your own. The money is yours and you have to try whatever business works

Though they were all part of one group and contributed savings as a group, they did not come together or consult in their businesses. Doing business was clearly not an area of competence for them: their biggest need was to earn enough to make a living. One would therefore have expected them to receive business support from an established and competent process. This did not happen.

The women express varied views about how they did business:

Towa: ….eehh ifi nga waeshako beans wamona yakanga waya kumalasha ngayakanga wayakuli fimbi fila fine…(d.13.2)	Towa: …yes, if you try [selling] beans and you fail, you go for charcoal and if that fails again, you try something else….
Lubuto: Nangu nibusiness ngabakweba ati tiye kwisabi kutina ati likabola- ati kuli tomato nayo kuti yabola chapwa waikala. Nomba ngawamona umubiyo akukoselesha ati tiye uku noku ngawaingilamo fye wamona efyo business yakwendela, chapwa nomwenso ulapwa. Pakwamba elo chishupa sana ichintu nangu ni business ngeelyo wasambilila chilashupa.- (i.8.1)	Lubuto: In business if someone tells you to try and sell fish, you get scared that it might rot before you sell. That discourages you. Now if you see your friends making it and encouraging you not to give up, the fear goes. The beginning is always difficult.

What seemed obvious is that the women needed to be doing something that would bring them an income on the basis of their capacity and confidence to go out and do it.

7.5.1 What the Leaders Said About Group Members' Business Ideas

The leaders vouched for the loan sizes that the women took. They confirmed that the women would be able to use the money and pay it back: "I know them, when you talk of Jenala, I know what she does" (e.28.3). "This group is coming from my area…and I know their capacity, that is why I said for the two people who applied for K5million each- I am not scared of the amount" (e.34.1). However, when the women stopped meeting and it was not clear whether the loans had improved their businesses, one of the leaders, Mumbi commented: "…all they want is to get money to repay the loan, and when they finish paying, they do not have any more money to sustain the business" (g.4.1). He proceeded to narrate the trend that they had observed as women carried out their businesses

> We were in another project …where they were given interest-free loans but they still did not show any signs of growth. They pay back the money and still remain in poverty without much change. So now we are not giving them any money- instead we give them machines. They have sewing machines and knitting machines- we hope these things are going to bring them together" (g.4.4)

The leaders on the one hand vouch for the women's capacity to repay loans but on the other hand express disappointments on the women's lack of capacity to sustain their businesses. The contradictory views do not give confidence to the leaders' commitment in supporting the COSUN group's progression.

7.5.2 Reflections on What Women Know About Business

The COSUN women need a steady income to support their livelihoods. The only viable option for them is to go into some kind of business and so they find themselves navigating the entrepreneurial space in order to make the much-needed income. Trading is what comes easy for them and they can change the type of business they do as prospects change (d.13.2). Some of the women have clearly managed to develop their entrepreneurial skills and can credit some of the skills to the workshops they have had (i.3.5). Others are struggling to make sense of the concepts that they were taught in the workshops (d.11). Yet others need to be hand-held (c.7.5). It is not surprising that these businesses are fleeting and tend to be connected to the availability of a loan. Providing the women with a business loan did not in itself assure usage of that money on the business (d.10). The immediate needs of the family could mean the money being diverted and used for consumption, therefore threatening the possibility of repaying the loan. In all these efforts, the unspoken desire is to have a more sure and consistent source of income. That seems to be the reason for doing business, which is rather removed from doing business because one has entrepreneurial intent. On the whole, there seems to be no coordinated support plan in the activity system to enable these women secure financial stability. The leaders' responses do not provide a solution. In fact the leaders do not place themselves in that role of providing a solution. Their take is that the women should make an effort to work together and hopefully get out of poverty.

7.6   Conclusions- A Development Perception

The needs of the women do not necessarily match the intent of microfinance that focuses on economic development through business growth. The discussions with the women suggest that they need help to engage in productive activities while at the same time managing the little resources available to them. They need more than being given money; they need work for which they can be paid. In their own words, 'they are committed and not lazy' (b.16.1). A loan by its nature works best at leveraging an economic activity that can generate enough income to service the loan and plough back into the business at a profit. All this entails working with well thought-out business ideas whose plans show how borrowed money will be used to generate a profit. The uncertainty that the COSUN group had regarding how to run a business would make them not qualify for credit. It is questionable that the COSUN women viewed loans as enablers of business. If one considers people movements in the development of Zambia as reflected in Annex 2, one could perceive a continuum of securing livelihoods, and it would not be too far fetched to suppose that the loans may have been seen as a varied configuration of providing livelihood support from external parties. The following diagram demonstrates that:

Figure 7.1- A Livelihoods Continuum
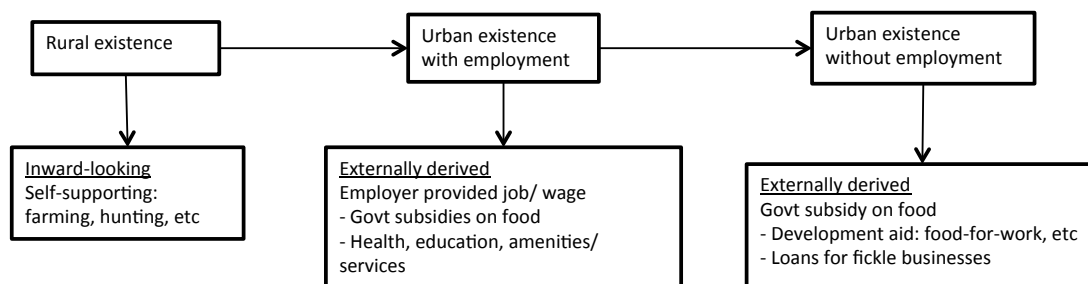
From a microfinance standpoint, altruistic intents are quickly overridden by the need to sustain the organisation. Unless the social focus of financing for poverty reduction contributes to the sustainability of the institution, it runs the danger of getting lip service only. Furthermore, microfinance institutions do not take up the responsibility to help communities understand what a productive business activity should look like, this is assumed. Microfinance institutions have to earn enough to sustain the organisation and make it attractive for investors. At the same time, in order to have meaningful impact, microfinance institutions have to increase their outreach. Thus meeting the financing needs of poor people can only be done within a viable business model. How the communities are helped to understand and engage in sustainable business activities does not fall within the remit of microfinance institutions.

The COSUN women's situation belied the availability of any such support from the community. Rather, unresponsive structures and leaders who are not committed to supporting them through their livelihood challenges disadvantage them. Within the discourse is the presence of a Church structure that by its nature is concerned with the wellbeing of people and especially the marginalised. There is ample evidence that Churches hold social capital necessary for transformative livelihood actions, yet that structure was not recognised as an enabler (Reim 2013; Piertese 2015; Swart 2005). Partnership between Churches and microfinance institutions would have the potential of providing the right support to communities like COSUN in meeting livelihood needs.

The following chapter will analyse the data in relation to the women informing the provision of a microfinance loan.

CHAPTER 8- COSUN Group Voices Informing Microfinance Practice

In this chapter, The COSUN group members design a loan product that meets their expectations. As in the previous chapter, the research findings are organised around various themes that emerged from the data. As the group consisted entirely of women, they are so termed, though this research was not specifically aimed at addressing gender issues in microfinance as discussed in Chapter 3.4 on page 91. The women involved were asked to design the type of loan that would respond to their needs. A few of the women had taken loans from the cooperative before. Others had information from their friends on their experiences with getting loans, so there was a general understanding of how loans work.

8.1   Women Design the Loan

The women designed the loan product focused on the following parameters:

- The loan amount
- Group guarantee
- The repayment period
- The grace period
- The penalty clause
- Peer support
- Interest payment

Loan amount: The women decided to start by determining how much money each member would get as a loan. They needed to come up with a process that would justify the amount sought. They came up with their own requirement:

Chinyanta: Uuli wonse pano naeshiba amaka akwete ukubwesha inkongole. Tiyeni tulande indalama twalapoka chila muntu- (journal notes)	Chinyanta: Each one of us knows how much they can manage to pay back. Let us say how much we need each one on their own.

The requirement was what each member felt they needed depending on their confidence and capacity to pay back. They felt that each member should ask only for the amount of money they would be able to pay back according to 'their strength'. I prodded further on the language they used ([5]_ukulingana na maka eyo akwete_- in proportion to their strength). In explaining this phrase, the women elaborated with a saying: _ukupima ubunga namenshi_- using the quantity of mealie meal one has to determine amount of cooking water needed). This saying refers to the process of cooking Zambia's staple food- _nsima,_ a thick porridge made from maize meal (_ubunga_). To get the right consistency, one has to be exact about the amount of water (_amenshi_) and available maize meal. That is the level of precision the women needed in determining the size of the loan that they were capable of paying back without defaulting along the way. 'Their strength' implied taking into account how they would use the money; how they would generate enough returns to service the loan; what other side activities they had to supplement the business income; the willingness of family members with the means to help pay back if all failed. This was an important part of the negotiations because the group members agreed that they would not resort to group guarantee. Each member was to think of ways of repaying the loan without laying the burden on the group. They indicated this on the loan application form.

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[5] This was a follow-up telephone conversation with Sonaya in Janury 2015.

Each member qualified for the amount they asked for. This was very different from the process used by CPSCC where loans were pegged to the amount of savings that each individual had made. Sonaya who had taken a number of loans from CPSCC explains:

Sonaya: Pakupela indalama umuntu tulolesha efyo asaving'a- nganasaving'a 50000 nango loni ya100000 bakampela pantu ndipali half. Ngachakutila nasaving'a 30,000 loni kuti napoka iya 50 pin. Elo 2 tulamona ukuti bushe uyu muntu tulepela loni akakwanisha ukubwesha- (d.16.1)	Sonaya: When giving a loan, we look at how much someone has saved. If they save K50,000 they are eligible for up to K100,000 because the savings is half of the loan amount asked for. Then we also look at their capacity to repay the loan.

A member could only access up to twice the amount of savings they had accumulated. An inspection of the CPSCC books showed that COSUN group had accumulated savings of K2.4million, and this would have entitled them collectively to K4.8million. They were however, applying for a total loan of K27million, way above the 2:1 ratio that CPSCC used to determine loan amounts (See Annex 3). This was accepted in the spirit of the research process.

Group guarantee: The women also worked on the trust they had with one another. Being a group loan, members agreed that they would support one another in ensuring full payment.

Towa: Ife tonse tizibana. Kulibe pano angakambe ndalama yamene sangakwanise kulipila. Tizibana namumanyumba mwathu namabusiness yamene tichita. Olo kukamba munthu alipo tingakambe ngati uja munthu sitimukhulupilira (journal entry)	Towa: We know each other. There is no-one here who can ask for the amount of money that they will fail to pay. We know each other's homes and businesses. There is no need for people to leave the meeting [to enable character discussions]. We can say in their presence if we think they are not trustworthy.

Interestingly, the process of guaranteeing one another was used in determining the loan size but was not captured as one of the rules in relation to those who would default on payment (Annex 4). This would not be permissible if a microfinance institution was granting the loan. The absence of tangible collateral required that the group agree on collective responsibility for individual loans.

The repayment period: The CPSCC requirements were that loans would be repaid over a six months period. The women made a different decision:

Lubuto: Mutupeleko akashita kakweba ati tubombe. Six months naichepa. Nga mwatupeleko 9 months kuti twabomba bwino nokubwesha palibe vuto- (journal entry)	Lubuto: Give us a bit of time so that we work. Six months is too short a period. Nine months gives us time to work and pay back without many problems.

They decided that nine months was a better spread of repayments in order to manage their liquidity. This was taken in as part of the conditions. They also agreed to make monthly instalment payments on the 10th of the following month.

Grace period: the loans given by CPSCC required that instalment repayments start in the following month. This did not sit well with the women and they varied this condition by including a grace period:

Jenala: Ifwe tulefwaya ngatwapoka loni mwatusuminisha ka grace period umweshi umo. Not ukutila apopene wapoka nokutampa ukubwesha elyo taulabomba nokubomba. Elulya tulashupikwa ukubwesha (journal entry)	Jenala: We would want to be given a one month grace period. It does not help us to start paying the following month after you get a loan, before you even start working- that is why we default

The grace period was thus taken as part of the conditions.

Penalty clause on delayed payments: CPSCC required them to pay a penalty of K1,000 for delayed instalments. Again, this did not sit well with the women:

Chinyanta: Sitiyafuna kulipila mapenalty. Yatenga chabe to profit wemwine wake wenze wapanga. Tizayamba kuthandizana nakukumbusana kulipila. Sikuzankhala vuto iai (journal entry)	Chinyanta: We do not want to pay any penalty. It just erodes our profits. We will help each other to make sure that we pay on time. There will be no problems.

The women removed the penalty clause completely because they felt that it impacted negatively on their profits.

Peer support: In order to provide one another with peer support, they agreed to visit each other and consult on their businesses. This is something that they would not have done previously as each one fended for themselves (d.13.1). The women also agreed that they would continue meeting every Wednesday to discuss progress on their businesses and loan repayments (Group laws). This was in line with research expectations as agreed upon at the outset.

Interest calculation: The women understood that they needed to pay interest on the loan, but had no idea how that was arrived at. They had little understanding of how interest is worked out generally and how the cooperative arrived at what they charged on the loans they issued. They knew that if they got a loan of K500, they would be required to repay K625, that is an interest amount of K125. They had no problem with that. When we discussed percentages, they thought 25% interest was too high yet K125 was 25% of

K500. The calculations were complex and beyond their capacity to comprehend. They were also confusing the interest they received on their savings of 10% per year. It appeared that the whole concept of interest was too technical for them and explanations served to only confuse them further. This is an area they would not inform the financial arrangement owing to their lack of technical knowhow.

The women agreed to capture all these conditions in a constitution that would be signed by the persons appointed as Chairlady, Secretary and Treasurer of the group. They all proceeded to complete the loan application forms that were provided by the CPSCC, in preparation for the loan.

8.1.1   The Leaders' Views on Women Designing the loan

When the leaders were informed that the women had made significant changes to the loan terms and conditions, they had no objections. They actually vouched for the women: "I know the ones who asked for K5million- Fales and Mthunzi, they can even pay it in less than 9 months" (Mumbi: e.29.3); "…this group is coming from my area, from my club and I know their capacity" (Mumbi e.34.1). The leaders also recognised that the women would not be able to understand interest computation and advised that we settle with absolute figures:

> …we should not always be talking about the percentage let's calculate the percentage and talk of the figures: here it is, K125,000 per K500,000 for them it was 10% which means they are not complaining about it. So what

is important is for us to tell them this is the amount of money that you pay on top of what you are getting on your principle this is the interest on top. The fact is understandable for them e.30.2.

8.1.2   Reflections on Women Designing the Loan

Table 8.1- COSUN Variations to Loan Product

Parameter	CPSCC	COSUN changes
Loan amount	2:1 ratio of savings made	According to each individual's capacity to repay the loan
Group guarantee	Yes	Not addressed in the group rules
Repayment period	6 months	9 months
Grace period	None	One month
Penalty clause	Yes	No- they regard it as reducing their profits
Interest payment	CPSCC does the calculations	COSUN women do not understand how to calculate interest

Loan size:

The concern regarding the capacity to pay indicates the women's understanding of a borrower's responsibility towards a debt. There was a risk involved. They knew that failure to repay had consequences. Some of them had never taken a loan before but knew the consequences of not paying back. During a post-loan meeting, Suya explained:

| *Suya : Ine naunfwile umwenso wakusenda loni pantu nshatala nchitapo. Ngakukonka nalefwaya impiya iikulu nomba umwenso fye ewalenga ukuti ningasenda ilya ine eyo nasendele pantu nalishite ng'anda. Impiya nashitile ing'anda yapwila apopene. Paba 8 rooms nomba iyakweba ati njiwamye mbikemo avarent mumarooms yamo nshakwata impiya so palya ngachakweba ati naliyamba kale nakwata iyakuwamisha ing'anda nomba umwenso. Ewalenegele ukutila nsende iyinono pantu nshasendapo loni- (i.6.2)* | Suya: I was afraid to take a loan because I have never done it before. I really wanted a bigger loan, but I was afraid. Fear is what caused me to take a small amount, and I used that money to buy a house. I bought the house and the money finished right there. There are 8 rooms now I do not have any more money to decorate the rooms so I can rent them out. If I had started [borrowing] a long time ago, I would have fixed the house but now fear took over. That is why I got a small amount. |

Fear seems to be a more basic response to their environment where the support structures are beyond their control. They have little understanding of how processes are decided upon and the consequences of non-compliance until it is too late to take action. For example, a delayed payment might be explained by the borrower as having been caused by unforeseen events in their lives, like an illness or a funeral that places a demand on their stock of money. Yet this same action would quickly trigger consequences with the lender as the debt would now be classified as delinquent.. The women knew that some of the consequences included the possibility of losing some of their most valued assets, and did not want to live with that risk. This fuelled their fears. Lubuto explains:

| *Lubuto : Kwena amaloni twaleyonfwa nomba umwenso- waunfwa at iyee balapoka amayanda bambi ati iyee balapoka utupe munganda nomba ngawaunfwa ifo fine nangu chintu ulechifwaya ngawaunfwa ifyo fine nangu ulechifya ata awe ngabapoka ing'anda nomba nkalaikala kwisa so nangu fye ine wine eyali yafirst - kwena twalefwaya indalama iyikulu iyakweba ati twawamyako amayanda ngefofine chadandaula nomba umwenso tawabalauchitapo- pantu nangufye ili line tuchili nomwenso. Ngatwapwisha elo tukapuka futi ngatwatontonkya bwino- (i.7.1)* | Lubuto: We do want to get loans but we are afraid especially when we hear that defaulters had their houses taken, even the household goods can be taken. No if you hear such things even if you wanted to get a loan, you stop. Where would you live if they took your house? So this was my first loan and I had wanted a big loan so we can fix our homes Fear stopped us from getting big-size loans. Maybe when we repay this loan, we can get another one after reflecting. |

My earlier interaction with clients in the field brought me in contact with a client in Kalulushi who paid back the loan from the loan itself- she got the loan but did not use it for fear of the consequences of failing to pay (Chapter 1.2 on page 12). Thus fear of consequences can motivate timely re-payment. In this research, the women did not include in their rules the need to co-guarantee one another in the event of default.

