



NetWorking against Poverty?

Mechanisms of Participation in Village Savings & Loans Associations in Northern Malawi



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Abstract

‘Access for All’ often sounds as the goal of microfinance, but financial exclusion of particularly the poorest groups is a recurrent issue. Social capital, understood as the possibilities of individuals to take advantage of social relations, is often viewed to carry huge potential for poverty alleviation through group-based development methodologies such as microfinance. This assumption has recently been questioned by scholars, who claim that the poorest are structurally hindered from group participation. While much literature exists on participation *after* group formation within microfinance, little investigation focuses on the *access* to groups.

This thesis investigates the potential of social capital to secure financial inclusion of the poorest through participation in Village Savings & Loans Associations (VSLAs) in the particular context of Northern Malawi. It thus aims at contributing to the debate on financial inclusion of the poorest through group-based development.

Through a qualitative case study, inspired by participatory approaches, investigating four case VSLAs through interviews, group sessions and key informant meetings this paper has identified constraints to participation of the poorest in the particular setting of Northern Malawi. A conceptualization of poverty based on a goods-based and a capability-based approach constitutes the definition of the poorest. The issue of participation is investigated through the theoretical lens of social capital and the particular framework of structural and cognitive forms of. Participation is explored through seven dimensions: Rules & Roles, Social relations, Cooperation, Solidarity, Generosity, Trust & Reciprocity and Reputation. The latter is an addition to the original frame work of Norman T. Uphoff. Its importance emerged during the field work. The extent to which these dimensions provide for collective action for mutual benefit (social capital) has implications to the success of group-based development. The paper thus studies the implication of these dimensions on participation of the poorest in VSLAs, a group-based development methodology.

This study concludes that the structural features of social capital are present to provide for collective action for a mutual benefit, and that especially social relations are essential and have positive implications for participation of the poorest. From the perspective of cognitive dimensions there are general motivations towards cooperation, solidarity and, to some extent, generosity, providing evidence of direct appreciation of the poorest inclusion in the VSLAs. Alternatively, trust and reciprocity display a lack of trust in the poorest’ abilities

(physical and educational) to participate and possible self-exclusion due to lack of trust in underlying motivations and obligations to reciprocity. Reputation seemingly has ambiguous effects on this group's participation.

Social capital theory maintains its importance as a conceptual frame, but as for its potential to provide financial inclusion in group-based development particular sensitivity to different dimensions and context is essential. The implication for microfinance (based on group methodologies) is a call for careful contextual investigation of the conditions for creating social capital, from a multidimensional view, prior to establishing microfinance services. It may also aid subsequent impact assessment. The particular demands for physical and educational competences imply that capacity limitations rather than socio-cultural factors are at play. This requires more traditional development aid that builds on provision of health care and educational offers. A cross-sectoral effort between development agencies within different fields may create the underlying structures for financial inclusion of the poorest as well as provide the financial services they demand.

1. INTRODUCTION

No longer is microfinance hailed as the ‘silver bullet’ for poverty alleviation. The sector has experienced intense critique the past years, which has culminated in accusations of illegal transfer of funds between Mr. Yunus’ Grameen companies, spurring allegations of them making money on the poor (Anbarasan, 2010). Microfinance has existed for centuries, however Mohammad Yunus and the Grameen Bank gave rise to the concept as it is known today. Since the 1970’s microfinance has evolved dramatically to include an array of financial services to provide the poor with financial services. Of the more recent developments, the model of Village Savings and Loan Associations (VSLAs) has made its entrance to the microfinance stage, and will be the focus of my investigation.

One line of criticism focuses on the inability of microfinance to reach the poorest segments of society – urban slums and remote rural areas (Helmores et al, 2009; Allen, 2006; Myrrey & Rosenberg, 2006). Whether or not traditional microfinance was designed to reach the ultra poor is debatable, but evidence clearly suggests that many of the models we know of today are unable to reach the farthest regions of especially Africa (Allen & Staehle, 2009; Allen & Panetta, 2010; Ghatak, 1999). The VSLA is a part of the microfinance branch under the generic term: community-managed microfinance¹ (CMM), which facilitates methods of saving as well as borrowing for rural and poor population (Rasmussen, 2011). In the early 1990’s the VSLA model was created building on traditional groups-based methods for saving and borrowing. A central part of the VSLA model as well as traditional models is the self-selection of members during group formation, to increase sustainability of groups (Mersland & Eggers, 2007). Formation is done on the basis of members deciding themselves on the composition of the group (Allen & Staehle, 2009).

Today, approximately 2 million people worldwide use variations of CMM methods, including VSLAs (Allen & Panetta, 2010). It is cost efficient, sustainable, relies on traditional economic systems, there is no infusion of external capital and it is furthermore applauded for its proclaimed ability to reach the poorest of society (Helmores et al, 2009). Nevertheless, it seems that inherent characteristics of the model entail a potential exclusion of certain populations: *‘Self-selection of members facilitates a continued practise of exclusion in*

¹ This includes a variety of savings and credit groups. There are a number of denominations for savings groups, credit groups and mixes of the two. Often savings groups are also used as a generic term.

the local communities. The more vulnerable, the disabled, the outcasts etc. are often excluded from participating in ROSCAs.' (Mersland & Eggers, 2007:20). Even though, this statement concerns ROSCAs it may also apply to VSLAs.

This introduces another important element of the VSLA model, and microfinance in general: the group-based approach² to poverty reduction. From a microfinance perspective the group is seen as a particular tool to assist in providing financial services to populations who cannot produce collateral. This rests on the assumptions that close social relations within groups enhance peer pressure and group solidarity, which ensure repayment (Abbink et al, 2006; Karlan, 2006). The VSLA model builds on similar processes of social sanctions to secure repayment (Rasmussen, 2010). In the developing country context it is, furthermore, recognised that personal relationships are significant to credit access (Wydick et al, 2011), and the poor are often assumed to be able to rely on close relations to provide social security, in lack of other forms of assets (Clever, 2005; Irving, 2005). It is so, due to assumptions of strong family relations and close ties to neighbours and friends (Clever, 2005).