However they all paid back their loans, and this was consistent with literature that confirms women as good and reliable payers (Mudorch 1999; D'Espallier et al. 2010). It was clear that the commitment to pay in a timely manner was fuelled by a fear of consequences in relation to debt. It may also have been fuelled by the need to repay promptly so as to enable a second loan cycle. Whatever factor, I wondered whether this positive attribute could have been harnessed to bring about benefits in developing the women's enterprises.

Coming from a banking background, I knew that the purpose of the loan was critical in determining loan conditions. An enterprise loan would be structured according to the business cash flows whereas a housing loan would be attached to the incomes that would be servicing the loan. Part of the intent of the study was to enable women to structure the loan to meet their financial needs in relation to an economic activity that microfinance institutions would typically fund. The capacity to pay is an important element for the women, however it did not justify the debt given the cost of borrowing. This research makes the assumption that had the women continued to meet, it would have elicited useful feedback. Thus the conditions the women wanted included in the loan design were driven by their various household needs and dissatisfaction with conditions of previous loans even where they did not have a good understanding of the rationale for those conditions. Risky as the loans may have been, money was a rare commodity, and the women sought to use the opportunity to obtain as much as they would be able to pay back without attracting sanctions. Some of the women would even have preferred to get bigger loans, but were fearful. The leaders vouched for the women on their capacity to pay

though they had no track record to refer to (e.29.3). The two women who got the highest amounts confirmed that they had never taken loans from CPSCC, yet the leaders were confident in their character, and vouched that they would pay. These leaders knew the circumstances of the women to give confident backing.

Repayment period: The change in the repayment period and the need for a grace period seemed to align more with the fact that the women had been dissatisfied with the six months repayment period and lack of grace period expected by CPSCC.

Sonaya: Kwaishile futi suggestion imbi iyakutila mwakulapoka amaloni, kabili twatemwa twatila ifi valeta ichi chimbi nomba limbi valatwafwa- so twaishilesanga ukutila ati immediately ngavakupela loni pa 1, ulo taulatampa nokubonfya ilya ndalama, pa 1 ufwile watampa ukubwesha- so nomba ifwe tuli vantu avakutila ati pakuti uyo uode limbi utumaoda twaonaika nalachita shani, indalama ilya valeifwaya- ngatawaifwaye ninshi walaba muchibe- (d.1.3).	Sonaya: There was another suggestion that we would be getting loans and we were really happy thinking that with the loans we would be helped. However, we found that immediately they gave you the loan, even before you start using that money, you must start repaying. Now our businesses require us to go and find the commodities and if those things get spoilt, you fail to pay. If you cannot find the money, then you end up in trouble.

In the absence of specific business assessment, it appears that even the six-month period that the CPSCC had imposed was arbitrary. In my earlier microfinance interaction, we used a four-month repayment period considering both the clients' business cycle and the needs of the program. We presumed that someone in the trading business, once given a loan would buy stocks and start selling right away. They should therefore be able to make weekly payments and repay the full loan in sixteen weeks. The situation seemed different with the COSUN women.

Repayment date: It was not clear why the women needed to do the repayments on the 10th of each following month. Because the meetings stopped after the women got their loans, I was unable to interrogate the reason for this, but can deduce from later conversations. A number of the women used the money to extend and/ or repair their houses so they could put in tenants. I can only imagine most of the women repaid their loans from rental income after the end of each month. That was their regular and assured source of money. I also wondered if some of their merchandise was sold on credit and payment only received at the end of the month. In one meeting, Pelile brought her merchandise and asked me to buy. She hand-made door mats from wool and plastic sacks. When I told her I did not have the money right away, she said she sells on credit and that she would collect the money at the end of the month. It looked like this was the way most of them operated. Thus the need to pay back on the 10th of the following month would align with their cash flows.

Removal of penalty clause: Then there was the removal of the penalty for delayed repayments. This looked like another reaction to the negative experiences that the women wanted to avoid. Given the weak business propositions and the pressure to eke out a living using borrowed money, it is easy to see how such a penalty could be seen as eroding profits rather than enforcing discipline against defaulting.

8.2   The Leaders' Responses About the Loan

The COSUN group had been picked by CPSCC to participate in the participatory action research process on the understanding that there would be continuous dialogue and that CPSCC would also learn from the outcomes of the process. At the point of designing the loan product, the leaders had their own request to make of the process. They called for a side meeting where they indicated their expectations of the process. These are indicated below:

Continuance with savings: The leaders requested that the women should continue making their savings with CPSCC: "The women have been paying in their savings here at the cooperative. We want them to continue doing that" (Swema: f.2.3)

The need for a workshop: The leaders would organise a 1 or 2-day orientation workshop as was standard: "before we form up a group we go for orientation so that we can get their views of what they intend to do …. maybe one day, or a two day orientation that's when we ask them to plan for a group loan" (Swema: e.18.3). The leaders insisted that a workshop was necessary before a loan was granted to ensure that they communicate important aspects of the lending process. "…When they get the loans, they will need to be monitored closely so that they pay back the money. All these things we discuss them at the workshop…" (Mumbi: f.2.4). The leaders explained that the workshop would ordinarily take three days, but they were willing to reduce it to a day after I registered my concern about the value of the workshop given the research objectives and that I had been meeting the women over an extended period already:

Usually the workshop is for three days but we can shorten it to one day, so that we cover some important aspects we need to emphasise on. We want the women to pay back the loans without problems and the workshop covers that as well" (Swema: f.3.3)

Payment of Commission to CPSCC: The leaders indicated that there would be need for me as the researcher to sign a contract with CPSCC for some pre-loan activities like completion of standard application forms, development of group constitution and monitoring of the loans once given. The thinking was that I would hand over the loan money to CPSCC who would handle the disbursement as was the practice during the PROSPECT days, and that before the loans were given out, a portion would be taken out as commission to CPSCC for services rendered: "we need to be very careful in terms of what goes back to the loanees and what remains to the cooperative as a commission for the work being rendered." (e.35.2). They further explained:

The contract will talk about the work that the cooperative will do which includes helping the women to complete loan forms, coming up with their group constitution and monitoring repayments. The cooperative will do that. For that work, the cooperative gets a commission…(Mumbi: f.4.1)

Addition of new names to get loans: The leaders indicated that a few women were absent when the research started and that they would want them included in the list of women to get loans. They indicated that these women were part of the COSUN group:

…there were some women who were left out when we started this scheme. About 2 or 3 of them. They are members of the group but were not present when you started- can you include them? (Mumbi: f.5.2)

The requests came long after the research had started with the women and therefore seemed contrary to the spirit of the research, which was to create dialogue space and

respond to the women's voices. I agreed to discuss the issues with the women to get their views on all the aspects that the leaders had communicated.

8.2.1 Women's Response to Their Leaders About the Loan

The women were given the feedback from the leaders at the next meeting. It then transpired that some of them had been invited to a side meeting with the leaders a few days earlier. It was clear that not all the women had been at this meeting. Those in attendance narrated the following:

Chinyanta: …*ija day kuti tilongane imwe simwenzeko, manje baja banakamba kuti chamene tangenelamo ise aba pamanyumba pathu sibazibapo sibakaya kuno but ba cooperative bonse pamanyumba bazivapo – chipepukako kuti ngati ni day yoika ndalama olo mabusiness yathu, vazivapo mumanyumba mwathu bazayambochita monga day imozi bapitamo kuona mwamene tichitila mabusiness yathu that's why banakamba kuti bangenemo bamene baziba mabusiness chifukwa aba sibazabwera mumanyumba mwathu – bazayamba chabe kubwera pacooperative- (f.5.5)*	Chinyanta: [addressing one of the women] that day when we met, you were not there-they [the leaders] told us the reason they had decided to get involved in the process is that [researcher] she does not know our homes, she does not know this area but the leaders know all our homes. On the repayment date, they would make it easy for us by monitoring us and making sure our businesses are running well.
Chilongo: Chili monga kwabwera mlendo nakatundu agulitsa, ine ndine niziva vantu bamene bamagula vija vintu. Ndine nizathandiza uja muntu ali nakatundu kuti agulitse nakutenga ndalama ndine nizatenga kupatsa uja wogulitsa. Ndiye mwamene nazionela ine- (f.5.6)	Chilongo: It is like a visitor comes with merchandise- I am the one who knows where the people who can buy those things are. I am the one who will help the vendor to sell their merchandise and I will collect the money on their behalf. This is what I think they are trying to do.
Sonaya: Chizaoneka monga baja bazayamba kutichita monitor kuti ndalama	Sonaya: It seems they [CPSCC leaders] will be monitoring us that we have paid

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zabwera bapereka kuti ziyende kumene banatenga. Koma sindiwo opanga malamulo. Malamulo ndife tizapanga- (f.6.3)	back the loans. But we will make our own rules.

From these conversations, it looked like the leaders had managed to convince the women that it was necessary to work through the cooperative. The women agreed to complete the CPSCC loan application forms and to continue saving, but they were not too happy with the fact that their leaders wanted to disburse the loans, hold a workshop and monitor them. The discontentment was palpable:

Pelile: ...vimozi navimozi kuti sitiziba vimene vichitika ku cooperative kwamene uko…ine niona kuti paja poyamba tinayambila iyi nkhani ninaona kuti chabwera chintu chachilendo kapena chakuti tingapezerepo thandizo tonse- lomba nionanso kuti nkhani ilikuchinja kuti ibwererenso kumanja kwacooperative kwamene tinalephera kale- ndiye mwamene naonela (f.4.3).	Pelile: …same old things that have been happening at the cooperative… I see that when we started [the research] it looked like something new that would help all of us- now I can see things changing- going back to the cooperative where we failed before- this is what I am seeing.

This information highlighted the discontent of the women with the CPSCC leadership. I was more concerned about the implications of this development: would the women give up their voice and submit to the desires of their leaders? The women responded by narrating their frustrating experiences with the CPSCC leadership:

Lubuto: Ngati baona kuti imwe ndimwe bandalama bafuna bapezekepo, that's why sitisebenza ndaba ali apa naye afuna mbali yake afunako nauja ofuna kutithandiza athaba (f.11.3)	Lubuto: If they see that you have money they want to be there, that is why we do not develop because each one wants to get something and the one who wants to help us ends up running away from us.

Even after much deliberation among themselves, there was no solution coming forth. Some of the women felt the need to give in to their leaders while others were visibly

reluctant to do so. The choice they had was to either give in to their leaders or stand up to them and make their own decisions. I sensed that if they took the later stance, it would be seen as an affront and something unusual. I could also see that the opportunity that the research had given to the women to speak and say what they wanted was slipping- it would be difficult to be assertive in the face of the demands from their leaders.

Workshop: The issue of the workshop generated much debate with a general sense that the workshops would have little benefit for them but rather that it would be an added cost to the research:

Sonaya: Kapena kuli malamulo enango amene yafunika kuti akatipatse- (f.8.5)	Sonaya*: Maybe there are certain rules that they want to give us.*
Lubuto: Ah nibaMadam bangakambe pantu olo ngati ni workshop nimwe mukakonza- vakudya vonse ninshi vili mmanja mwanu, tea, lunch nkuku, fyonse ninshi fikabafyenu- (f.8.6)	Lubuto: It is only the madam [researcher] who can tell us because even the workshop would have to be done by you- you will have to buy all the food- tea, lunch, chicken- everything will be on you.
Sonaya: Ngati ndimwe ozipeleka, tikachite workshop…(f.9.2)	Sonaya: If you are committed, we can do the workshop….
Mthunzi: Awe.. imwe mufunika kuti mubamasulule kuti ngati bacooperative bafuna workshop ndiye kuti kumafunika vakudya aba [vacooperative] sibangakonze vakudya- bazafunika kukonza vakudya nivamadam. Bophunzitsa nabo bazafunika kulipiliwa- sitiziba kuti babalipila zingati. So ife kuno tikavomela kuti kufunika workshop, so imwe lomba ni bill yanu. Izankhala kuli imwe bill yokonza workshop- (f.9.3)	Mthunzi: No…you need to explain to her that if the cooperative leaders want a workshop, there will be need for food and the cooperative leaders do not provide. She will have to prepare all that including payment to the workshop facilitators- we do not know how much they are paid. So if we agree that we want a workshop, it will be your bill.

This was new information for me and I had no way of verifying it without going back to the same leaders who were bringing new requirements. I reminded the women that my role was to engage with them in designing a loan that would benefit them and that all the meetings we had had so far were adequate without the need for a workshop. I re-emphasised that the whole project was about listening and responding to their voices and that the leaders consented to that at the beginning of the process. The decision of the way forward lay with them. The women explained their discontent with the workshops:

Chinyanta: ...tankhala namaworkshop yambili tilinamabuku yambili- mukafuna tingabwele nayo yonse yo entrepreneurship tili nayo- (f.9.4)	Chinyanta: …we have already had many workshops- we have the books to show for it. We can bring the books to show you- entrepreneurship is there as well
Mthunzi: ...tili nayo mabuku navolemba tenzonkhala 3 days mungophunzira, vaumoyo monkalila, vonse tinapitamo- (f.9.6)	Mthunzi: …we have the books and the notes- we used to spend 3 days just learning, health, livelihoods…all of that we have done.
Pelile: Ninali nakamba poyamba paja kuti ivi mwamene yapita nkhani niiona kuti yazinguluka futi ibwerera futi kucooperative – (f.11.7)	Pelile: I had said when we started that the convoluted way that this matter was being handled would take us back to the cooperative.
Sonaya: Emo balila that's why tenzokamba kuti bamatidyakilila- (f.10.6)	Sonaya: That is how they get benefits- that is why we said that they take advantage of us.

They took time to explain how the expenditure for these workshops is done by the leaders:

Sonaya: Ndiye cholinga chaworkshop…[Voices and laughter] Heavy tea nefyakulilapo elo lunch ubwali nenkoko nangu inama balaleta elyo indalama mukafumya eikulu- (f.8.7)	Sonaya: That is the goal of the workshop….heavy tea with food then 'ubwali' [staple dish] with chicken or beef- the money you will be required to pay is much.
Mthunzi: Nabo bochitisa workshop muyenela kubapasa kapene ni K350	Mthunzi: And the workshop facilitators have to be paid something like K350 per

pamunthu umodzi- (f.9.1)	person.
Mthunzi: Aya ma workshop naife vophunzira tifunika kudyesewa. Timadyesewa zoona- nkuku na nyama, na drink namanzi..- (f.10.3)	Mthunzi: In these workshops, even us who are being taught need to be fed- and we do get fed- chicken and beef, with drinks and water.
Sonaya: ...nabamuoffice nabo mpaka bakalyeko abashili paworkshop- (f.11.3)	Sonaya: Even the people in the office who are not in the workshop have to eat as well.

The satirical nature of this conversation opened up possibilities for defying the leaders:

Lubuto: Madam muyenela kutipasa chabe maloni bamene muzasankha nikwamene tizayamba kupeleka ndalama...ba secretary bachita mabuku, ba treasure balipo palibe vuto (f.11.4)	Lubuto: Madam just give us the loans directly and choose someone who will collect the repayments for you- the secretary will write the books, and the treasurer is there- there is no problem.
Mthunzi: Monga ine mwamene naonela tichite a chairlady na secretary ayanganire nkhani zamugroup. Mugroup muno tizibana chairlady alimo monga kuvandalama bangatenge ndalama nakukutumilani phone kuti mubwere mutenge- mugroup mwamene muno tikonza- kabili tifuna tisebenze azimai tizione kuti tizakwanisa bwanji kuchosa mumanja yabamuna (f.12.3).	Mthunzi: The way I see it, let us make the Chairlady and Secretary the ones who will handle what happens in the group. We know each other and we have the Chairlady who can collect the money and call you to come and get it- we can do everything in the group- we want to work as women and see how we will manage without the men.