From a theoretical perspective the notion of social capital builds on the positive effects of social relations. Social capital provides a means through which recourses become available to individuals within social networks, and it is often seen as carrying a huge potential for poverty alleviation (Wong, 2003). This suggests that social capital can assist the poorest to take part in group-based development such as the VSLAs. However, does social capital actually provide participation for the poorest in VSLAs, or does the self-selection processes obscure this as suggested in the quote above? With this in mind I aim at contributing to the debate on financial inclusion of the poorest groups through microfinance, and thus look at how social capital affects participation of the poorest in VSLAs. The academic literature on VSLA is very limited and most studies on participation in economic groups in general focus on reasons for participation and sustainability. *How* to gain access is seemingly a rather unexplored field. To investigate participation in VSLAs I take point of departure in the Rumphi district, Northern Malawi, where credit and loan facilities are only accessible for those with sufficient collateral in the form of assets or financial deposits (SEP, 2009) and where VSLAs have been introduced to provide access to financial services.

² My term

1.1 Research Question

Considering the discussion above I pose the following research question:

‘How does social capital affect participation of the poorest in Village Savings & Loans Associations in Northern Malawi?’

1.2 Definitions & Delimitation

Participation is a much discussed term, especially in the development debate. The rise of participatory approaches for development work initiated the debate, and much criticism has been directed at the empowering potential of the approaches (Cooke & Kothari, 2001). As a *means* the term is a practical integration of the beneficiaries in development and implementation of development interventions. As an *ends* to an intervention it seeks participation of the beneficiaries in decisions-making processes. It is often both (Mikkelsen, 1995). This paper is inspired by the ideas behind participatory approaches regarding inclusion of the beneficiaries in the research process, as well as the methodological tools for data collection. However, I do not aim at empowering my participants, nor do I believe it is possible through a research process such as this. I investigate financial inclusion through participation in VSLAs *not* the concept of participation itself. I rather employ participation as an expression for *access to* a VSLA. I shall use ‘participation’, ‘access’ and ‘membership’ interchangeably.

I thus rely on participatory approaches to define who the *poorest* are. I do not describe poverty, but rather the relative perception of who the poorest are, taking point of departure in local perceptions. It is extremely complex to encapsulate what constitute poverty and who the poorest are, as many contemporary approaches of poverty are both multidimensional, based on perceptions and relative. Local perceptions however provide for an in-depth understanding of the development issues in play in the particular context that matter to the people that are to benefit (Chambers, 2008). Also, poverty is often related to or used interchangeably with vulnerability. The terms may, though, be distinguished by a disposition (vulnerability) to poverty or actually being poor (poverty) (Kamanou & Murdugh, 2002; Murdugh, 1994; Calvo & Dercon, 2007). This paper does not distinguish between the terms, but will employ ‘poverty’ or ‘poor’ as the general term since the focus of the paper is actual poverty rather than the risk of poverty.

1.3 Theoretical Frame

The theoretical lens of this study is that of social capital. *Social capital* is subject to a variety of interpretations, which often confuse the application of the concept. Often, the concept refers to the links between people and how individuals take advantage of these links to access certain desirable resources, section 3.2 elaborates on social capital theory. This paper, however, is inspired by Norman T. Uphoff who takes a holistic and pragmatic approach to employing social capital in a developing world context. His approach investigates the underlying motivations and structures in a community that fosters collective action for mutual benefit, that is social capital, and thus support the application of group-based approaches to development. He looks at structural and cognitive forms of social capital, through six primary dimensions: Rules & Roles, Social Relations, Cooperation, Solidarity, Generosity and Trust & Reciprocity. I do, however, mould his framework to my use and make extensions to it as I, through the research process found it unable to capture all nuances of the data material. Thus, I have added the concept of Reputation to his structure, as I found it to be important for participation. Together this provides for the analytical frame of the thesis, supported by a conceptualization of who the poorest are.

1.4 Readers Guide

The following chapter contains the literature review that summarises the main academic research on VSLAs, participation, poverty and group-based development. Chapter three presents the theoretical framework based on an interpretation of the social capital theory and a conceptualization of poverty which will guide the analysis. In chapter four the methodological consideration of the paper and field work are put forward and chapter five will give an account of the contextual frame for the thesis. Chapter six constitutes the analysis, which is followed by the empirical, theoretical and methodological discussion as well as implication of the findings in chapter seven. Finally, the conclusion is presented in chapter eight, which condenses the results of the paper.

2. REVIEWING THE LITERATURE

The following will provide an overview of the literature on, firstly, VSLAs and participation and, secondly, the group-based approach to poverty reduction as regards the findings in the literature.

2.1 Village Savings & Loan Associations and Participation

The literature on VSLAs largely limits itself to evaluations, consultant reports or practitioners' accounts from the field and reflection on contemporary issues. Below I explain the traditional forms on which the VSLA builds, as well as literature on participation in CMM.

From a development perspective two broad categories of traditional CMM has received attention: the (ROSCAs) and its big brother the (ASCAs). Through ROSCAs all members meet regularly to contribute a fixed amount. The sum of contributions is hence allotted to one of the members, either following a pre-determined schedule, randomly or by bidding. After each member has received the sum of contributions, the ROSCA is terminated. The ASCA does not distribute the sum of contributions at each meeting, but accumulates funds and lends these out with interest. A huge variety of ASCAs exist due to the options created by allowing for the accumulated funds to be distributed according to need and to various members at the same time (Rutherford, 1999). ACSAs and VSLAs work in very similar ways. Most academic writing on CMM focuses on Rotating Savings & Credit Associations (ROSCAs), probably due to its prevalence and popularity among poor populations (Gugerty, 2007). Academic literature on Accumulating Savings & Credit Associations (ASCAs), which would be relevant to the study of VSLAs, is close to non-existent (Rasmussen, 2011).

The overall ROSCA participation for Africa in particular is rather high (Gugerty, 2007), but the literature on participation and CMM in general concentrates on internal dynamics *after* group formation, with particular focus on sustainability (Besley et al, 1993; Irving, 2005; Karlan, 2006; Etang et al, 2011; Anderson et al, 2009) and motivations for participation (Bouman, 1995; Andersen & Balland, 2002; Dagnelie & Lemay-Bourcher, 2011). As regards self-selection processes, some studies support the notion of positive effects this in group-lending schemes (traditional microfinance) on repayment rates as this assures formation of homogeneous groups (Cassar et al, 2007:87; Ghatak, 1999). Whereas others show no differences within groups of acquaintances and groups of strangers, and that social ties may even decrease repayment rate (Abbink et al, 2006). Marr (2002) suggests that high repayment rates may *not* be secured through local information but rather through severe social sanctions

and greater exclusion of the poorest and weakest members. She thus supports Mersland & Eggers (2007) who highlight the risk of exclusion as a basic problem of self-selection in ROSCAs (Mersland & Eggers, 2007). Simanowitz (2002), also suggests ways in which the poorest may be excluded due to self-selection practices, because of negative perceptions of the poor or incentives for stronger individuals to exclude the poorer community members

A study on how personality influences project participation in Northern Malawi is seemingly the only direct study of VSLAs in relation to participation. Lilleør & Lundborg (2010) propose that personality traits have a strong impact on participation in voluntary VSLA programs, such that individuals with certain personality traits are more likely to self-select³ participation. Thus, even though the poorest⁴ do participate it may be individuals with specific traits conducive for participation. These findings, thus, touch upon the issue of potential criteria for participation in VSLAs.