The research process seems to have made the women aware that they already had a structure within the group that they could use. They recognised that they had the capacity to handle their own affairs regardless of the fact that they were seen as un-educated. The conversations became more definitive on the way forward:

Mthunzi: Iyo workshop ngati nikukonka chabe kwenikweni, sitenze kuifuna ndaba tankhala tinachita maworkshop kumbuyo uku kambili- f.7.5	Mthunzi: In all honesty, we do not want that workshop because we have had many workshops in the past.
Mthunzi: Ife ndalama zathu ziri kunja nizosakilasakila sitingakwanise three days-	Mthunzi: You know our money is out there, we have to go and find it- we cannot stay for three days- in that case maybe we

so ngati niso kapena popwanya lamulo kapena tingachite one day chabe chifukwa zamene tichita mumabusiness yathu tiziba, so banakamba kuti bafuna kutikumbutsako chabe. Tinali naworshop apa manjemanje mu January na February yanakonkana- f.8.2	can break their rules and do a workshop for only one day. We know what we do in our businesses- they say they want to just remind us a few things. We already had workshops in January and February in succession.
Jenala: ah iai olo ya one day iyo iyai- f.8.4	Jenala:…no- we do not want even the one day workshop
Lubuto: That's why botithandiza batithaba pakanthawi kangono so ife tikumasulilani kuti muzibe bwino bwino mwane zintu ziyendela kuno-f.10.3	Lubuto: This the reason why those who want to help us in no time end up leaving us well alone. We need to explain to you how things are handled here.
Pelile: Kapena apa tikamba pakamwa chabe koma kuphunzira taphunzira zambiri kepana kuti mukhulupilile pobwera tikabweretse mabuku panthawi yonse iyi…f.10.8	Pelile: As for learning, we are not just saying it, but we have had very many lessons- maybe we should bring the books we have been given over time.

At this point they actually reach a consensus on how to handle the request from CPSCC:

Mangu: Olo mwamene muno mu group kuyenela tisankhe chairlady na secretary- f.10.5	Mangu: Even here in the group we can choose our own chairlady and secretary.

The women demonstrated that they had the capacity to make decisions if given the space and support to do so.

Addition of new members: The women felt that it was rather late in the process to bring in new members. They felt that the new members would not have the advantage of the discussions that had led to the loan being designed in a particular way and that there could be a discordant relationship if the new people joined:

Sonaya: Nomba teti tubabikepo inoshita pantu nomba twasambilila ifyo bashambilila. Kabalolele (g.13.6)	Sonaya: No we cannot accept them [in the group] now because we have learnt what they have not learnt. Let them wait.

<u>Feedback from leaders following women's responses</u>

Following these decisions, the leaders were informed and reluctantly allowed the women to have their way. They expressed their disappointment for being left out, and explained the side-meeting they had with the women: 'I called them for a meeting to have a clear picture of what was going on then there was some tension – I wanted to harmonise the operations as you came through the cooperative. So because of the tension, I washed my hands" (Mumbi: g.4.5). The leaders also claimed that the women had selected new leaders without permission when other leaders were already there: "The group had leaders already but it looks like the women who became attached to you chose other leaders who we did not know, and that is how we became scared in getting very involved in that" (Mumbi: g.4.6). This was an interesting and surprising turn of events. This group was chosen by these same leaders to participate in the research. If there were already leaders in this group, why did they leave them out of the research?

The CPSCC leaders further complained to me that I did not follow the agreed process to give out the loan at their offices: "…we thought the disbursement would happen here so that whatever happens we should also be part and parcel of this program- we are stakeholders for whatever goes on we are supposed to be involved because the madam came through this office so that we train them. Even the disbursement I just got it from someone that it had already been done" (g.6.3). I quickly corrected that view and told them that the loans were actually given in their offices except that the money was not given through them. I reminded them of our earlier conversation that we would listen and

respond to the women's voices. One of the leaders concurred: "…the disbursement was done here but …Chiseche [CPSCC Officer] did not give us information" (g.7.1).

8.2.2   Reflections on Women Responding to Leaders About the Loan

The interaction between the women and the leaders regarding the disbursement of the loans made me reflect on the heightened interest from the leaders when it came to giving out the loans. They held a side meeting with the women, during which they asked to take over the loan disbursement process. This had not been discussed at the beginning of the research. I could not help thinking that their interest was piqued when they realised that the women would actually receive the loans. They then wanted to be part of it. Unfortunately for them, the women became decisive and the loans were given out without the intervention of the leaders. The result is that the leaders decided to distance themselves from the women. The leaders called it 'tension' which made them 'wash their hands' (g.4.5) of the women. The whole idea of the research as agreed was for them to let the women speak into and manage the process on their own. The leaders had given authority for the women to participate in the research in which they would direct their own affairs. I wondered whether the possibility of money going to the women opened up a window of opportunity, which the leaders felt they could not pass up, and that this triggered the power-play that ensued, evident from the side meeting that the leaders called, their need to get a commission and to have the loans given out through them. This subtle level of "elite capture" shows the extent to which community voices can be

silenced in pursuit of leaders' agenda (Wong 2010). Conversely, I wondered whether the process of women having a sense of being listened to, did boost their self-confidence to respond to their leaders differently than they would have done before these meetings.

On the part of the women, I wondered why some of them were willing to forgo the dialogue space at the behest of their leaders. Some of them were even justifying the desire of the leaders to participate in the loan process. The side meeting with the leaders seemed to have destabilised them. Some of the women seemed willing to acquiesce to the leaders, though others saw it as another way of the leaders taking advantage of something that exclusively benefitted the women. I found myself having to remind them that this was about them and not the leaders. They clearly understood how their leaders had taken advantage of them over the years, but some of them seemed ready to give over this opportunity to speak into something for their own benefit. I could not understand this paralysis to make a decision until one of them turned the decision to me by saying that if I was prepared to do the workshop, then they would participate (f.9.2). Though I had opened up dialogue space, I realised the big burden I had placed on them: to stand up to the leaders who had dominated them for a long time. I was someone coming in who would go away. They had to live with those same leaders after I had gone. I realised that telling them that they had a voice was not enough for them to effectively use that voice. The leaders had also demonstrated that they could still influence the women regardless of the fact that they were not part of the specific dialogue space that the research represented. This development served to show that the community dialogue space would need to enable unfettered participation with assurance of protection for the marginalised

members. It also showed that the leader's motives were not altruistic towards the women they were meant to oversee. I encouraged the women to take a firm stand:

Researcher: Mwamene muno mu group mungachite mweka- f.11.5	Right in this group you can do this on your own.
Researcher: Tiyeni tichite so- malamulo muzapanga, workshop sitizachita, banavomereza vonse vakuti muchite malamulo vamene vichinja malamulo yabo uku vonse banavomereza, so imwe mupange malamulo. Tiyeni tiyese tisevenze nao tione mwamene vizankalila kapena nabo bangaphunzilepo- f.12.2	Let us do it this way- you will make your own rules, we will not do the workshop- they [the leaders] agreed that you can make your own rules and agreed to all the changes you made. Let us try to work with them and see maybe there may be lessons for them as well.

Real progress was achieved when I took a stand. I realised that if this situation was in any way representative, then oppressive tendencies by leaders were a big hindrance to these women's voices and therefore to their development. I became aware that dialogue spaces could easily be compromised by self-serving intentions.

8.3   Women's Views on Written Agreements/ Constitution

As the women were designing the loan, they decided not to use the CPSCC constitution template as they believed that it contained some of the clauses they did not want. They instead developed their own set of rules as in Annex 4. It is not clear whether the women ever referred to these rules during the tenor of the loan. The women were very faithful in re-paying their loans. Only two of them experienced problems and went beyond the nine-month period. A few of them paid back in full well in advance of the nine months. They kept their promise to pay by the 10th or called in advance if they felt that the payment

would be delayed. There is no evidence that they visited one another and the undertaking to meet every Wednesday was totally not effective. They also continued saving with the cooperative. A few of the women came to the meetings soon after getting the loan, then the meetings stopped altogether as I would be alone at the venue. In response to my frustrations, Towa had this to say:

| Towa: *elo apa pene ukulundako bamadam, mwilasakamana ngamwaisa mwasanga four nangu batatu mwilalwala- nachimona lelo kwati mwachiba abakaika- ati mwati banamayo aba babwera? Ifyakuchitika nalimo day fye eishaweme- kuthamangathamanga apa tiyembekeza kuti meeting ikasila tiyende kusakila malonda-* j.4.3. | Towa: Let me add madam that you should not worry when you come and find only three or four people- do not be sick- I saw today that you looked very concerned wondering whether we would come. We have a lot to do- maybe [Wednesday] is not a good day- we really have to run around- so now we are waiting for the meeting to end so we can go about our businesses. |

The women asked that I should be a bit more tolerant if they did not seem to be keeping the rules. Much as I wanted to honour this request, I found it difficult because the women simply did not show up. I wished they would at least give notice that they would be late or not in attendance. It was clear from the following comments that written rules were not the norm.

Sonaya: …*malamulo yamene bamatipasa nthawi zina yamankhala yolimba kuli bavikonke-* j.1.1	Sonaya: …these rules sometimes they are very hard to keep
Mthunzi: Nchifukwa chake nikamba kuti nase bantu pamene tisevenza naimwe timapempha ufulu muzitipasako danga yaufulu nase tapemphako kuli imwe nase mwatinvererako – j.5.1	Mthunzi: This is what I am also saying that when you work with us, we ask that you give us the freedom- you need to listen to us as well [about the rules]
Mthunzi: Muzitikhululukilako ngati tachedwako tochita mumanyumba tumapaka- j.5.5	Mthunzi: You should forgive us when we are slightly late- we have a lot to do in our homes.

When asked how they fared in keeping the rules they had developed, this is what they

had to say:

Lubuto: ...chaipa chabe kuti sitinakwanile. Ndaba malamulo zoona tenze kupanga tekha. Olo apa chenzofunika kuti tonse takumana mwamene tinaliri poyamba k.7.3	Lubuto: It is sad that we are not all here, because we made these rules. We needed to meet all of us the way we were when we started
Lubuto: Manje apa baleipusha ukutila nga amalamulo mwapanga yala tamwakonka-k.7.4	Lubuto: Now she is asking us why we failed to follow the rules we made on our own
Sonaya: ...bakatupangila bena...k.7.5	Sonaya: …so maybe she should make the rules for us….
Lubuto: Ifwe twalilandile palya twatile ifwe twafilwa amarules nomba chilefwaikwa imwe mukatupangile amalamulo eyo tukakonke. Pantu chamoneka kwati nalimo mwigroup kwati tuletinana...k.8.1	Lubuto: Yes we said we have failed to keep our own rules, so now can you make the rules for us, that way we can follow them. It looks like we are scared to hold one another accountable.

They recognised that they had not referred to those rules at all. They failed to hold one

another accountable. I wondered whether the answer was to work with oral agreements-

after all it can be argued that written agreements represent externally-derived means of

engagement that were better appreciated with heightened educational status which the

COSUN women might not have been at. In an earlier conversation regarding rules, Pelile

had said:

Pelile: ...kufunika kukambirana – kukambirana ndiye kungalengese kuti chintu chilichonse chiyende patsogolo. Ngati monse mwamene mulili mugroup miziva chamene chichitika, kuti apa ichi chiyenda so na so, palibe chingakangiwire chija chintu kuti chitukuke chifukwa ngati vena vaziva vena sivaziva ndiye vija manje chibwezesa vanthu kumbuyo kunena kuti vamene vichitika ise sitiziva- vabwerera vankhala - d.9.1.	Pelile: We need to discuss among our selves- discussing among ourselves is what can make things move forward. If in the group we all know what is going on, we cannot fail to achieve what we set ourselves to do. If other people know and others do not know, it can be frustrating, and those who do not know end up not participating.

I thought the answer might lie in engaging oral agreements.

There were no reflections from the leaders on women's views regarding written agreements. The leaders had earlier offered to help write up the constitution for the women.

8.3.1 Reflections on Women's Views Regarding Written Agreements

I did not think that the concept of written rules was something the women understood could have serious repercussions on them, whether as individuals or as a group. I reflected that it was more the incentive to get the loans that mattered. A case in point is the issue of weekly meetings that was agreed upon at the inception of the research. The pre-loan meetings had been well-attended and the women were there on time. This changed after they got the loan as reflected in the table below:

Table 8.2 Women attendance to meetings: pre- and post loan

Month	Number of meetings	Average attendance	
April 2012- start	*1*	*10*	
May 2012	*3*	*14*	
June 2012	*3*	*14*	
July 2012	1- loans disbursed	15	Loans taken
August 2012	1	9	
September 2012	1	10	Repayments start
November 2012	0	0	Repayments go on
December 2012	0	0	Repayments go on
January 2013	1	9	Repayments go on
February- June	0	0	90% repayments done
July 2013	1	6	100 repayments done

The idea of follow-up meetings after getting the loan was discussed and agreed on. It was later enshrined in the group constitution (Annex 4). After they got the money, the dynamics changed. The women got busy and threw out their own rules. It was clear to me that the women needed the money to run around and do their businesses. In retrospect, I realised that the possibility of getting loan may have motivated them to faithfully attend meetings. After they got the loan, priorities changed, and there was no-one to hold them accountable to their earlier commitments. They needed to use that money and ensure that by the time a repayment instalment was due, they would have money to pay in. That became the new priority and none of the things they had committed to: the written rules including meeting to reflect on their experiences using the loan. Most importantly, their action to stop meetings served to close up the dialogue space that the research had opened up, thereby raising the question of the women's perceptions of the usefulness of that space.

In the meantime, I was concerned about the research process. I found myself taking time to really think about why the women were not 'latching' on to what I thought would be their feedback to the microfinance industry. Then I realised: this was the feedback. The women's reality of needing money to support their various activities was the motive for their initial commitment to meetings before they got the loan. This was an opportunity they were going to use. Their universe consisted of taking opportunities that are presented to them, utilising them as faithfully as they could and moving on to the next thing. My own thoughts about listening to them and learning together to come up with a sustainable solution had to be framed differently. I also wondered whether their commitment to the

pre-loan meetings had anything to do with a possible understanding of new requirements for a new type of intervention that had come their way as discussed in Chapter 7. After all, these women had previously been asked to dig ditches in exchange for food. They were then asked to start saving their own money and give one another loans. The instructions then changed when CPSCC was formed and they were now going to get loans from CPSCC. The CPSCC leaders asked the women to participate in various projects where they expected to get a benefit, although to their dismay, they did not benefit at all. I wondered if a pattern had been created of expecting external help to come to them with specific requirements and all they needed to do was acquiesce until they got the benefit. I wondered whether the research purpose of dialogue for improved livelihood support needed to be framed differently.

I turned to their leaders with my observations that the repayments were going on excellently but that the meetings had stopped taking place. I also shared my concern that there was an apparent knowledge gap in relation to the women understanding the expectations of the lending party. The response from the leaders was that the women were neglecting their own development (Chapter 7.4 on page 219), and did not provide any solution to that problem. The leaders' response reflected the dysfunctional nature of the leadership structure as an enabler for the activity system. They did not offer progressive solutions and though they knew that the women's knowledge base was low, they did not make efforts to take benevolent actions or engage in dialogue. Basically the women were on their own and the structures that were created to support them could not be relied upon to offer support.

In terms of the importance of loans, Jere discusses that community members' expectations for loans may have been created because PROSPECT project staff tended "to misinform residents by over-emphasising the loan part, to the neglect of savings and personal empowerment training components" (Jere 2000: 76). He concluded that residents were disillusioned when loans were withheld till groups had been trained and demonstrated the capacity to save. This observation may have established a view that a loan was an alternative way of earning a livelihood, similar to the food-for-work program. This is my reflection and I did not test it on the group.