2.2 Groups for Poverty Alleviation

Group formation is evidently a central element of the VSLA model. Not only because it is subject to self-selection, but also because the methodology builds on groups as a basis for provision of financial services. Therefore, I will now elaborate on the use and usefulness of groups to combat poverty, which was, and still is, a cornerstone of microfinance provision of financial services.

Participation has become a dominant idea within the field of development. It is often understood as beneficiaries being the engine and taking an active part in their own progress. It is best described as a historical response to earlier approaches representing mere a transfer of technologies and habits from the developed to the less developed world (Heyer et al., 2002). Promotion of associations represents this shift in development practices (Ibid) and group formation among the poor is now a widely used tool to path the way out of poverty (Wong, 2003). Within microfinance the concept of group-lending, which did away with the need for collateral, is often seen as the main innovation to overcome a number of obstacles in credit markets for the poor as well as to reduce cost of delivery (Duvendack et al, 2011; Galab & Rao, 2003, Yunus, 2007). The use of group methodologies to fight poverty can be greatly advantageous for members to reach certain goals, typically with in economic groups (Thorp et al, 2005). However, the potential for groups to include the poorest has been questioned (Marr,

³ Here self-selection refers to the participants own choice to participate in the VSLA program

⁴ Measured on daily consumption levels pr household

2002). Thorp et al (2005), in their study of groups' potential to alleviate chronic poverty, questions poorer populations accessibility to groups due to: lack of access to markets and networks, lack of assets, lack of rights, dependence on external intervention and extent of exclusivity of groups. The authors argue that specifically market failure groups (e.g. VSLAs) tend to exclude the social layers below. Clever (2005) in her critical article on the poverty reducing potentials of social capital, also highlights three interdependent factors that severely hinder the chronically poor from: participation, institutional engagement and formation of social capital due to their absence. These factors are: able-bodiedness, "room to maneuver" within social relationships and ability to represent their interests in fora accessible to the poorest at low costs. Groups may be a way out of poverty but it presumes a way *into* the group beforehand.

Most of the literature on ROSCAs employs mathematical methods or experiments to determine relationships. Little in-depth qualitative research has seemingly been carried out on the social aspects of group formation to understand how CMMs are formed and allow for participation. Group dynamics are complex to investigate, as they build on cultural, social and normative structures, buried in the specific context (Heyer et al, 2002). But a deeper understanding of the conditions upon which individuals or groups access VSLAs may help practitioners to improve design of VSLA methodology (as well as other microfinance tools), assist scholars building knowledge of the very limited literature on VSLAs, help the targeted beneficiaries to truly benefit from development interventions such as VSLAs, as well as to understand the potential for social capital to facilitate financial inclusion via group-based development.

3. CONCEPTS, THEORY AND THEIR APPLICATION

This section describes the conceptual and theoretical approaches taken to conduct the analysis. This includes, first of all, a conceptualization of the poverty term and, secondly, a theoretical frame of social capital.

3.1 Who are the Poor?

A conceptual discussion of the term poverty in this paper is important because the basic focus is on the depth of outreach of the VSLA model. This presupposes identification of *who* the poorest are, prior to an analysis of how they participate. The following thus provide a conceptual frame for analysis of how poverty can be understood from the basis of local perceptions.

First, it is highly complex to define poverty and a number of different approaches have been developed (Wagle, 2002). Even if one approach is taken to measure poverty, it should ideally be accompanied by examination of other dimensions and how they relate (Coudouel et al, 2002). Due to my abductive approach and inspiration from participatory approaches (as explained in section 4) which demand a close connection to the local understandings of development issues I emphasise that a definition of poverty should be taken from the point of the *research participants'* perceptions. The elaboration below thus reflects the data material in regards to poverty perceptions.

The approaches to the fight against poverty have altered over time, due to debates on what represents the most appropriate definitions and measures. Historically poverty has been measured in monetary terms and *economic well-being* is still the most widely used dimension for poverty measurement (Coudouel et al, 2002; Wagle, 2002). Economic well-being encapsulates a number of related measurement approaches all of which rest on three indicators; income, consumption, and welfare. These are measured in highly quantifiable terms, and further defined through absolute, relative and subjective approaches to poverty (Wagle, 2002; Hagenaas & de Vos, 1988). Economists essentially advocate that poverty issues can be addressed by increasing income or consumptive capacities, though they recognise that many aspects affect income, consumption and welfare (Wagle, 2002). Monetary measures are now increasingly seen as part of a complex grid of numerous dimensions to poverty measurement (Coudouel et al, 2002). But the lack of income, assets, or access to financial services remain significant challenges to poverty alleviation (Binger, 2004). This is also closely linked to the microfinance industry and its numerous approaches to providing financial

services for the poor. Despite the fact that the complexity of poverty still confuses agreement on definitions even for income base approaches (Wagle, 2002) the economic well-being approach indisputably captures important aspects of poverty. It may, however, lack vital dimensions related to quality of life that other approaches encompass.

As a reaction to the income or consumption view, the *capability* dimension was introduced. Amartya Sen is a pioneer within this line of thinking and is known for his Capability Approach. Political theorist Martha Nussbaum has refined the approach extensively providing a check list of capabilities, which improves a practical applicability (Anand et al, 2009). The concept of capabilities or deprivation of capabilities as a definition of poverty altered the understanding of poverty (Wagle, 2002). At the core of this inclusive definition is the notion of peoples *capabilities* to live the life they find valuable (Robeyns, 2003), which can be assumed to be a life without poverty. This focus thus draws attention away from income or consumption as sole measures of poverty, because there are many ways to which a person may reach his/hers desired well-being. Even though income and consumption indeed can be sources to increased well-being, so can being healthy and having access to education. Poverty is hence viewed as multidimensional in that several factors are needed to analyze or measure it (Sen, 1999). This, however, does complicate practical applicability of the approach by extending poverty indicators infinitely. Nowadays the concept has been accepted and operationalized by many major development agencies and institutions among them the World Bank and the UN.

The above outlines two major directions of the poverty debate: A focus on income and consumption measures for poverty i.e. the goods-centred approach; and the multidimensional definition based on peoples' capabilities to move out of poverty i.e. the person-centred approach. With my inspiration from the participatory approaches I take an open approach to defining poverty and I view it useful to assess the relevance of different dimensions of poverty in the specific context. I thus maintain a prime focus on the possibility for the research participants to define poverty in their own terms. The two strands described above represent different elements of the local perceptions. Notably, 'the poorest' is a relative term subject to contextual implication: for this reason local perspectives are essential. The analysis will subsequently show how these forms are represented in the data material and provide the basis for the analysis of social capitals effect on participation of the poorest in VSLAs.

3.2 Social Capital Theory

I now turn to the main theoretical source for analysis; namely Social Capital Theory. It is inspired by Norman T. Uphoff's conceptualization of social capital and other scholars who have important contributions to make to Uphoff's framework. This section outlines the analytical framework for investigating the impact of social capital on participation of the poorest in VSLAs. Firstly, it introduces the analytical framework of social capital and secondly extends it to include a broader definition of trust and also introduces the concept of reputation as important to social capital. To position Uphoff's framework in the literature on social capital I give a brief introduction to social capital as a concept.

Social capital is most often understood as the source through which individuals can take advantage of social relations, networks or other structures to obtain certain benefits (Portes, 1998). The conceptualization of social capital dates back to Marx and Durkheim, but in the 1970's Pierre Bourdieu provided one of the most theoretical and instrumental contemporary interpretations of the concept. Economist Glenn Loury's work on the effect of social connections on access to employment inspired sociologist James S. Coleman to investigate the role of social capital on human capital. In the 1990's Robert Putman advocated for social capital as a means for collective action for mutual benefit, through trust and norms of reciprocity (*ibid*). He is also known for his distinction between 'bonding' and bridging' social capital, which refer, firstly, to the social connections between a homogeneous groups of people and, secondly, the relations beyond and between differing groups (Karlan et al, 2009). Social capital has also gained steady ground within development literature. Michael Woolcock was the first to provide a unified conceptual framework for the concept of social capital in an economic development perspective (Piazza-Georgi, 2002; Woolcock, 1998). It has however, received much criticism mainly due to the variety of interpretations and thus confusion regarding its applicability (Lin et al, 2001). In a development context it is attacked for being used as a means to avoid inequality issues as power relations are accounted for without looking at the negative consequences of social life. Others disagree with the assumption that actors are social entrepreneurs and actively invest in relationships of trust. Yet others view social capital as embedded social resources, dynamic and negotiated but not easily stored and thus both constrain and enable individual action, as well as reproduce structural inequalities (Clever, 2005:894).

My study is inspired by the approach developed by social scientist Norman T. Uphoff (1941-). Uphoff is a professor at the Cornell University, New York with a main research focus on the field of rural and agricultural development (cornell.edu, 2012). He bases his work on social capital on practical development projects (see e.g. Krishna & Uphoff, 1999 and Uphoff & Wijayaranta, 2000), and his conceptualization of social capital is commonly employed in contemporary research and practice within fields as diverse as mental health and rural development (see: De Silva et al, 2005; Islam et al, 2006; Pronyk, 2008).

3.2.1 Cognitive and Structural Social Capital

Uphoff's work on social capital builds on ideas proposed by Putnam and Coleman (Uphoff, 1999) and has derived profound influence from in the literature on social capital. However, where other scholars present their ideas largely in terms of definitions and descriptions Uphoff presents a concrete analytical framework for what *constitutes* social capital. Uphoff (1999) views social capital as any asset: '*...social, physiological, cultural, cognitive, institutional and otherwise related that increase the amount (or probability) of mutually beneficial cooperative action...*' (Uphoff, 1999:216). The Framework presents a measurement tool for social capital in a particular context. Uphoff (1999) emphasize collaborative behaviour for the mutual benefit and I argue that this is particularly important to the focus on participation of the poorest because they have little to offer in terms of assets and may thus benefit from a general attitude towards mutually beneficial cooperation.

The framework is further useful as it does not presuppose that social capital can be generated if underlying motivations and attitudes for collaboration does not exist and thus accommodates social capital critics' attacks on the assumption that '*...individuals can use network connections and participation in institutions to move out of disadvantaged positions...*' (Clever, 2005:894). The framework identifies social capital within communities on the basis of two forms of social capital: the *structural* and *cognitive* to be explained in turn below. The benefit of making such distinction is the possibility to identify various dimensions of social capital: their extent or their absence in different contexts. Uphoff (1999) propose that the greater extent to which the two forms work towards mutually beneficial cooperation (social capital), then the better the preconditions for successful group-based development. This conception is not alien to the social capital literature in which a number of scholars acknowledge cooperation for a common good as essential to the definition of social capital (Brehm & Rahn 1997, Fukuyama 1995, Putnam 1995, Thomas 1996). The next sections will

go into depth with description of firstly, structural form of social capital followed by the cognitive form. The sections will further present the application of these forms.

3.2.1.1 Structural Social Capital

The *structural* form refers to different dimensions of social organisation; *Roles & Rules* and *Social Relations*. These dimensions embody the patterns of interaction that *facilitate* mutually beneficial collective action. Collective action can be achieved through informal and formal *roles* and explicit and implicit *rules* that support behaviour for collective action. In Uphoffs view roles are created by expectations about behaviour and are reinforced by sanctions and initiatives. Rules and roles support the basic functions and activities required for collective action such as decision-making processes, resource mobilization and management, communication and coordination, and conflict resolution (Uphoff, 1999). The second dimension of the structural form; *Social relations* represent the actual links between individuals. These links precondition any interaction and create the broad and specific patterns of exchange and cooperation that may facilitate collaborative behaviour. Networks are often understood as patterns which persist over time and are a typical manifestation of social capital (Uphoff, 1999)⁵. Significantly, Uphoff (1999) suggests that social relations may reduce transactions costs. This is supported by Irving (2005), and Thorp et al (2005), who note that networks are especially conducive for increasing the access to information, and thereby decrease transaction costs. Channels of communication through social relations may thus be seen as necessary means by which to obtain required or relevant information beneficial to an individual. Social relations in this paper refer to relations that are beneficial for access to a VSLA.