8.4   Women Describing the Experience of Getting the Loan

A week after the women got the loans, a few of them came to the weekly meeting and shared their reflections as follows:

Pelile: Choyamba chamene ninaganiza pamene tinatenga ndalama nichakuti koma Mulungu aliko- anayankha prayer kupyolela mwaimwe (h.1.3)	Pelile: The first thing that went through my mind when I got the money was that indeed God is there- he answered prayer through you
Jenala: ...epo twaambila tapali uwaisamukutupela indalama ngefyo mwachita...ukuti tufume mubuchushi (h.2.1)	Jenala: …since we started no-one has come to give us money as you have done- to take us out of our suffering
Twenzi: Mumutima ninali wokondwera- nayamikira Mulungu mwamene bakambira banzanga (h.2.2)	Twenzi: I was very happy- I thank God as my friends have said
Kunda: Tsiku yamene tinatenga ndalama	Kunda: The day we got the money I was

mumutima wanga ninaganiza kuti apa manje kuoneka kuti business yanga izaenda patsogolo chifukwa tapezako capital yoonjezeka (h.3.1)	very happy. I thought now my business would flourish because the capital was substantial.
Chilongo: ...mumutima mwanga mwenze chimwemwe nakuyamikila Mulungu kuti anamvera madandaulo yamunthu ndipo anapanga njira popanda njira tankhala vyaka vambiri kulibe koma lero Mulungu wapanga njira pashatini tapitamo (h.3.2)	Chilongo: There was joy in my heart and I thanked God that He heard our cries and He made a way where there was no way. We have stayed for many years without such help but now God has made a way in the bush and we have passed through
Mangu: ...ine nikalibe kuonako-chinanidabwisa (h.3.3)	Mangu: ...I have not seen something like this before, I was surprised
Mangu: ...Mulungu aliko nikuti zikomo kwambiri (h.4.1)	Mangu: ...God is there- thank you very much

The women could see a solution to their problems as a result of having received the loan.

8.4.1 Reflections on Women's Descriptions of Getting a Loan

Getting the loans was the highlight of the whole process for the women. By their own words, they had participated in various workshops and activities without seeing much benefit. A good number of them had not had any opportunity to get a loan before- this was their first loan under the conditions that they had decided. It is not surprising that theirs was an expression of joy. They recognise God as the ultimate benefactor.

8.5   Women Describing How They Used the Loan

The women narrated how they used the money they got:

Jenala: Ine ninasiliza nyumba nakuika barent- kumbuyo uku sinenze kukwanisa bana basukulu olo panyumba since bamuna sibasebenza (i.1.2)	Jenala: I finished building my house and put in a tenant- in the past I did not manage to pay for children's school or buy stuff for the house as my husband has no job.
Sonaya: Ine nalilundako ka one room nabantu baliingilamo (i.2.1)	Sonaya: I used the money to add one room to my house- there are tenants already
Mthunzi: Ine business yanga yamaplastic namabucket ninaonjezapo vitenje. Pali ino nthawi nimakwanisa kulipila ngakhale mwana ali ku private school (i.3)	Mthunzi: I increased my business selling plastic buckets. Right now I manage to pay for my child at a private school
Chinyanta: Ine ndalama ninatumiza kumunzi kuti banigulile masaka ya beans (i.9.3)	Chinyanta: I sent money to my village and they bought sacks of beans [for re-sell]
Twenzi: Ija ndalama pamene ninatenga ninagulamo cement. Nyumba uku barent kunalibe plaster mukati nakunja, so ninakwanisa kuika plaster, then inango ninaonjezera maoda. Tikudya bwino barent nibokondwela banipasa bwino ndarama (i.9.1)	Twenzi: I used that money to buy cement. The rooms on rent did not have plaster both inside and outside so I managed to plaster. I used the rest to increase my business. We now eat well, the tenants are happy and pay me on time
Sonaya: ...mwanawanga anatenga loni nakuyenda ku Tanzania kuoda mahardware agulitsa kubamwenye. 1.5 inabala 3million mpaka yakwana 5.2million...tinagula sand namablock nokukula ka 2 room kalya ...(k.1.3)	Sonaya: I gave the money to my son who then went to Tanzania to buy hardware stocks that he sells to hardware shops owned by Asians. The K1.5million that I got increased to 3 million then 5.2. We bought sand and blocks and have since built a 2-roomed house [for rent]
Kunda: Nimaoda vintu pasalaula nakutunga- ndalama inapitisa pasogolo business tinaonjezapo navitenje vanyowani (i.11.3)	Kunda: I buy second-hand clothes [undo them] and make small dresses for sell- with the money I increased the business and now even buy new fabric.

What is interesting about how the money was used is that it did not all go into opportunistic trading as is often the perceived intent for microfinance clients (Mudorch 1999, D'Espallier et al. 2010). The women had varied needs, and packaged the loan to meet those needs within their capacity to repay the loans. During the meetings to define the type of loan they would need, they talked about the type of businesses that they did. The needs of the women can be compared to the features of a typical group loan as discussed in Chapter 1.1 on page 8:

Table 8.3- Comparison of Typical Group Loan to COSUN Variant

Specific need/situation	Programme strategy
Small, rapid turnover investment	Small, short-term loans for working capital
COSUN: Their needs were the exact opposite. Their needs required larger loans and a longer repayment period. They also needed to have a grace period of one month. They were not going to repay their loans from business income alone but from other sources including the incidental business.	
Access to savings services	Savings managed by the group
COSUN: The savings were structured in such a way that they went to CPSCC and the women seemed to have very little understanding of how the money saved was being managed. Some of them felt cheated by that process.	
Business networking and joint ventures	Business discussions at weekly meetings
COSUN: It was evident that the COSUN women did not work together in their businesses. Each one fended for themselves	
Peer support and local relaxation	Social events during weekly meetings
COSUN: Because the women belonged to the same Church, their socialisation cannot be attributed solely to them being part of COSUN. They seemed to meet more for Church activities than for matters related to their financial service group.	
Have: Limited assets	No collateral; group guarantee
This seemed true for COSUN. While a number of women had houses, it was not clear whether their ownership was legally secured. However, even if that was so, the women would have preferred not to use land title as collateral for fear of losing property to lending institutions (i.9.3)	
Have: Frequent emergency situations requiring quick access to capital	Special emergency funds, insurance benefits, or access to group savings
COSUN: The women acknowledge the frequent emergency situations but do not have emergency funds, instead they rely on friends for help (i.18.2)	
Have: Immobility due to household responsibilities	Meetings and collections held in local neighbourhoods
COSUN: Though they remain rooted in their homes, once they got the loan, these women	

became very mobile to the extent that they fail to have group meetings. (h.1.2)	
Have: Low assessment of personal capabilities	Gradual capacity building and intentional leadership development
COSUN: They certainly have a low assessment of personal capabilities but are also aware that being affiliated to CPSCC does not benefit them much.	

Source: CETZAM Project 1997

8.5.1   Reflections on Women's Usage of Loans

In this research, the women designed and received the loan product they needed. However meeting their needs was completely blind to the requirements of the giver of that credit. Obtaining a loan represents a transaction between two parties. What becomes important is recognising the role of either party in the transaction, and the factors that will make that relationship successful.

Value overlap: Frankiewicz and Churchill call that space where both parties are willing to go into a transaction as the area of "overlap in value" to both parties. In writing about microfinance institutions they say: "Clients would like to have all their financial service needs met at a high level of quality and a low price, while institutions need to charge prices that are high enough to cover the cost of the services provided, and they do not have sufficient resources to meet everyone's needs everywhere" (Frankiewicz and Churchill 2011: 18). Balancing these diametrically opposed needs in order to create an overlap is what enables a successful transaction. The debtor (client)- creditor (entity giving the loan) relationship becomes possible as a function of this overlap.

Figure 8.1- Area of Overlap: Successful Transaction
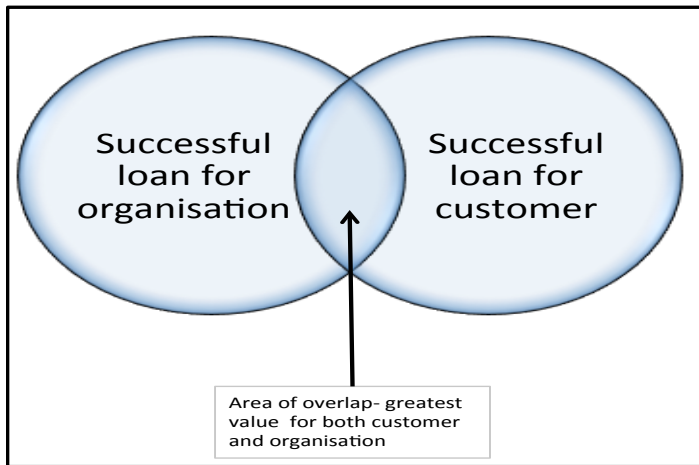
Thinking through this using the activity theory lens, the intersection of the two activity systems enables microfinance to happen as in the diagram below.

Figure 8.2- Collaboration of Two Activity Systems for Financial Services
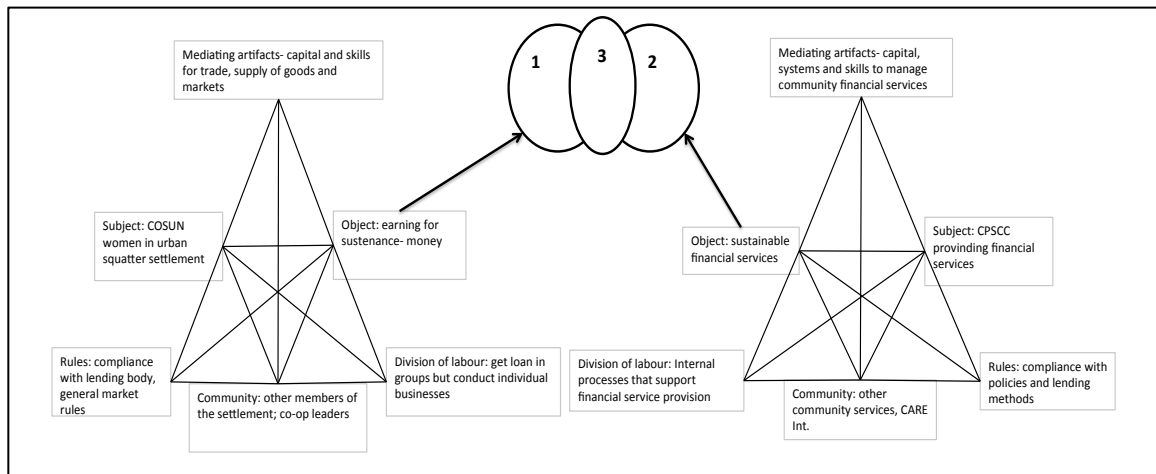
My interactions with the women were lop-sided in that the women did not seem to be aware how meeting all their needs would inadvertently disadvantage the other party and that if the service had to be sustained, trade-offs would be necessary. Limited understanding of the intricacies of microfinance would negatively impact their preparedness to benefit from microfinance. It is highly likely that this knowledge gap

may limit their capacity to appropriately inform financial services that benefit them even when given unfettered dialogue space as was the case in this research.

Building trust relationships: Because the provision of financial services is a transaction between two parties, it becomes necessary to build that relationship so that enough trust is cultivated to give confidence to the creditor that any loans will be serviced properly. One of the ways that microfinance institutions use to build the relationship is to start by giving small-sized loans to individuals in groups, then monitoring how the group works together and develops trust with one another. Each loan cycle enables bigger loans as the debtor-creditor relationship strengthens. The fact that COSUN women started with higher than average loan sizes and then stopped meeting soon after getting their loans, would have been a dampener on building any trust relationship. As the microfinance practitioner, I became very anxious about how the loans would be used and the possibility of paying back. Therefore I realised that while the social motive might be aligned with the women's motive for improving their livelihoods, the lender's sustainability motive might not be within the capacity of the women to appreciate. This is a key component if microfinance institutions have to support such a group.

Motivation to participate in the research: As the women reflected on their experiences when they got the loans, it became very apparent that their negative experiences had left them with little hope for help. Having gone through various meetings and workshops with the local leadership without much benefit, it seemed the women were not very expectant of the research process. It is likely that they saw the research process as simply

one of the several meetings that their leaders often asked them to attend. It raises a concern about why they kept attending these meetings if they got very little out of them. In response to this, one COSUN member said that their desperation pushes them to keep attending these meetings against their better judgement just in case it would be the meeting that makes a difference (d.2.2). It is no wonder that when the research process got to the point of disbursing the loans, a number of things happened:

a.   The leaders wanted to join in and get a commission

b.   The leaders wanted to introduce new members who they say had been left out at the beginning of the research.

c.   A good number of the COSUN women saw this as a direct intervention from God.

Their recognition of God's hand in this benevolent process points to a commonality with potential for collective benefits. The question therefore would be whether this common bond could constitute a structure that had the capacity to galvanise these women into informed action for sustainable livelihoods.

Loan as a liquidity management mechanism: The women asked for loan amounts that were much higher than a typical microfinance loan. The underlying issue is that like everyone else, they had needs for small and big lumps of money at different points in their lives. They lived with constant dilemmas of meeting both immediate and future survival needs and therefore the bigger issue of managing liquidity in times of uncertainty. Chambers offers a description of the reality of poor people that their livelihoods are diverse and complex supported not by one activity but a portfolio of

activities. "Different members of the family seek and find different source of food, …cash and support in different ways in different places and at different times of the year (Chambers 1999: 163). It is evident that financing the needs of poor people would need to be structured to support the diverse activities as seen from how the women used the loans they got. The women demonstrated that they had views about managing liquidity and that these views were not confined to doing business.

Home improvement expenditures: The fact that the women used their money in building home extensions and refurbishing existing infrastructure, suggests a need to have a more assured income over the long term. Having a paying tenant seems like a desirable outcome as it assures regular rental income as long as the property is rented out. A significant amount of loans taken went to this activity. Jenala shed some light on this idea:

| *Yamene ija nyumba ndiye ichita monga ka salary kothandizira panyumba ngati mwezi wasila (i.1.3)* | That house [rent] is what serves as a salary at the end of the month, to support the home |

It was clear that the understanding of a salary was that it represented a sustainable livelihood solution. A similar revelation happened when the researcher inquired of a client in a different program who was taking their sixth loan. Her business had not grown at all and yet she was considered one of the best-paying clients. She revealed in an interview that the loans had helped her to invest and that she now had three houses from which she was getting rent. The market stall helped her meet daily household needs and

contributed to repaying the loans, but the real benefit came from rentals from the houses[6].

This insight suggests that not all poor people subscribe to the idea of having a business to

support livelihoods.

Meeting the needs of the COSUN women: The women in this research demonstrated an

understanding of their own financial needs although these did not focus on enterprise

development, thereby challenging the notion that microfinance loans should be used for

businesses. However, the issue with this is how they can communicate with financial

service providers to enable a review of financial services and create a match between

needs and service provision. Their level of competence may be low to fully engage a

discussion that informs financial service providers. Furthermore, conversations that try to

elicit this information tend to produce what the community perceives needs to be said to

unlock the service. Thus Chambers contends that

> "…[poor people's livelihood] strategies are rarely completely recognised
> by outsiders. They are unlikely to be fully revealed, if at all, by
> conventional questionnaire surveys. The ingenuity and opportunism of
> poor people, and the diversity and complexity of their livelihoods and
> survival strategies, can be illustrated by case studies, and the accounts of
> social anthropologists and others" (Chambers 1999: 164).

A combination of knowledge gaps, depressed capabilities for social action, weaknesses in

social capital present by community structures, diverse and complex livelihood strategies

make it challenging for poor people to take advantage of dialogue spaces and effectively

inform financial services that benefit them. In the case of the COSUN women, the

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[6] Conversation with CETZAM client in Mufulira, Zambia

hopelessness that is engendered by a poor urban support structure makes it even more difficult to interact with service providers.

8.6   Conclusions- COSUN Women Informing a Loan Product

In this research, the women were able to inform the design and delivery of a loan product to meet their needs. An analysis of COSUN using the activity theory lens revealed that this activity system was dysfunctional at many levels. The women lacked skills and knowledge needed to make money in order to sustain their livelihoods: they needed support. However, the community support structures were non-existent being an urban settlement with people from different parts of the country without common bonds, such that any community cohesion had to be constructed over time. Furthermore, the leaders did not have any incentives to provide benevolent support. The women responded to the research process mostly in accordance with their understanding of how loans were granted in the community by other microfinance institutions or even CPSCC. They informed the design of the loan product so that it would serve their purposes though some of them got small loans out of fear and were intending to get larger loans later on. They then stopped meeting though they had agreed to do this to facilitate mutual learning.

Furthermore, the events of the research process alienated the women from the CPSCC leaders who had wanted to handle the money part of the research although they had earlier agreed to give the women a voice. Refusing to accede to this request caused a rift

between the leaders and the women. Once the women got the loans, they stopped meeting and gave up dialogue. Their reasons for doing so were that they were now engaged in working with the money and did not have time for meetings. The leaders had already 'washed their hands' of the women and could not speak into getting the women to continue meeting (g.2). It was therefore not possible to learn from their experiences. They did pay the full loan and wanted further loans. The research process seemed not to have been of interest to them.

The following chapter will use these findings in discussing a possible theory of dialogue space in microfinance. The importance of the dialogue space lies in ensuring that microfinance institutions respond appropriately to poor people's financial needs that will contribute to pathways out of poverty. That way, microfinance institutions may be able to attribute defined livelihood impacts to their services.