Application of Structural Dimensions of Social Capital

For the purpose of this study I include the dimension of Roles & Rules because it provides a good frame to describe how the VSLAs work according to facilitation of collective action. I argue that the VSLAs already create a basis for collaborative behaviour through their reliance on groups to create benefits. I will thus not analyse which roles and rules are created in the community, and how they are created. I will therefore provide less an analysis of *whether* the structures for collective action are in place but instead, rather *how* they can be seen in VSLAs through a presentation of how the VSLA works. The Social Relations dimension will be

⁵ I shall not distinguish between specific networks and social relations.

employed to identify links and relations between individuals in the research context and to investigate if these relations are conducive for collaborative behaviour as well as to understand how links as communication channels affect participation in VSLAs.

3.2.1.2 Cognitive Social Capital

The second form of social capital; the *cognitive* form denotes the motivations, which *predispose* individuals towards collective behaviour. The forms are categorized under four dimensions: *Cooperation*, *Solidarity*, *Generosity* and *Trust & Reciprocity*. In my application of the framework I soften Uphoff's distinction between norms, values, attitudes and beliefs, because such distinction is hard to reach within my data material. I thus look at general attitudes towards these dimensions rather than distinguish specific values, norm or beliefs. I find that this broader understanding of the dimensions can be found in the data. Therefore I find them useful for analytical purposes. Below I will present the three first dimensions and subsequently elaborate on the concept of Trust & Reciprocity and add Reputation to the cognitive social capital forms. Reputation is added to the framework because the data highlighted its significance to participation.

Cooperation, Solidarity & Generosity

The dimensions of Cooperation, Solidarity and Generosity are all rooted in Uphoff's descriptions but moulded to my use. *Cooperation* is understood as an attitude towards working together for a mutual benefit. This predisposes people to seek joint solutions to problems, rather than working separately. Furthermore, it includes a willingness to oblige and accommodate to assignments and to accept tasks for the common good. *Solidarity* is viewed as attitudes of helping others and a willingness to make sacrifices to provide help and to inquire costs to the benefit of others beyond immediate family and kin. Furthermore solidarity refers to attitudes of community, cohesion and of 'standing together' where benevolence and loyalty is appreciated. *Generosity* refers to an attitude of altruism or selflessness, where the well-being of others is appreciated alongside the well-being of one self. It is seen as beneficial to oneself if generosity is later reciprocated. It is furthermore assumed that generous acts will be rewarded if not now then later. Therefore an individual is willing to 'sacrifice' now to receive later.

Trust & Reciprocity

Of particular interest to the analysis is the concept of *trust* as it proved to be an important element in the data material. Also, in relation to participation in groups where financial capital is circulated among the members such as in VSLAs, trust is very likely to play a role in terms of who are invited to join these economic groups (Etang et al, 2011⁶). Therefore, I choose to extend on the framework of Uphoff. Uphoff (1999:227) emphasizes trust as the ‘...*essential “glue” for society*’. He also outlines trustworthiness as a value in contexts highly motivated for social capital creation. To build on Uphoff’s treatment of the concept, I will, for the main part, draw on Partha Dasgupta’s discussion on the term in his contribution on social capital and economic performance. He views trust as ‘*someone forming expectations about those actions of others which have a bearing on choice of her action when that action must be chosen, before she can observe the action of those others*’ (Dasgupta,2002:8). This implies that a screening of an individual’s character is undertaken before decisions are made, because whether or not an individual can be trusted is influential on the choices another individual will and possibly can make (Irving, 2005; Ibid). This notion does not imply that the actions depending on the presence of trust precede the actions of those that are to be trusted. It is so, because the choice of action can also be contingent upon trust that others have done what they claim to have done (Dasgupta, 2002) or what they claim they would do. Following, Dasgupta (2002:9) importantly suggests that trust can take two forms: one that has a bearing on *unobservable actions* and one that concerns *hidden information*. The latter involves *trust* that others will disclose truthful information about something which has an impact on another individual’s choice. This concerns peoples underlying motivations, incentives and dispositions towards telling the truth. The former relates to our expectations of others *ability* to undertake certain actions and is denoted *confidence*⁷. These are important distinctions because the terms are often conflated. The crystallization, however, brings notable nuances to the notion of trust and is significant to the analysis as trust may have different impacts on participation when looked at from these two perspectives.

Reciprocity is highly interlinked with trust and social capital and may be seen as generating social capital (Portes, 1998). According to Uphoff (1999) reciprocity will foster social capital if it is a norm, that is, something which is expected within a community. Several

⁶ It is mentioned in relation to ROSCAs.

⁷ Dasgupta (2002) takes the police as an example to distinguish the two. We may have little confidence that the local police will prevent theft from homes, if there is not enough police on the streets. Alternatively, we may have little trust in the police force to do what it is expected to do if we know it to be deeply corrupt.

other authors also refer to norms of reciprocity within the social capital literature as a basic ingredient of social capital (see e.g.: Putman, 1995; Collier, 1998; Woolcock, 1998). Reciprocal interaction is often understood as happening within networks, and in traditional economies kin groups enforce reciprocal obligations that effectively functions as insurances services (Collier, 1998). Reciprocity can thus be seen a basic prerequisite for long-term social relations that build on trust.

Reputation

I shall now present the dimension of reputation, which is added to the framework because the data highlighted its significance in relation to participation. From the above it is clear that how others perceive an individual through their behaviour has profound impact on the trustworthiness of that individual. Reputation and trust are thus highly interconnected (Dasgupta, 2002). Trust is based on reputation and often understood as dependent on building and preserving a positive reputation through continuous interaction and/or observed behaviour (Ibid; Good, 2000). This is especially relevant in contexts where information on (economic) behaviour of individuals is not registered by e.g. formal financial institutions (Irving, 2005). Interaction and/or observations will give clues to future behaviour and thus make grounds for an evaluation of whether membership to the VSLA can be granted or not.

However, reputation is not only created on the basis of direct interaction or observation. Reproduction and repetition of statements around an individual is created through social relations and travel through social networks (Ibid; Collier, 1998). Thus individuals have an interest in maintaining a positive reputation because participation in a VSLA may not only depend on their immediate acquaintances' perception of them, but also the perception of people within the latter's social network. Highly related is the notion of network externalities, referring to the beneficial outcomes from relations to individuals other people find trustworthy. Thus, if person A trusts person B and B trusts C then A is likely to trust C as well (Dasgupta, 2002). In this way a positive image that one enjoys among certain individuals may materialize as a good reputation within other networks of these individuals. The individual reputation may further be affected by the family reputation (Triole, 1996). Hence, a family reputation of trustworthiness is conducive for members of that family to be perceived positively for participation in VSLAs. Alternatively, a poor reputation of a family will affect the family members negatively.

Good (2000), in his treatment of trust, individual and interpersonal relations, also suggest that reputation is not cast in stone. The interpretation of reputational information by those that receive this information is influential. Much evidence suggests that we often seek to maintain our presumptions rather than accept challenging views, and especially with the presence of ambiguity and incomplete information we tend to make interpretations in line with our preconception. Good (2000) denotes this ‘confirmation bias’ and proposes that both good and bad reputations can maintain momentum dependent on the preconceptions of the interpreters.

Application of the Cognitive Dimensions of Social Capital

The preceding section has presented the conceptualization of the cognitive social capital as well as the addition of Reputation. The five dimensions will be analytically applied in the following manner. The dimensions of Cooperation, Solidarity and Generosity will be applied to the data material to identify the degree to which they are present, if at all. This will disclose if there are general motivations towards mutually beneficial collective action among the research participants and how this affects participation of the poorest in VSLAs. The conceptualization of Trust & Reciprocity will be employed to examine, firstly, the extent of trust among the participants of the research and, secondly, the importance of the different forms of trust for participation of the poorest. Likewise extend and importance of Reciprocity will be analysed with regards to inclusion of the poorest in VSLAs. Reputation will also be applied as to investigate its presence and degree, and its implications for participation of the poorest in VSLAs. Figure 3.0 below illustrates the interaction between concepts and theory.

Figure 3.0 Analytical Framework



4. METHODOLOGY

This section will elaborate on the methodological considerations to the thesis and steps taken during the field work in Northern Malawi. This thorough walkthrough supports validity and reliability of the findings.

4.1 Research Frame

4.1.1 Philosophy of Science

Two important notions within the philosophy of science are those of epistemology and ontology. Epistemology is concerned with how we gain knowledge about reality, whereas ontology studies the nature of reality (Danermark et al, 2002). The former determines what constitutes knowledge and the latter is concerned with what is real (Saunders et al, 2007).

From an ontological perspective positivism and constructionism represents the two poles of a continuum (Schwandt, 2000), that deals with whether an objective truth exists or not. Positivism recognising that social phenomena exist independently of the researcher and constructivism views reality as constructed by human beings (Schwandt, 2000). Between the two extremes critical realism attempts to come to terms with this dualism of scientific research (Danermark et al, 2002). It recognises that social phenomena can exist independently from our knowledge of it, while our experience of it is always subjective (Bryman & Bell, 2011). In line with this perspective I take a critical realist approach, and thus assume that social phenomena exist independently of my knowledge of it as well as accepting that my and others' interpretation of such phenomena is a social construct and thus not an objective truth. Thus my interpretation of the data is influenced by my social, cultural and professional background, just as the research participants are by their context. Critical realists view the mechanisms that generate certain social phenomena as the essential scientific focus, rather than studying the event itself (Danermark et al, 2002). '*Science is a way to systematically express in thought the structures and ways of acting of things that exist and act independently of thought.*' (Bhaskar in Bryman & Bell, 2011). In accordance with this view I attempt to understand the underlying structures and motivations behind participation rather than participation itself.

4.1.2 Research Approach: Abduction

In line with the argumentation above this paper takes a mainly abductive approach to research. Abduction is similar to induction but differs as it rather tries to *add* to existing theories than *generate* new ones and differs from deduction because it does not seek confirmation of existing

theories (Dubois & Gadde, 2002). Abduction is to move from one interpretation of social phenomena to a different interpretation of it. Consistent with Danermark et al (2002) abduction is an important tool to explain social phenomena within the critical realist perspective, because by applying abductive inference we study social phenomena within a certain interpretive frame, which is one frame out of many and one interpretation out of many. The observable reality expressed by the research participants is thus interpreted by me, the researcher, through the use of one out of many theories. The findings hence represent a plausible conclusion to the research, but not necessarily generalizable. Abduction takes point of departure in a preliminary framework but allows for the empirical findings to continuously affect the framework. Thus, in this study *'the original framework [has been] successively modified, partly as a result of unanticipated empirical findings, but also of theoretical insights gained during the process. [...] new combinations are developed through a mixture of established theoretical models and new concepts derived from the confrontation with reality'* (Dubois & Gadde, 2002:559). This study builds on a preliminary idea about participation in VSLAs on the basis of existing literature from which working questions were generated. During field work, however, these ideas were challenged and thus subsequent and continuous reformulation of the theoretical frame was necessary. Likewise, the study is explorative as it intends to cast light on the characteristics of participation in economic groups such as VSLAs, and thus clarify understanding of a problem to know if it is worth pursuing further (Saunders et al, 2007). In line with the above epistemological and ontological argumentation, research question and methodology has been subject to change and revised several times through a flexible process which is also common when undertaking development research (Binns, 2006).

4.1.3 The Case study as Research Strategy

From an elaboration of the approaches taken in this study I move an argumentation for my choice of employing the qualitative case study as a research method.

Due to the objective of the research, to understand the processes of participation in VSLAs, a mainly qualitative approach was found suitable. Qualitative approaches are open and flexible and used to understand complex issues and processes, underlying meanings and sensitive issues (Mayoux, 2006), which are important qualities to this study. While the case study is very popular within qualitative inquiry, it does not belong to any particular theory of science, but rather draws attention to what can be learned from a single case (Stake, 2000). I thus make use of the case study strategy to say something about participation in VSLAs within

a particular geographical area among four selected groups. The case study can be defined as ‘a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence’ (Robson, in Saunders et al, 2007). Hence, this study was carried out through a field study in Northern Malawi, through the use of multiple data collection methods (interview, group sessions, key informants, observation).