Chapter 9- Towards a Theory of Dialogue Space in Microfinance

The process of reaching the research objectives entailed creating dialogue space to enable poor people's voices inform and influence the design and delivery of financial services that meet their financial needs. The research started with understanding the environment that enables poor people's voices to be heard. Chapters 4 and 5 captured case study data from the Chinyika community and COSUN group environment to generate an understanding of poor people articulating their livelihood needs. Chapter 6 pulled together the findings to evolve a framework that describes the dialogue space needed within the community for poor people's voices to have purchase, and identified the five key elements to enabling poor people influence actions that benefit them. These are: enabling contexts for individual and collective agency; structures that enable recourse; alignment of object motives towards benevolent outcomes; capacity to identify root problems; and action triggers before livelihoods deteriorate. Chapters 7 and 8 captured the data from COSUN group participating in designing a loan product that met their expectations.

In order to move towards a theory of dialogue space for microfinance institutions, this chapter will:

- Assess the usefulness of the research dialogue space to the COSUN group using the analytical framework developed in Chapter 6;

- Assess the usefulness of the research dialogue space for microfinance institutions;

- Assess the extent to which COSUN group members would have informed microfinance practitioners as they designed a loan product;

- Enumerate issues emanating from the research dialogue space;

- Articulate a theory of microfinance dialogue space using activity theory.

9.1   Assessing Research Dialogue Space for COSUN Group

During the research, the women articulated issues as individuals and also collectively. Using the five elements described in Chapter 6, this section will evaluate the research dialogue space:

A context that encouraged voice

The women discussed their individual concerns and collectively identified common positions. They were not always in agreement, but the dialogue space allowed them to discuss and chart a way forward. An example is when the leaders called for a side meeting to get involved in disbursing of the loans. Some of the women who were at the side meeting seemed willing to acquiesce but with dialogue, they agreed to maintain a common position and not go that route. They also agreed that they had capacity in the group to handle the loan process including how they would make repayments and went on to honour their word. In another example, they all agreed that they did not understand

how interest was calculated and that led to seeking more information from CPSCC offices (Chapter 5.3.1 on page 165). Thus the context encouraged them to express themselves and in the process question certain activities they did not understand. However, the dialogue space was temporary and externally driven. It was tested when the CPSCC leaders called for and had a side meeting with group members. The leaders used their power to call for the meeting and through that, attempted to get involved in the research process. There is therefore a critical challenge in creating temporary dialogue spaces by external parties that can be overridden by the elite in the community. This would be a factor is deciding whether microfinance institutions can on their own create dialogue space for obtaining feedback from their poor clients. The strength of the Chinyika Case study context lay in the fact that the dialogue space was embedded within the community.

Supportive structure for recourse

The structure that enabled the research, by intent also enabled the women to inform the loan process. The women took control of the situation and were able to stand up to their leaders when they needed to. This was not easy for them given that they were effectively under the supervision of these same leaders and would have to inevitably work with them again. As discussed above, the structure provided by the research was a temporary one that would not have far-reaching benefits for the women. The structure needed to be internal to the community; owned and respect by all members of the community regardless of their economic station. The structure would also allow recourse and clear authority lines similar to those in the Chinyika Community.

Object- Motive Alignment

Because the research was structured to give the women a voice that would influence a process for their benefit, at the beginning the object motive seemed to be perfectly aligned between the researcher, the women and the CPSCC leaders. However, the mis-alignment became evident as the research process progressed. The CPSCC leaders' objective motive became more defined once they realised that the women would access loans: they wanted to handle the money and even earn a commission without due regard to the voices of the women. Though there was resolution to this situation, the leaders withdrew their support, which might have informed a more progressive way forward when the women decided to stop meeting. The women's object motive also became clear after they got the loan. They stopped meeting contrary to what had been agreed on at the start of the research. Without the possibility of sustained dialogue with the women, the research process concluded. Thus a mis-alignment of the object motive was the primary reason for the conclusion of the research, underscoring the need for proper alignment of object-motives in order to achieve agreed objectives. This mis-alignment of object motives was not evident at the beginning of the research and therefore raises questions about the efficacy of interventions that are externally engineered even when preceded by needs assessments. A useful approach would be to locate the burden of aligning object-motives within the community as in the Chinyika Case study discussed in Chapter 4.

Identifying Underlying Problems

The issue of identifying a problem in this study was overridden by the specific expectations of the study: for the women to articulate their financial needs and design a

corresponding loan product. However, designing the loan product assumed that the women had a sense of their real livelihood problems that the loan would resolve. Using Robinson's Poverty Alleviation toolbox (page 36), enabling the women to design and obtain a loan assumed that they were economically active. This assumption is questionable given that some COSUN members confirmed needing skills to do business and some of them did not even get the right amount of the loan they wanted for fear of repercussions. The borrower should be able to recognise the underlying problem for which a microfinance loan would be a solution. The premise of microfinance is that entrepreneurs in the informal sector often lack access to credit to grow their businesses for increased incomes. It is also true that poor people need money to support their livelihoods, especially in urban locations. However, a business loan represents money to be used for that specific purpose because it has to be paid back from the incremental value of the business. The question therefore arises whether microfinance practitioners should concern themselves with how the money they lend is used, and if so, where the responsibility lies to separate between money to be used in a business and money for consumption purposes. Ordinarily this separation would be done by the borrower though interactions with the COSUN group suggests that money in their possession could be used for any pressing purpose. Community structures might be able to address this problem if it is recognised as a problem. If not addressed, this has the potential of leading borrowers into over-indebtedness as they fail to service their loans, and consequently worsen their economic status. The structured nature of microfinance institutions leaves little opportunity to engage closely with their poor clients in order to tailor services that

specifically respond to their needs within the capacity of the microfinance institution to deliver.

Action Trigger: Establishing an Acceptable Normal

The research purposed to focus on a loan product as the action trigger. Group members endorsed this in that some of them admitted needing money to expand their businesses and others wanted to resuscitate failed businesses if they got the money. Others complained of small amounts of money that they got from CPSCC. These utterances suggested that the women would have wanted the loans even much earlier than at the time of this research. This situation is no different from the one that the Chinyika community found themselves in where the prospects of food security kept dwindling due to successive drought. As long as the people were surviving, there was no real impetus to find a lasting solution till the drought that made them forage for wild fruits- something that was not normal to their livelihoods. Since the need for financial services is connected to livelihood needs, communities might need to consider setting acceptable living standards and identifying critical facilitative activities like the work of microfinance institutions that would address deviant livelihoods.

9.1.1 Efficacy of Research Dialogue Space

To an extent, the research dialogue space was effective. The COSUN group was able to design and access a loan that responded to their needs. The structure empowered them to stand up to their leaders though some of them were initially going to acquiesce. However,

the object motive was highly mis-aligned and led directly to the conclusion of the research. Though the women articulated their problems, the dialogue cannot be said to have engaged them to understand the underlying livelihood problems in such a way as to determine what type of financial service would be appropriate. Offering them to design a loan product rode on the assumption that what they needed was a loan, and could very well have been a wrong assumption, especially given that this group was making savings without anyone accounting to them how secure it was and how an accumulation of that could be used in place of a loan. The research itself was the action trigger for the loan. The dialogue space did not establish livelihood standards below which facilitative action would be imperative. Thus while the research dialogue space was somewhat useful, gaps were evident.

9.2   Usefulness of Research Dialogue Space for Microfinance

Microfinance products and services are catalytic and therefore subject to defined uses that would improve or in some cases work against livelihoods. Financial services can provide safe storage for savings, enable access to credit to leverage business efforts, for home improvement or for consumption, and other financial-related services. In articulating their livelihood needs using the research dialogue space, the COSUN women talked about such things as their inability to take children to school, providing food, shelter and meeting other social needs. They even talked about not having adequate skills to run business. Those needs in themselves require a different response that might then benefit

from using financial services. For example, a poor person wanting to pay school fees might desire a safe place to keep and accumulate several small amounts over a period in order to meet the required amount. Microfinance would respond by providing that safe place to keep the money until it is needed. By so doing, they enable the poor person to meet their need. Microfinance institutions can only respond with the financial services they offer to financial needs. Therefore the extent to which these services are matched to articulated financial needs is what will determine the type and depth of impact on poor people. The following diagram demonstrates the first line of interaction where microfinance engages with communities:

Figure 9.1- Microfinance Interacting With Communities
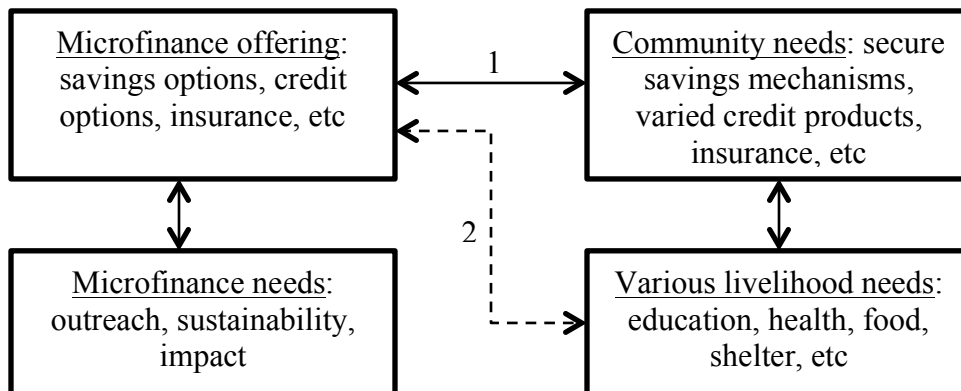
The interaction between microfinance institutions and communities represented by 1 above is the first and only line of interaction with the community. Determining livelihood impact would require understanding how a financial service is used and therefore what is happening at the second line where microfinance institutions do not interact with the community: the dotted line 2 above represents this. The research dialogue space produced information from the COSUN women that should come out of the second line of engagement where MFIs would not operate. Dialogue spaces between

the community and microfinance are limited to the first line of interaction with the community. This is likely where gaps are created in attributing impact to microfinance services. This disparity needs to be addressed in the theory of microfinance dialogue space.

However, it is important to assess how the interaction with COSUN group in this research would have influenced microfinance.

9.3   COSUN Group's Capacity to Influence Microfinance

Based on my experience as a microfinance practitioner, the following outcomes of the loan that the COSUN women designed in the research would inform microfinance practitioners and elicit responses.

Loan size: Microloans are by definition small and can only generate miniscule profits for any lender. The fact that the women desired to obtain larger than average loan sizes might seem a good thing in and of itself: the return to the microfinance institution would be higher. However, microfinance institutions prefer to graduate their clients in order to create a credit history that would support perceived risks associated with lack of collateral. In the case of the COSUN women, the lack of repayment track record would work against the large loan-size advantage since none of the women had prior experience with the researcher/ practitioner. The process would further be negated by some of the

women admitting a lack of business skills. That would represent a considerable risk to be avoided by any lender.

Leaders vouching for group members: Due to lack of collateral to secure loans, microfinance institutions often ask clients to find credible people who can vouch for their capacity to use and repay the loan as per agreement. The leaders vouching for the women's capacity to pay back would therefore work in favour of the group especially if the leaders were willing to sign up as guarantors.

Group guarantee: The women did not include the need for group guarantee in their constitution. The literature review as well as the study conducted by CETZAM as discussed in Chapter 1 revealed that clients were averse to being held responsible for delinquent group members. Group guarantee is an important requirement for microfinance institutions in the absence of collateral to secure the debt. Therefore not including this in the constitution and not abiding by it in practice would reduce most microfinance institutions' appetite to lend to this group.

Repayment period and frequency: The repayment period of nine months seemed rather arbitrary, as group members did not tag it to their business needs. Furthermore group members' individual business cycles were not defined such that it was not possible to determine business cash flow patterns and consequently how repayments would be funded. As discussed in Chapter 1, determining the frequency of repayments and complete repayment period is often done after assessing the business cycle of a small

trader and that their sales turnover, though small happens at frequent intervals. Shortening the repayment period and ensuring small frequent instalments helps the microfinance institution to mitigate the risk of default. The shorter repayment period also means that microfinance institutions can recycle the same loan several times in a year thereby increasing institutional profitability. Thus microfinance institutions might be reluctant to lend at the repayment periods that the COSUN women requested unless there were plausible business reasons attached to that request.

Grace period: Similar to the changes effected to the repayment period and repayment frequency, the need for a grace period was not tied to any business need- it seemed arbitrary. This change would be depriving the lender of the liquidity that the first instalment represents. Since liquid cash forms the basis of financial transactions, without a justifiable reason, this change would be met with resistance by the lender as it would be depriving potential gain if those funds were available for lending elsewhere. It would seem that the grace period is to enable the women turn around the money in the business before they start repayments. Since the lender is also in business, they would want to use that opportunity as well to increase profitability and preserve the capital.

Penalty Clause: The penalty clause is one of the mechanisms used to enforce discipline in the group. The women saw it as reducing their profits and desired to do away with it without providing an alternative mechanism on how they would ensure discipline. The fact that the COSUN women stopped meeting could be construed as tolerating some level of indiscipline. The combination therefore of not having this clause and stopping

meetings would not provide a strong basis for negotiating loans from a microfinance institution.

Interest payment*:* Though the women did not understand the technical mechanisms of interest calculations, they seem to expect to pay interest. Microfinance institutions would disclose the interest they charge and therefore the women would be informed though this information would be of little consequence due to lack of understanding. Microfinance institutions that want to be transparent would need to find a different way of making the cost of funds known and appreciated by poor people.

Leaders' pre-loan requirements: The pre-loan requirements that were introduced by the leaders whereby they wanted to control the disbursing of loans at a commission would not be acceptable to microfinance institutions. Therefore the women's response in opting to handle their own affairs would be seen as a good thing as groups are meant to self-manage with minimum supervision per field officer as discussed in Chapter 1.

Group health checks: The fact that the women stopped meeting after they had agreed to do so would work against them in terms of building their credibility with a microfinance institution. The discipline towards meetings is cardinal for monitoring the health of the group and building trust, which in turn informs the possibility of obtaining subsequent loans (Chapter 1).

<u>Women's views regarding written agreements</u>: The women talked about rules and the constitution as something that was required of them to get the loan. They exhibited a low awareness of the repercussions of written agreements. When reminded that they had written the rules on their own, their response was that maybe someone should write for them next time. Microfinance institutions insist on groups defining rules and abiding by them as these serve to strengthen the group and often echo expectations around loan management and evaluation. A disregard of rules would therefore begin to erode microfinance confidence in the group and would negatively affect service continuation.

<u>Timely repayment</u>: The COSUN group members were very consistent with their repayments, with some members paying in advance. This fact would endear them to microfinance institutions. A defaulting client is a cause of concern because often the debt would be unsecured and efforts to collect repayments beyond the agreed schedules increase costs for the microfinance institutions through frequent follow-up trips, use of debt collectors and in extreme cases, referral to the courts of law.

9.3.1   Capturing Lessons from the COSUN Group

Thus from the above, there is significant information that microfinance institutions could learn from a group like COSUN. There are also things that would prove beneficial for the group and others that would be negative. Yet the dialogue space that this research opened up for the COSUN group would be less than optimal as a permanent feature for microfinance institutions for several reasons:

- The COSUN women articulated livelihood needs whose solutions were not evidently connected to a loan- the financial product on offer in the research.

- The research assumed that all the group members had financial needs that would be met through a loan. There was no opportunity created to communicate other financial products that may have constituted an appropriate response.

- There was already an expectation for a loan in the group, especially that they were related to CPSCC, a savings and credit cooperative.

- Microfinance institutions would not be able to invest the time and effort that this research took to understand the needs of this group.

A more useful dialogue space for microfinance institutions should enable interaction with target communities to bring out financial needs for appropriate responses as reflected in figure 9.1 above.

9.4   Issues Emanating From the Research Dialogue Space

A number of things were evident in the dialogue space created for the action research:

<u>Temporariness</u>: The dialogue space was temporary and for a specific research purpose of listening, learning and responding to the voices of COSUN Group members. Being externally driven there were high chances of elite capture from within the community as happened when the CPSCC called for a side meeting without agreement with the researcher, and withdrew from further interactions with the group once they realised that

they would not have their way. Therefore such a dialogue space might actually have detrimental effects on the lives of poor people in the community.

Limited community support: The research process enabled the women to stand up to their leaders when they wanted to intervene in the loan process. The leaders should have been offering support and not doing the opposite as evident in the side meeting that only served to divide and alienate the women. The research process provided the support that should have come from the community and the leaders. The essence of communities participating in their own development works on the premise of using social capital- a public good. In this case, it was not readily available. This fact would negate microfinance efforts to build community structures. The challenges that the COSUN women experienced will almost be inevitable as long as community structures are externally constructed.

Who ensures object-motive alignment: In this research what appeared as a perfectly aligned object motive proved not to be so in practice. It seemed evident that when the COSUN women agreed to participate in the research, they were merely responding in obedience to their leaders' prompting as they would have done in previous arrangements. It is not clear that they understood the objectives of the research. Similarly, it is not clear whether the CPSCC leaders did indeed understand the research objectives or if they simply saw it as one of the research efforts in their area. It seemed that only when the loans became imminent did they see the need to get involved and take control. In this uncertainty the question remains: who should be responsible for owning and articulating

the object motive of this community? Who would the microfinance institutions be interacting with to understand the community object motive? This is not helped by the fact that microfinance brings money- a product in short supply within poverty contexts, and therefore the propensity to access it without due consideration for the conditions and consequences. This is a problem for the communities to resolve within the context of appropriate dialogue space.

Who identifies the problem and matches solution- Identifying the problem includes being able to articulate the issue in ways that can inform appropriate financial solutions. While the women were able to identify their livelihood problems like children not going to school and not having enough to eat, that information on its own does not provide enough of a basis for preferring one financial product against another as a solution. The research process also assumed that the loan product would be the appropriate solution without an understanding of the problem. Someone within the community would need to be able to understand the underlying problems well enough to inform matching financial solutions. This was the advantage that the Chinyika Community had through their Headman.

9.4.1 Possible effects of Issues Emanating From Dialogue Space

As discussed earlier, the temporariness of this dialogue space opens up possibilities for elite capture during the life of the dialogue space and possibly thereafter. The lack of community support is a result of little or no community ownership of the process. This would be inimical to any positive outcomes. It also implies the absence of community

leadership with capacity to galvanise social capital for the common good. In such cases, it is the weak who will suffer and especially women as in the COSUN group case. The need for clear object motive alignment is connected to ensuring acceptable living standards below which remedial action would be triggered. Without strong community structures, this responsibility would go begging. For example, the community should be in a position to help mitigate microfinance risks that escalate the cost of funds to poor people, or at the very least influence practitioners to provide affordable services. It would be necessary to have within the community enough competence to engage microfinance practitioners as equal interlocutors to enable responding to poor people's voices with appropriate financial products and services. The essence of robust community structures would be to ensure agentive representations in relationships with microfinance institutions where the need for appropriate responses will be cardinal given the financial complexities that may be beyond the understanding of most recipients of these services living in poverty.

This participatory action research introduced an innovation that recommends microfinance practitioners to consider using activity theory as a lens with which to conduct holistic assessments of communities that microfinance targets. We will consider that as we develop a theory of microfinance dialogue space in the following discussion.

9.5 Towards a Theory of Microfinance Dialogue Space

Early on in the fact-finding mission with the Chinyika Community, the research recognised the need to understand what poor people's voices were about their livelihoods and how those voices influence actions that benefit them. The revised research questions had two phases: the first one to understand the efficacy of poor people's voices; and the second one to enable poor people inform the design of a loan. The first phase developed an analytical framework discussed in Chapter 6 which identified the need for a community dialogue space along with critical elements needed to enable poor people's voices influence actions that benefit them. The success that the Chinyika Community experienced in securing food to counter the famine was as a result of the effectiveness of that community dialogue space. In the second phase, the COSUN group were afforded dialogue space to inform the design of a loan that they later accessed. In assessing the efficacy of this dialogue space, this research identified the value and limitations for both the communities involved and the microfinance institutions. These are discussed above under Chapter 9.1.1 and Chapter 9.2 above. A review of the revised research questions in light of the findings will help in identifying and locating possible dialogue spaces that would serve both the community and the microfinance institutions. The following table gives us insights:

Table 9.1 Research questions identifying and locating dialogue spaces

ACTION	PURPOSE	DIALOGUE	EXPECTED OUTCOME
Analysis of Chinyika community using activity theory Analysis of COSUN group using activity theory. This action is informed by the analysis of the Chinyika group.	Listen and learn how poor people influence actions that benefit them. Research questions: 1. What are poor people's voices regarding their livelihoods? 1a. How do they influence beneficial actions?	**COMMUNITY SPACE** Within the community on basis of five elements: - Context, - Structure, - Object motive, - Problem identification; - Action trigger	As poor people articulate their needs, they identify a matching financial service that addresses those needs or they influence change. Impact inquiries on: 1. How effective solution was; 2. Whether it was right solution; and 3. Depth of impact and how to measure it
COSUN group designing and accessing loans	Create research dialogue space to inform design of financial service. Research question: How can poor people's voices inform microfinance practice?	**MFI SPACE** Identify area of value overlap or complementarity between MFIs and community activity systems	1. Sustainability proposition for MFIs 2. Outreach for MFIs 3. Respond with appropriate financial services for communities 4. Impact on livelihoods for community members

In comparing with Figure 9.1 on page 276, it is clear that the livelihood discussions that would take place in the community dialogue space would to a large extent be removed from direct interaction with microfinance institutions, but could be impacted by financial services as long as they are successfully matched. Thus the research identifies a microfinance dialogue space separate from the community dialogue space, where financial services can respond to identified financial needs and in so doing, respond to the voices of poor people. Using the activity theory lens, this is the way it would look like:

Figure 9.2- Microfinance and Community Activity Systems in Collaboration
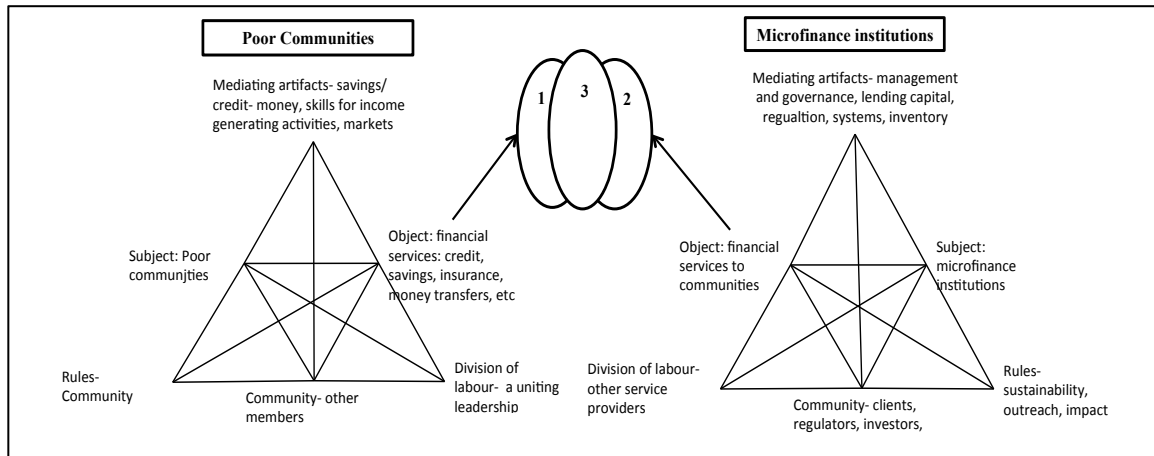
A microfinance institution represents an operational system with identified object: providing financial services to targeted communities. In order to achieve this goal, the institution undertakes several activities to ensure the desired outcome represented as (2) in the diagram above. These activities have to ensure a desired effect: outreach, organisational sustainability and positive impact in client's lives. Similarly, a community in poverty would need to generate an understanding of livelihood needs that can use financial services as a solution. They would then want to enjoin a microfinance institution to access these services represented as 1 above, and the outcomes of that collaboration is the point of intersection represented by 3 in the diagram above. Utilising these financial services would lead to social outcomes like moving people out of poverty, making sure people accumulate enough of their own funds for eventualities, or to support money management efforts. Each activity system therefore becomes fully aware and engaged in the various efficacious actions within the system that lead to defined outcomes, with corresponding indicators for evaluation purposes.

Thus the participatory action research has identified two dialogue spaces that can be represented as follows:

Figure 9.3- The Community and Microfinance Dialogue Spaces
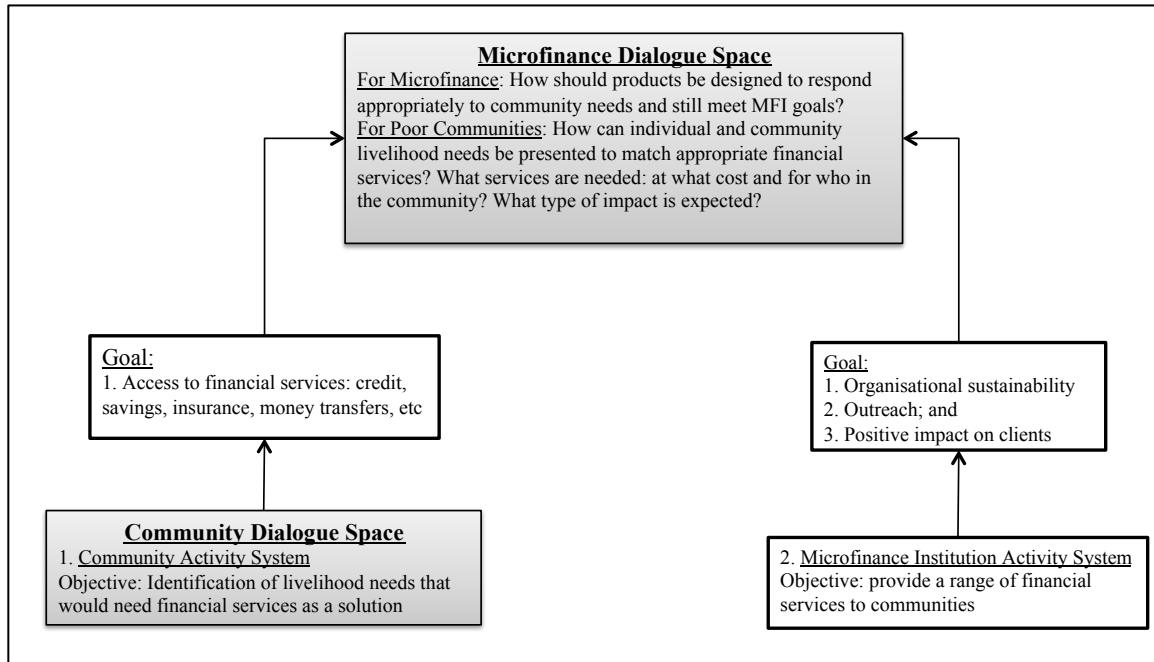
The dialogue space created within the community is the place where poor people are able to articulate their needs with a view to seeking livelihood improvements as was evident in the Chinyika Community case study. The microfinance dialogue space is where microfinance practitioners can interact with community structures to meet their own objectives of sustainability, outreach and impact while responding to community financial needs. The need for transformative impacts forms the area of overlap that enables successful transactions. The efficacy of this space will depend on the efficacy of the community dialogue space in matching livelihood needs to financial services. In developing a theory for dialogue space therefore, it would be useful to consider a

microfinance institution as an activity system interacting with the community, also an activity system.

From the above discussion, dialogue spaces that enable poor people to inform livelihood support are necessary and in this research are located in two places: within the communities where poor people can exercise their agency; and in the space where microfinance and the community meet. As the two activity systems develop, they are able to clarify their expectations in collaboration. The microfinance dialogue space in the above diagram is the same space discussed in Chapter 8.5.1 (page 262) where there is an overlap in value between a microfinance institution and its client: Frankiewicz and Churchill discuss this concept in relation to quality and cost of service (Frankiewicz and Churchill 2011). It is in this space that successful transactions take place. This space can therefore serve as a dialogue space. However, that dialogue should ride on both parties having a clear understanding of their mutuality.

A theory of dialogue space in microfinance would depend on an efficacious dialogue space among poor communities where livelihood needs would be identified and framed in ways that would enable efficacious engagement with microfinance institutions. In a way, this would call for partnerships between microfinance institutions and bodies that are responsible for community dialogue spaces.

9.6   A Theory of Dialogue Space for Microfinance

Microfinance institutions can generate new ways of listening by intentionally seeking to understand the dynamics within the community. This expectation need not be extraneous to microfinance activities and could be incorporated in feasibility studies that MFIs conduct as they enter into a community. Communities also could position themselves to interact with MFIs in the MFI dialogue space as equal interlocutory partners. The theory of MFI dialogue space would ensure the following characteristics:

Leadership: Microfinance institutions often seek out community leaders to get an understanding of the structure of the community so as to locate their services. This level of inquiry would also aim to find out what dialogue spaces exist in the community and how they function. The idea would be to ascertain how social capital is galvanised and how benefits pass on to community members. It would also help demonstrate the existence of altruism with the leadership.

Structure: The structure would demonstrate points of discourse and recourse for the community. These would become useful for the MFI in the event of difficulties, for information sharing and to compare notes with regards outcomes and impact.

Engagement with poor people within the community: The community would need to engage with MFIs in demonstrating how they arrive at and represent poor people's needs as it concerns appropriate financial services.

<u>Object motives</u>: There has to be a level of mutuality in the outcomes of the MFI and community. Therefore the object motive would need to be a good fit at the first line of interaction (see discussion above).

The microfinance dialogue space has to recognise the interaction of microfinance and communities as two activity systems coming together for mutual outcomes. Their coming together would also recognise that the activity systems would have other outcome expectations that might not concern the collaborating activity system. For example, the sustainability of a microfinance institution need not concern the community, or conversely how the community assures its members food and shelter would not concern the microfinance institution.

9.7   Conclusions

Microfinance institutions that have a social focus can better achieve their goals by responding to poor people's voices within a defined dialogue space. By virtue of their being in the target community, they already place themselves within a dialogue space. They can however be deliberate about their positioning by recognising the limitations of direct exploratory dialogue with poor clients. This research identified that often poor people need to be facilitated to competently articulate their livelihoods needs in ways that match them to financial services as solutions. The feedback from the COSUN women did not provide enough of a basis to inform specific financial products and how those would provide a positive impact in their lives. This research demonstrated the importance of

dialogue within the community itself so as to enable individual and collective agency that identifies and defines desired financial solutions to livelihood needs. These would then be the focus of engagement with microfinance institutions in a microfinance dialogue space. In the final chapter, I will discuss the implications of these findings to the microfinance industry and the communities that desire to engage in livelihood improvements among others.

PART III- IMPLICATIONS OF RESEARCH FINDINGS

CHAPTER 10- Implications of Research Findings

This research aimed to investigate how responding to poor people's voices can enable microfinance institutions provide appropriate financial products and services that produce the intended impact in poor people's lives. The key finding of this research is the value of dialogue space that enables poor people inform interventions that benefit them. This research recognised that poor people need to be facilitated through community dialogue spaces to inform processes that would engage with microfinance institutions in separate dialogue spaces. This approach will enable microfinance institutions to make informed determinations of how they can serve specific markets for desired institutional and social impact.

In light of the research findings, this chapter discusses implications of the theory of dialogue space in microfinance, for:

- Microfinance Institutions
- Communities living in poverty
- Churches and Faith-based Institutions
- Future research
- My autobiography

10.1   Implications for Microfinance Institutions

Microfinance institutions that desire to demonstrate social returns would need to ensure that they respond appropriately to the financial needs of target communities. The impact they seek will have to emanate from knowing that their products and services represent a solution for the financial needs of target communities. That would only be possible through dialogue. The research findings highlighted the limitations that communities like the COSUN group would experience to relate their livelihood needs to financial services, even where dialogue space is provided. The research recommends the need for a community dialogue space that would enable poor people to articulate their livelihood needs and within that context, enable a representation of those needs that require financial services as a solution. In analysing communities as activity systems, microfinance institutions will have a more holistic understanding of the community dynamics in relation to meeting livelihood needs and therefore how financial services could be a solution.

Redefining Social Impact

The theory of dialogue space discussed in chapter 9 recognises the scope that microfinance institutions have to interact with communities they serve. Because microfinance institutions offer financial solutions like secure savings mechanism, credit products, insurance and money transfers, precise impact expectations can best be satisfied at the point of intersection between those financial solutions and the needs they satisfy in

poor people's lives. Provision of those services to meet the financial needs of poor people does in itself constitute a social impact and microfinance institutions can directly collect data through routine work and measure the extent of that impact. A once removed level of impact is how those financial solutions contribute to the livelihoods of poor people through activities like paying school fees, paying for basic needs like food and shelter, and generally improving their livelihoods. At this level microfinance institutions do not have direct interaction with clients and would have to depend on collaborative dialogue in the microfinance dialogue space. Therefore microfinance institutions would have to redefine their impact evaluation instruments to recognise the first level where there is direct impact in relation to the actual provision of financial services. An additional level of impact on poor people's lives would have to come out of collaboration with community dialogue interactions.