The qualitative case study suits a mainly inductive process to the generation of new knowledge, and may also take up hypotheses testing, but does so without the same demands for generalizability, which suits the abductive approach of this paper. As this study is methodologically inspired by participatory approaches to investigation, the use of the case study method further allows for an actor centred approach, in which the participants understanding of certain terms are essential. The case study is, like most other research, seldom purely inductive or deductive, but ‘Through employing the case study the primary intent is to pull it in an inductive direction by as far as possible to let the ‘case narrate itself’. Through this, one discovers what concepts, issues etc. grows from it’⁸. (Flyvbjerg, 1988:7). However, the sole understanding of human behaviour from the actor’s own view is seldom sufficient to create a proper appreciation of a phenomenon. The concepts and issues discovered in the empirical investigation must thus be juxtaposed with existing knowledge and the research perspective will often be engendered on the basis of this (Ibid). This research method suits the abductive approach by allowing for the, largely inductively, collected data to be structured by use of existing theoretical literature. This way the pitfall of qualitative research to lack focus (Mayoux, 2006) may be avoided. To focus this study I employ participatory tools (explained below) to rapidly catch prime issues based on local perceptions, as well as assist in selection and categorization processes during data collection, and subsequently investigate these issues in-depth.

The data collection process is important in case studies. It should be approached without attempts to fit activities or experiences of participants into predefined categories and it should aim at totality and depth (Flyvbjerg, 1988). Flyvbjerg (1998) sets out four principles to approach research with an open mind. Firstly, proximity to the data, which entails a thorough understanding of what the case is concerned with and direct personal contact with the location and the actors. Secondly, a fact-based relation to the data to maintain focus on what actually

⁸ My translation from Danish to English

happens and the actual expressions by research participants. Thirdly, a descriptive part of data collection, which entails an extensive description of environments, people, interactions and activities. Lastly, the reproduction of data is emphasised. As far as possible the ‘case must speak for itself’ through the use of quotes, documents or the like. The four principles are integrated in data collection and analysis to obtain an open approach to the research. To accomplish depth and totality of the case a mixed model approach has been employed to data collection and analysis. Hence, both qualitative and to some extent quantitative approaches are adopted which allows for quantification of qualitative data and vice versa and data triangulation (Saunders et al, 2007). The in-depth interview is a central part of data collection in case studies. Importantly it facilitates deeper understanding of a phenomenon but is also limited by the cultural, social, political, professional perspective of participant and interviewer as well as state of mind and personal agendas. Observations and other documentation are employed to broaden the perspective (Flyvbjerg, 1998). It may further influence the actual interview situation by the way I ask questions based on the answers I look for (Kvale, 2005). I have sought to keep this in mind during data collection and subsequent analysis.

4.2 Field Work

After this section on the methodological point of departure for the thesis I shall direct attention to the actual field work, which was undertaken during a five week stay in the rural area of Kamphenda, Rumphi district in Northern Malawi, between November 1st 2011 and December 5th 2011. This area became subject to investigation as VSLA training has been implemented here by Church & Society (C&S), the facilitating Malawian organisation, and in which a large number of VSLAs exist within a relatively small area. The latter was important due to the very limited information on the groups before the field stay. I stayed with a local family of which the one member and a close relative were members of a VSLA. During the five weeks all data was collected and no subsequent data collection has been necessary.

4.2.1 Data Collection

This section presents how data was collected including the various considerations and adjustments necessary to meet the goals of the data collection. The collection of data consists of two main elements: Groups sessions and in-depth interviews of which the latter receives most attention in terms of analysis. Key informants served as a supplementary element to the group sessions and interviews mainly in a process of identification and categorisation. The

following elaborates on each of the three parts of data collection and my considerations on the use of an interpreter, but first of all I will briefly introduce my inspiration from participatory approaches to development research.

4.2.1.1 Why Participatory Approaches

Participatory methods have been used and developed through the past 30 years (Mikkelsen, 1995) and proven highly useful in development research in rural settings. Robert Chambers, the father of participatory approaches, developed the concept as he heavily criticized questionnaire surveys which he saw as useless to identify causal relationships of reciprocity, dependence or exploitation (Chambers, 2008:6) in a development context. The aim is engagement and inclusion of the beneficiaries themselves in processes of development to increase empowerment of the local populations to launch social change. Particular focus is directed at the most vulnerable and marginalized populations to include these groups in decision-making and implementation of development initiatives (Mayoux, 2006).

This paper has been inspired by participatory approaches as a methodological tool for data collection and in its approach to generating knowledge and sharing findings. The use of wealth ranking has been drawn from the tool box of participatory approaches. I shall explain its use in detail below, and merely note that wealth ranking has a profound basis in the history of participatory approaches. My reasons for inclusion of the wealth ranking tool are twofold. Firstly, the wealth ranking is suitable to discover *local* perceptions of poverty, which is helpful to ‘...*identify and respond to local, cultural, historical, socio-economic...*’ and other factors that affect the practices in a community (Beazley & Ennew, 2006:191). By extension important elements of poverty that may be lost in a predefined measure are disclosed and local perceptions provide clues about the context which is vital for the case study. Through the interviews I have also stressed the local understanding of poverty by the poorest themselves, as well as their attitudes to the VSLAs to emphasise the beneficiary’s opinion. I further encouraged participants to find own solutions to problems they highlight during interviews. Secondly, the wealth ranking proves useful in categorization and identification processes of the research participants and to rapidly identify the local understanding of poverty. In accordance with Mikkelsen (1995) I hence take a rather instrumental stance to participatory approaches to increase efficiency of the investigation process. There is as such no expectation that the participants achieve greater empowerment as a result of using the wealth ranking. I hereby avoid a significant line of critique. The concern is that empowerment as a concept has been

simplified in the rhetoric and practice of participatory approaches and that important nuances and complexities of the core concepts ‘power’ and ‘power relations’ are lost (Cooke & Kothari, 2001).

In a research context the researcher is supposed to conduct research with the participants rather than about them (Beazley & Ennew, 2006). I have, however, not intended to include my participants in all steps of the research especially not related to the objective of the research, which was decided beforehand. I include the participants through my attempts to rely on *local knowledge* and *share* my findings and methods with the local population, facilitating organisations as well as the general public (Chambers, 2008). Sharing has been done through a number of means: A farewell session with the participants, debriefing with the facilitating organisations and subsequently forwarding a summary of findings to the interested parties. The final thesis will also be submitted. I have, moreover, submitted three contributions to a blog on microfinance (see: <http://inclusivefinance.wordpress.com>) as well as given two talks on my field stay. It is also a hope that the introduction of concepts such as exclusion and inclusion to participation in the group sessions and interviews may foster some reflection over the potential consequence of such issues among the participants. Participatory ideas further relate well to the use of the case study strategy which takes point of departure in the case actors, views and perceptions.