A Different Way of Listening- Activity Theory in Practice

Responding to poor people's voices entails listening first. The findings highlighted the interlocutory limitations that poor people have in informing the design and delivery of financial services that benefit them while taking into account the needs of the service provider. The implication of that is that microfinance would have to engage in a different way of listening. The availability of dialogue spaces in the community implies some level of competent leadership to represent community needs in search of solutions, and this research recommends that it is these leaders that microfinance institutions need to interact with in order to respond with appropriate financial services. Interactions with these communities as activity systems will enable a structured analysis that would help

microfinance institutions understand the context and how to deliver to purpose. Creating community dialogue spaces would be beyond the purview of microfinance institutions to organise and manage, therefore they would have to consider partnering with community structures that are housing or have the capacity to create community dialogue spaces to enable useful information for appropriate services. The case of the Chinyika Community provides insights. The community had strong traditional and hereditary ties and generated robust social capital to enable fruitful engagement within itself. The presence of a headman who identified the underlying problems opened up opportunities for expansive learning by engaging another activity system. Given the experiences of the COSUN women, it is unlikely that the CPSCC leaders would generate that level of social capital. This leaves urban communities like the COSUN women in a dilemma unless a different structure can be employed. The other recognised structure is the Church whose engagement would need to be explored.

Attributing Impact

Where dialogue space has enabled progressive interaction with targeted communities, attributing impact would include a collaborative effort between the microfinance institutions and community organisations. At the first line of interaction where microfinance institutions would be responding to needs that are matched to financial services, outreach numbers, repeat access of services, use of technology to facilitate money transmission, increased use of savings mechanisms or even combining services could be potential areas of impact. These types of impact could also give an indication of the level of financial inclusion especially where some community members may have

been excluded before. The collaborative effort would happen at the level where the use of financial service has enabled livelihood changes. Microfinance institutions would not have a direct view at this level, but can collaborate with community organisations to glean information coming out of the community dialogue spaces on the efficacy of the services provided. Thus microfinance institutions can factor that in their interactions with communities so that together there is agreement on the type of impact sought, how to measure it and at what intervals.

10.2   Implications for Communities living in Poverty

The theory of dialogue space recognises the role that communities have in the first line of interaction: negotiating for financial services and products to meet the financial needs of the community members they represent. However, for that to be representative of the community, a different dialogue space within the community becomes necessary.

Creation of Community Dialogue Spaces in the Activity Systems

Chapter 4 discussed the community dialogue space that the Chinyika Community utilised to arrived at a local sustainable solution through engaging with another activity system in a research process that led to expansive learning and built on existing capacities in agricultural production. The COSUN Women on the other hand did not have these advantages. Communities should therefore benefit from benevolent community dialogue

spaces. In describing the object motive of any activity system, Leont'ev noted that human need is what motivates individuals and collectives to engage in activities that will bring about solutions (Chapter 2.2.7 on page 72). It would therefore be important for communities to build these dialogue spaces in order to facilitate listening to community members, and especially poor people in identifying the livelihood needs that they experience. The lack of competent knowledge and skills limitations would have ramifications on individual and collective agency. However, where communities have organised themselves and community dialogue spaces are functional, the likelihood of there being leadership with the capacity to identify livelihood needs will be high. Once the livelihood needs are known, the quest for solution might lead to engaging other activity systems like microfinance institutions in order to find solutions to livelihood needs. This is where the microfinance dialogue space would be useful. The community would interact with microfinance institutions in informing mutually beneficial financial services.

Evaluating Impact of Interventions

As community dialogue spaces enable an understanding of needs and relevant financial services to serve as solutions, those conversations have the potential to form the basis for determining the types of impact sought through the preferred interventions and how those would be measured both at the point of microfinance dialogue space and community dialogue space. The following is envisioned:

Table 10.1- Evaluation of Impact

	Needs	Possible evaluation mechanism
Microfinance Dialogue space		
Microfinance institutions	1. Institutional sustainability 2. Outreach	- Determine how products should be designed to respond to MFI triple goals and community needs. - Determine type of impact expected in line with MFIs mission and community needs - Determine type of instruments to be used to measure impact.
	Client impact	
Communities	Financial services to meet needs of the communities: access to credit; access to safe savings mechanisms; insurance and money transmission services	
Community Dialogue Space		
Community members	- What are the livelihood needs? - What financial services are needed? - How is the need for financial services going to be met?	1. Determine how effective the solution was in meeting livelihood needs in the community; 2. Evaluate if it was right solution for the articulated need; and 3. Determine depth of impact and how to measure it. 4. Expansive learning for both the community and MFI.

Within the microfinance dialogue space, the impact to be evaluated would be that directly related to the provision of financial services. Microfinance institutions would want to ensure meeting their goals of institutional sustainability and outreach. Communities would want to access the financial service as they match the identified needs and at an affordable cost. A shared process would be how client impact is evaluated. Within the community dialogue space, livelihood needs would have been articulated and therefore impact evaluation would be concerned with whether the solutions were the right ones and also the depth of impact.

<u>Thinking Long-Term Solutions</u>

Communities would need to carefully consider whether and when microfinance becomes a useful tool for movement out of poverty. As communities articulate livelihood needs, it would not only be to match with the provision of microfinance services, but also to consider long-term solutions that might not necessarily depend on microfinance services alone or at all. The dialogue space in the Chinyika community enabled short-term redress of their problem and also engaged in seeking for a long-term solution that brought a new way of knowing: re-introducing traditional grains using improved modern ways of farming. The COSUN situation on the other hand did not engender a sense of sustainability. The women engaged in fleeting businesses in a bid to obtain money to meet pressing livelihood needs. The COSUN women were fearful of the risks associated with entrepreneurship, just as they were fearful of perceived dangers of failing to repay a microfinance loan. Communities would need to consider more sustainable propositions while evaluating the advantages and disadvantages of employing microfinance as a poverty reduction strategy. Other strategies like the one the Chinyika community used could serve the community much better than facilitating for poor people to go into debt through microfinance loans.

<u>Participation in the groups- Gender relations</u>

The freedom to participate implies that participants are fully aware of what it is they are participating in, how that participation will happen and that there are agreed incentives for participation. The Chinyika community had strong cultural and traditional structures

that enabled precedents and antecedents. There were clear lines of authority and recourse and community members used these to address their issues. The women in the COSUN group similarly needed support. Once male breadwinners lost their jobs or succumbed to death, the women were left vulnerable because of lack of a steady income. They took on new roles of providing for the family, though this did not re-define how they responded to their male leaders or how the same leaders viewed them. Being heads of their families did not put them in any advantageous position in the community pecking order. During the research, it seemed evident that the COSUN women were beholden to and were willing to submit to their male leaders even when it had been made clear that the research process would exclusively be for them. Thus the COSUN women kept talking about their need for leaders they can rely on.

The COSUN women had participated in digging ditches and were promised free water and the likelihood of getting a paid job at the water point. It is not clear why the leaders promised them jobs as water attendants and free water when the design of the microfinance project was to enable income generation for the women to pay for water (Garrett 2004). It is possible to speculate that the leaders may have used these promises to persuade the women to do the manual labour. These events raise concerns about the women's freedom to participate. What they thought were the benefits for participation were actually not and only served to marginalise them further. The implication of this is that participation cannot be assumed but has to be intentionally engrained in the community structures in order to benefit even the most marginalised. There is often a high likelihood of women being taken advantage of where structures do not deliberately

recognise their roles and support their efforts. This is more so when women take up the role of leadership in families. Community structures need to deliberately recognise the different gender roles and support women against vulnerability.

10.3   Christian Principles for Listening Poor People

The research findings have implications for Christians who as part of their calling espouse values and norms that celebrate humanity as God's creation and therefore attempt to go beyond the measurements of bottom-line indicators to recognising that development is about the dignity of people in societies with special preference for poor and marginalised people. For them, responding to poor people's needs has to be steeped in empowering processes that do not marginalise them further. These processes need to engender a sense that poor people's voices are potent and can influence actions that affect them. In their desire to provide a differentiated service, Christian microfinance institutions might need to consider the extent to which they listen to and allow poor people's voices to inform beneficial financial services. From the research findings, some fundamental principles to listening and responding to poor people emerged:

- *Poor people know their livelihood needs and can articulate them. Interventions to help them should therefore take into account the influence of their voices.* Both the Chinyika Community and COSUN women were very much aware of the livelihood challenges that they faced but did not have ready solutions.

- *Poor people often lack competent knowledge to navigate livelihood solutions and need strong support structures to enable them speak and be heard to the extent of their competence.* The Chinyika situation is a good example of this- when famine hit, they had no solution and some of them even resorted to eating wild fruits. What they wanted was food security and they had a dialogue space to articulate that. The presence of a competent Headman helped to identify the knowledge gap and remedies that resulted in expansive learning.

- *Poor people should be facilitated to inform livelihood strategies that benefit them.* Often arriving at an appropriate livelihood solution might require competent knowledge as indicated in the bullet point above. The holders of competent knowledge should deliberately aim to facilitate for the voices of poor people to be amplified beyond just being heard, to ensuring sustainable livelihood strategies. Again the Chinyika community provides insights as they interacted with research processes to move their livelihood strategy from maize production to re-embracing traditional grains that held important connections to their ancestors.

- *Poor people tend to be marginalised and that increases their vulnerability. They should therefore be given preference in developmental issues that affect them.* The COSUN group members talked of their vulnerability and how they felt used like 'tools'. Their despondency led them to accept that they did not amount to much because they were not 'educated' (Chapter 5).

- *Poor people have the capacity for expansive learning given the right support. That level of support should therefore be afforded them.* The Chinyika community were able to engage in a learning process that made them appreciate their

ancestral heritage found in grain crops. They told stories of learning experiences with farm extension workers and during 'field days'.

The challenge that Christian microfinance institutions would face is that their scope for interacting with poor clients would be limited to the financial products and services they provide. The research findings as discussed in Chapter 9.2 highlighted critical concerns that microfinance would have based on how the COSUN group utilised the dialogue space given them. The issue therefore of how microfinance institutions can listen to poor people would need to be addressed within the scope of interacting with community dialogue spaces. A substantive and differentiated approach to listening might mean purposefully partnering with community organisations that oversee or have the capacity to create effective dialogue spaces within the community, and pay special attention to listening to poor people's voices.

In this research, the COSUN women repeatedly referenced a benevolent God and they all belonged to the same Church. The literature review in Chapter 1 recognised that the Church is a repository of social capital, necessary for community cohesion. The theological premise discussed in Chapter 2.4 recognises God's concern for the marginalised: poor people, the weak and destitute, which is a constant theme echoed by the prophets and particularly evident in Jesus' teachings. The Church's object motive in development work is to ensure the ideal of abundant life as God intended and that the community transformation stories can become part of the story of God's redemptive work in the world. Thus the Christian Church remains a viable and available option to create

dialogue spaces where poor communities could derive support. And this could lead to more inclusive altruistic intents, and could begin to deal with the challenge of finding lasting solutions. Microfinance institutions can then partner with such Churches or indeed other community organisations with the capacity to open up progressive dialogue spaces.

Impact Studies Complimenting Dialogue Spaces

Microfinance institutions that partner with community organisations might be able to explore the development of clear definitions and evaluation instruments steeped in the identified financial needs of target communities and that reflect the direct influence of poor people. They will also be able to gain a better understanding of the impact that can be attributed to the financial services they provide, along with corresponding evaluation instruments and standards. For Christian microfinance institutions, such an approach would align with their desire to utilise more empowering processes as part of the Christian response to poor people's needs, and to be able to evaluate the extent to which provided financial services enable transformation, innovation, nurturing, stewardship and responsiveness as discussed in Chapter 1.4 on page 50.

10.4   Implications for Future Research

This research has raised several issues that have potential for future research. These are listed and detailed below:

<u>Participatory Action Research for Community and Microfinance Dialogue Spaces</u>

This research identified the need for microfinance dialogue space that would interact with a community dialogue space as in figure 9.2 on page 288 to enable appropriate responses with financial services. This research was unable to compel a longer-term dialogue space that would have enabled understanding how poor people use the money they borrowed and whether prolonged interactions with them would have identified a different financial solution besides a loan. The research had assumed that the women needed loans. Yet various concerns ensued, including how participation happens, the risks of entrepreneurship and the lack of accountability for money that had been saved. In the final analysis, the issue was more about ensuring conditions that make it possible for poor people to maintain consistent dialogue. The dialogue would inform sustainable solutions that benefit them, and hopefully could help them negotiate the financial landscape for appropriate services. This was located within community dialogue spaces. These spaces may not already exist especially in urban areas where migration has created ethnic fusion.

Thus the research also identified five elements necessary in developing community dialogue space for poor people. These are: an enabling context for individual and collective agency; a structure that points to and allows recourse; an alignment of object motives towards benevolent outcomes; an identification of the real problems beyond the symptoms; and an action trigger before situations deteriorate. The research also recognised the Church as a repository of social capital with potential to bring about transformative solutions to the poverty context. A potential research process would involve the Church providing leadership utilising the five elements in order to create

community dialogue space for poor people to influence decisions that affect them. Such research would then interact with microfinance institutions in another dialogue space to inform appropriate responses to poor people's financial needs.

A follow-up research would be with regards impact assessment within the two dialogue spaces to assess the efficacy of the outcomes in relation to responding to poor people's voices.

Research concern 1: How can the Church position itself in the community as a repository of social capital to sustain progressive dialogue spaces that would inform microfinance practice for appropriate financial services?

Research concern 2: How can communities participate and inform impact assessments on the basis of the content of community dialogue spaces that enable identification of financial needs?

Facilitating Accumulation of Savings in Lieu of Loans

The COSUN women had hoped that they would get a second and third loan though this was not necessarily part of the research. In line with action research principles discussed in Chapter 2, subsequent loans would only have been part of the action research cycle of planning, execution and evaluation, and therefore would not have been included at the outset. The outcomes of the research made me realise that what was a research process to me, was a lifeline to these women. They experienced a process that delivered something of value to them after being let down several times. I could not meet this expectation that

the women had of me: provide them with more loans. My intention was to engage them in dialogue that would lead to more sustainable solutions through microfinance. The fact that these women needed money was a foregone conclusion. To that extent, I continue to see microfinance as a possible solution. However, providing finance without understanding poor people's needs has the potential of perpetuating their situation if the products and services are not aligned to the needs. A simple example is that of the women putting together their little monies to deposit at CPSCC where the safety was not known or assured. If one considers that a loan is an aggregation of many small savings that poor people can make, one starts to see the possibilities of the COSUN women being facilitated to accumulate their money in savings to meet their financial needs without the burden of a debt represented by the loan. In this regard, it makes sense that a secure savings product is something that might serve them better. However those assumptions would need to be supported by an informed assessment.

Research concern: How can poor people be facilitated to accumulate savings securely as a community-driven initiative to meet their livelihood needs?

This research concern acknowledges that the advent of savings groups in recent years affords this opportunity.

Research on Understanding Urban Livelihoods

As I reflected on my interactions with the COSUN women, I was sure that there was a lot more that happened in their lives that would not be revealed in the type of research I had

pursued. In comparison, the Chinyika community had a lot in their favour: the tribal context with common bonds, values and norms; a rural existence and therefore being able to use their age-old skills of farming; and a benevolent leader. The COSUN women had none of that and were in a cash economy with no skills to improve their livelihoods. Yet they had managed to navigate their difficult spaces to eke out a living over time. This is a potential area for future research.

Research concern: how poor people in deprived urban contexts manage to support their livelihoods.

10.5   Implications on my Autobiography

I started this research to address my increasing concern that as microfinance practitioners, we had not engaged poor people adequately enough to understand their specific financing needs so as to provide appropriate products and services. I knew that microfinance institutions would only work with poverty reduction methodologies if they contributed to the sustainability of the institution. As a former banker, I was also aware that the business owner has to have intimate knowledge of their business in order to articulate their financing needs and demonstrate that the credit given would generate enough profits to improve the business for continued income generation and to repay the loan. My curiosity regarding whether the pre-designed financial services were meeting the financial needs of poor people led me to this research process. I was of the view that intimate conversations

with poor people would generate a better understanding of their needs to inform the microfinance practice. The research highlighted a number of issues that have somewhat altered my views on listening to poor people for improved financial services.

Financing for Poverty Reduction

This research made me realise that some of my assumptions did not align with poor people's realities. One of these was my sense that with the right information on how poor people managed their businesses, microfinance services could be tailored creatively to enable business growth. I realised during the pre-loan meetings that a good number of the women expressed a lack of business skills and from that point of view, could not inform a business conversation. Some of them had fleeting businesses that seemed to wholly depend on the loan and without that, the business collapsed. I was not able to figure out the real benefit that the loan had on business efforts: whether they made any profits and whether those profits were adequate to pay back the loan, sustain a livelihood and plough back into the business. I did not even obtain enough data to ascertain whether the loan was the appropriate solution for their needs especially since some of them were fearful of getting the amount of money they needed as a loan- they got less. Then they stopped meeting after they got the loans, suggesting that they had not seen as much value in the subsequent meetings as in utilising the loan. In my mind, it is the subsequent meetings that would have generated information to inform appropriate products. The meetings would also have enabled a dialogue that clarifies product expectations so that the women would have had an understanding of why microfinance institutions structured products the way they did. As a microfinance practitioner who is interested in positive

impact in clients' lives, I did not see how the research could continue without that critical information.

The research findings made me realise the limitations of microfinance institutions to fully understand the financial needs of poor people with the limited interaction. I could not see how we as microfinance practitioners could therefore respond appropriately to poor people's financial needs while ensuring organisational sustainability. As an external person to target communities, I did not have the recognised authority to compel actions that would eventually be transformative. Insights from the Chinyika analysis suggested that such actions would require some level of recognised authority to galvanise people's commitment to a given cause, especially that the benefit would not be immediate and probably not obvious to the people. The Headman in the Chinyika case study used his authority to mobilise the community for transformative solutions. CARE International had similarly recognised the need for local authority to ensure the project was accepted, and invested in training local leaders. In both cases, the local leaders assumed the collective agency of their communities and prevailed over them when need arose although with less commitment in the COSUN group case. This study was possible because the local leaders in both cases allowed and enabled it. Conversely, I was unable to prevail over the women to continue coming for meetings after they got the loan, even though the leaders had endorsed my presence in that community and I am fully Zambian and therefore consider myself local. The interaction with the Chinyika community made me aware of the importance of community support that is selfless and committed to long-term solutions for communities. In urban settings where disparate ethnicity calls for a

different type of community cohesion, I see the Church as having potential to galvanise social capital to enable poor people navigate their way out of poverty.

<u>Views on Entrepreneurship</u>

I also realised that my thinking that credit was utilised for progressive economic activities may have been misplaced. I began to understand that a good number of microfinance clients might be in the same position as some of the COSUN women: doing business was a necessary but not a preferred choice. What the women needed was a way of managing the risks associated with not having a regular income. They therefore used the loan money the best way they knew how and returned is as soon as they could. My understanding of entrepreneurship was based on identifying a business opportunity and exploiting it for a financial return. As I worked with the COSUN women and through literature review, I realised that for some of the women, taking on entrepreneurial activities was not their goal. However, I remained unconvinced that obtaining a loan that is not supporting an incremental financial activity was a good solution for managing liquidity (Chapter 7.5.1). Rather I wondered whether the advent of microfinance loan schemes may have been perceived as yet another donor-driven external intervention to help poor communities but with different conditions that required them to repay the money advanced. As I reflected on the developments in the Chinyika analysis, I felt that the COSUN women were recipients of help whereas the Chinyika community were participants in their own development. This in itself would be an impediment in informing financial services that benefit poor people. Therefore I realised that until the COSUN women owned their development, they might not be able to adequately

articulate their financial needs in useful ways to the financiers. The concept of dialogue spaces discussed in this research can begin to address that problem.

I also observed seeming contradictions in the women's narrative that I would have loved to explore further and could possibly have been explained had the research continued. The women demonstrated that they could work hard, even though they claim that their efforts have not brought them the income they need. There were activities that were going on within this community and livelihoods were being supported albeit with great uncertainty due to lack of assured incomes. The underlying point is that the women seemed to be making ends meet one way or another. They even managed to pay in their savings into CPSCC. It seems plausible that there were some income generating activities going on which this study was unable to identify. Whether what was going on could be classified as entrepreneurship that microfinance would finance remains unknown as this research did not progress as planned.

Responding to Poor People's Voices

The COSUN case study as discussed in Chapter 6 demonstrated that poverty is more often than not accompanied by powerlessness as Jenala aptly said that in their desperation they kept listening to their leader in the hope that something positive might happen. In their mind, no one had believed them. The situation within the context of the COSUN women did not enable them to speak and be heard: they could not influence decisions that affect them. This meant that responding to their voices in that state would be a futile exercise as those voices had been thwarted. I remained unsure as to whether anyone with

authority in that community was aware that some voices had been thwarted and whether they would do something about it. Until that was done, responding to the voices of poor people might remain a pipedream. This research recommended that in communities with disparate cultural values and norms, community structure would need to be identified to undertake leadership and on-going analysis of the community with a view to ensuring effective dialogue spaces. The Church is one such appropriate entity. Other community organisations could be considered.

10.6   Reflections on the Use of Activity Theory in the Research

For this research, I chose to create an unfettered dialogue space, so as to listen and learn how poor people articulate their livelihood needs in order to respond appropriately with a loan product. I realised early on in the research that poor people's capacity to articulate their needs could be adversely affected by their circumstances, which include limited education and a tendency to be marginalised due to their low economic status as discussed in Chapter 1.5. These challenges would negate the efficacy of a dialogue space. By using activity theory as an analytical lens in the case study I was able to generate an understanding of important elements needed to enable poor people's voices articulate their needs in useful ways. I discuss these elements in Chapter 6. Activity theory required an analysis that goes beyond direct listening, and enabled me to focus on understanding the influence of culture and history in community voices. This became an important way of listening in that it highlighted issues of individual and collective identity and belonging in communities, and by extension how they sustain themselves.

This was evident in the Chinyika case study discussed in Chapter 4. In order to frame a context, I had to review literature pertaining to people movements that had a bearing on livelihoods. Within that context, I sought to understand the communities I was working with as the subjects of the activity systems; their rules, values and norms as established in the historical continuum; how they relate with other communities; how they work together if at all; and the artifacts that they mediate towards the object.

The research dialogue space that I created with the COSUN group was not as effective as I had expected, and confirmed the challenges that such a space would have as microfinance institutions try to engage poor communities in direct dialogue alone. I discuss this in Chapter 9.1.1. However, the findings of the Chinyika case study as discussed in Chapters 4 and 6 highlighted the advantages that this community had against the COSUN group because of the historical and cultural dimensions that buttressed the community structures. These findings were made possible by analysing the community data using activity theory. I compare this analysis using activity theory with the study that we commissioned to find out why poor clients were not repaying their loans as expected (Chapter 1.2 page 14). In the feedback, clients articulated how the products had not met their needs. They discussed what they did not like about the features of our products. Our inquiry was driven by the need to improve repayments and therefore our 'listening' was confined to the loan process. If we had used activity theory to analyse the situation, we would have generated much richer data on clients' specific circumstances by understanding various aspects of the cultural and historical context that would have a bearing on livelihoods, and how those could have impacted loan usage and consequent

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repayment patterns. This type of data would be important in enhancing the microfinance ideal of improving poor people's livelihoods.

On the practical aspect, analysis with activity theory generated a lot of data from sources other than the voices of the subjects, and therefore required constant reflection, cross-referencing and intuition in order to evolve an objective understanding. It is this processing of data that enabled specific understanding of the dynamics in the communities, and informed the theory of dialogue space at community level, as well as indirectly at microfinance level. That task of finding the data and processing it is an important part of generating some understanding of the community dynamics that would enable or impinge the efficacy of financial services in improving livelihoods.

10.7   Conclusion

This research sought to understand how poor people would articulate their financial needs in ways that would enable microfinance practitioners to respond appropriately. The starting point of this participatory action research process was a case study with the Chinyika Community to locate the efficacy of poor people's voices influencing actions that contribute to their livelihoods. This case study helped determine the conditions under which poor people could speak, be heard and influence actions for their benefit. The findings of the Chinyika Community case study informed a similar case study with the COSUN group for comparison purposes and also to have an in-depth understanding of this community. Both analyses were done using activity theory to obtain a holistic view

of the cultural historical context. The COSUN group proceeded to design a loan and accessed it. Several insights came out of the research with the important one being the value of dialogue spaces. The research identified that microfinance institutions need to engage with dialogue spaces in order to match their products and services to the needs of the communities they serve. However, MFIs would need to appreciate the limitations of the dialogue space they can participate in. Their line of interaction is confined to the financial services and products they offer. That also becomes the challenge they continually face in impact attribution in poor people's lives. Livelihood improvements happen at a different level where microfinance does not operate. This research therefore identified a second dialogue space within the community, driven by community organisations like Churches. It is at this level that poor people's voices can be facilitated. The structure that facilitates the community dialogue space is the one that this research recommends to engage in a dialogue space with microfinance institutions.

IV. REFERENCES

1. Primary Data

<u>Chinyika Community Data</u>

CODE CH.B August 2009   Chinyika audio recorded Conversations

CODE CH.C August 2009   Chinyika text notes

CODE CH.D August 2009   Chinyika feasibility study report

<u>COSUN Group and CPSCC</u>

Code B: 10th April 2012   Leaders introduce research and researcher to the COSUN group. First meeting

CODE C: 24th April 2012   Focus group discussions using questionnaire- What the group knows about the work of CARE International in the Community

CODE D: 29th May 2012   Focus group discussions- questionnaire 2- Working with CPSCC after CARE International left

CODE E: 19th June 2012   Briefing the CPSCC leaders on the research progress

CODE F: 25th June 2012   Meeting with CPSCC leaders to discuss their expectations

CODE G: 26th June 2012   Pre-loan discussion with the women

CODE H: 23rd July 2012   Two weeks after getting loan

CODE I: 1st August 2012   Post-loan discussions on business progress

CODE J: 8th August 2012   Post-loan discussions

CODE K: 10th May 2013   Feedback to Leaders after loan repayments

CODE L: 25th May 2013   Closing meeting with women after loan repayment

2.   Secondary Data

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Annex 1 The Broom Story

I recall that when I was about 12 years old, I asked my father for some loose change to buy sweets at the corner shop in our street. My father took this as an opportunity to teach me something about how to make money. He asked me to get a sickle and marched me to a nearby bush overgrown with grass. He showed me how to take hold of bunches of long grass and cut them at the base. When we got back home, he got an old tire tubing and cut it into thin strips using a razor blade. The local name for the thin strips of rubber tubing is *legeni*. He then proceeded to arrange the long grass into similar piles. These he tied together with an intricate pattern on one base using the *legeni*. He then neatened both ends and the African broom was ready for use!

His next action was to take me to the open-air market where he left me to sell the brooms. I was not too amused about that but he insisted that I sit and sell. He left me there. In no time, people came and started buying and in a short time, all the brooms we had made were sold and I ran back home to give my father the money. He did not take the money but rather gave me the lecture on making money by talking me through the process again. The end of his lecture was this line: "If you go to bed hungry because you have no money will be your choice". The lesson I got was that I needed to see opportunities for doing business and go for them.

Irene Banda Mutalima
August 2015

Annex 2- People Movements in Zambia's Development

Zambia General Development	People movements in response

Zambia General Development

Late 1890s- Era of industrialisation- BSAC starts mining activities - colonisation

1905- Lusaka established as railway siding
1913- white settlers granted administrative mandate- Lusaka administrative centre.

1930s- Copper boom: increase in labour force

1964 independence- Lusaka as capital city. State control of the economy- support for urban consumption through maize subsidies

1960s- 1970s Zambia reckoned middle-income country: per capita GDP highest in Africa by 1969

1974- fall of copper prices- reduction in national income- though social spending did not stop.
National debt: USD0.63billion in 1970
USD7.22billion in 1990

1985- IMF/ World Bank SAP reforms: reduce borrowing; reduce food subsidies; prudent management of resources - resulted in privatisation of mines and industry- massive retrenchments

1986- Govt attempt to remove food subsidies resulted in rioting and unrest in urban areas
1989- coupon system to counter food crisis

Sharp rises in food prices:
1991: 69.7% below poverty line
1993: 73.8% below poverty line

People movements in response

Rural to urban migration started in search of mine employment

Employment with white settlers beyond mining activities- farm labourers, etc.

1939- Private Locations Ordinance allowed unemployed/ self-employed people to settle as squatters
1948- African Housing Ordinance allows immigrants to bring families into towns/cities

Investment in expanding the city increased employment opportunities- increased rural to urban migration

1965- Housing priority- Govt. introduced site and service schemes: unplanned squatter settlements remain.
1972- unplanned squatter settlements recognised for service provision

Employment at 30% in 1980 declined to 10%. in 1990
1992- 1995: 77,300 formal jobs lost

COSUN Context

1991-1994: Food-for-work (PUSH) Govt in partnership with development agencies

1994- 1997- PUSH II- piloted community-driven initiatives that insluded social empowerment, that is community-driven microfinance activities- formation of FSS

1998-2005 CARE PROSPECT -scaling-up of pilot. COSUN part of CPSCC. Meant to carry on activities after CARE PROSPECT

Annex 3- COSUN Schedule of Loans

ANNEX 3- Loans Disbursed to COSUN Women

	Name	Loan given-ZK	Financing need
1	Jenala	2,000,000.00	Complete extension to house
2	Sonaya	1,500,000.00	Extend house for rentals
3	Mwaba	1,000,000.00	Sell of second-hand clothes
4	Kunda	1,000,000.00	Tailoring and trading
5	Chilongo	1,000,000.00	Sells charcoal and vegetables
6	Twenzi	1,000,000.00	Sells charcoal and vegetables
7	Chinyanta	1,000,000.00	Trading in beans
8	Vasti	1,500,000.00	Selling millet and other foodstuff
9	Fales	5,000,000.00	General trading
10	Suya	1,000,000.00	Poultry trading
11	Pelile	1,000,000.00	Making doormats for sale
12	Lubuto	1,000,000.00	Sells charcoal
13	Towa	1,000,000.00	Trading in foodstuff
14	Lusungu	1,000,000.00	Sells scones and doormats
15	Mangu	2,000,000.00	Trading in cloth wrappers
16	Mthunzi	5,000,000.00	Trading in various commodities
		27,000,000.00	

Annex 4- COSUN Group Rules
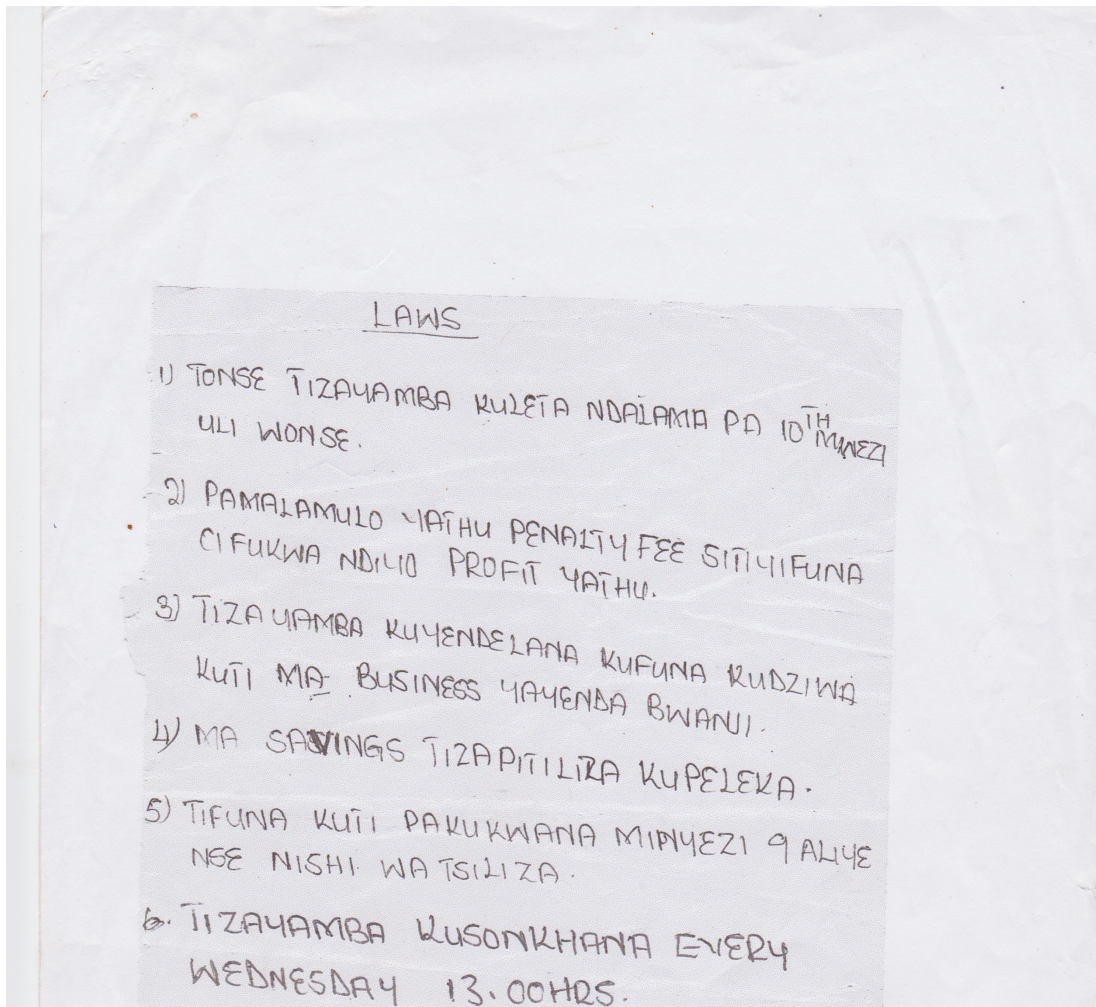
English Translation:
1. We will pay on the 10th of every month
2. We do not want penalty fee in our rules
3. We will be visiting each other to check on each other's businesses
4. We will continue saving
5. We will all of us fully repay the loans in 9 months
6. We will be meeting every Wednesday at 13.00hrs.