4.2.2.1 Lost in Interpretation?

I will in the following turn to the more pragmatic part of my field work and elaborate on some of the advantages and disadvantages of using an interpreter during a research stay.

The use of an interpreter is an inevitable circumstance in much development research, and may have a number of consequences, both negative and positive. On the one hand, the research risks being ‘trapped’ within interpreter’s perspective on society affecting the interpretation, which blurs objectivity. On the other hand, a local interpreter enjoys the benefit of firsthand knowledge of the area and speaking the local language. Even though issues of power related to gender in the interview situation were seemingly nonexistent, it may have affected the answers (Bujra, 2006).

Direct translation was attempted as far as possible. Also I made a thorough introduction to the research purpose and the interview guides before data collection initiated (Bujra, 2006). Direct translation, however, was neither always employed nor possible. On occasions the inexperience of the interpreter with interpretation and his English skills did affect

translation. And it is also likely that the use of certain terms like ‘balanced diet’ sprung from his training with different development NGOs and was probably not the actual terms used by the participants. There was a very good understanding between the interpreter and I, why it is assumed that interpretation was reliable, and after a while I became familiar with his way of interpreting, and somewhat familiar with the local language which made it possible to get a feel for what was interpreted and how. His presence moreover acted as a ‘cultural buffer’ in terms of correct or comprehensible phrasing of questions (Mikkelsen, 1995), thus avoiding offending of the participants. After the interviews we would converse about the content and perception of the interview to share ideas and discuss uncertainties (Bujra, 2006).

4.2.1.3 Group Sessions

The group sessions were, first of all, intended to reveal general issues of interest and criteria of membership to explore further in the interviews (Saunders et al, 2007). Secondly, they facilitated the development of the wealth ranking. Firstly, I will present, in brief, the processes for group selection.

Group Discussions - General Issues of Interest

The point of departure for the investigation was four VSLAs. These were identified on the basis of gender and age composition, the lifespan of the VSLA and level of training the group had received. I could therefore select groups of a varied composition and at different stages of their lifespan in order to capture a broad spectrum of opinions. I was presented to a total of eight VSLAs from which the choice was made⁹. The basic information about the groups was captured during a welcome meeting with the groups. The four groups were chosen as follows: One had received full training from C&S, a second had only female members, a third had an equal distribution of men and women, and the fourth had the largest age-span. After the selection group sessions were undertaken with each group. The number of participants of each group discussion varied from approximately 40% participation of the full group to 80%. This degree of participation is viewed as acceptable, since gathering groups of people in this context can be relatively difficult and time-consuming (Loyd-Evans, 2006). Table 4.0 below gives the basic information on the four groups.

⁹ The impression from the field stay is that a large number of groups exist within the area (Int.11). However, only eight groups were present at the introductory meeting held upon arrival to the area.

Table 4.0 Basic Information on the Case VSLAs

<i>VSLA</i>	<i>Total No of members</i>	<i>Male/Female</i>	<i>Member age-span (years)*</i>	<i>Group age (months)</i>	<i>Training</i>
1 Wanangwa	25	1/24	25-50	24	Trained
2 Chazimya	20	0/20	25-60	4	Not Trained
3 Vilimo	13	6/7	25-55	4	Not Trained
4 Fukafuka	25	2/23	18-50	11	Not Trained

Bold: main reason for choice of group

** Groups' own estimate*

The group sessions were conducted during three hours, divided between the two purposes: discussion and wealth ranking. The discussion would take point of departure in the interview guides for individual interviews. Group discussions are often used in development research to obtain information on collective views and to assess group beliefs, behaviours and attitudes which may not be revealed in in-depth interviews, and are widely used in qualitative research usually accompanied by other methods (Loyd-Evans, 2006). Thus, the group discussions were largely employed to get background information on which to build in the subsequent interviews. It further gave all (present) members the opportunity to speak their mind, seen in the light of limitations to interview all VSLA members, and created familiarity between the participants and I.

As regards the method's limitations the main issues relevant to this study are issues of peer-pressure and misguided notions of a collective view on a particular topic, as well as domination by certain participants (Saunders et al, 2007). However, these limitations are catered for by subsequently conducting in-depth interviews where personal opinions can be expressed more freely. Group composition is irrelevant to this study since the objects for the group discussions were groups already existing.

Wealth Ranking – Understanding Who the Poor are

The second part of the group sessions consisted of the wealth ranking. Wealth ranking investigates perception of wealth differences and inequalities in a community, and aims at identifying and understanding local indicators and criteria of wealth. It is further widely employed in development research (Mikkelsen, 1995). In this research it serves three purposes. First of all, it gives an indication of the local understanding of poverty, as encouraged by participatory approaches. Secondly, it is used to investigate the wealth composition of the VSLAs. That is, how members are distributed between four levels of poverty, which give an

impression of the inclusion of the poorest into the VSLAs. Finally, it is used to identify non-members within level three and four of the wealth ranking for interviews. As such wealth ranking is a tool for direct data collection (definition of poverty levels and wealth composition of group members) as well as a necessary step to identify relevant interviewees.

In total four wealth rankings were undertaken, three with VSLAs and one with village heads (chiefs) of the largest administrative area within my area of research. The wealth rankings were subsequently compiled into one wealth ranking to provide a general overview of the poverty levels of the research area (appendix A). The formulation of guidelines for the wealth ranking (appendix B) was inspired by different aid agencies (The World Bank, FAO, RUDEP) and adopted to the particular use of this study (Chambers, 2008). The wealth ranking consists of four levels ranging from the poorest (fourth level) to the least poor (first level). The number of levels was kept at a minimum and chosen beforehand to save time and since the wealth ranking was a supplement to and necessary step for further collection of data. It was thus not seen as essential that the number of levels was identified by the participants.

4.2.1.4 In-depth Interviews – Identification, Techniques and Considerations

The second and primary element of the data collection consists of in-depth interviews. Interviews are apt tools to obtain information on processes, motivations, behaviour and beliefs (Mikkelsen, 1995) which made it an obvious choice for this investigation of the mechanisms for participation within VSLAs. The interviews were grouped into three; current VSLA members; individuals that used to be members but are currently not: drop-outs; and non-members: individuals who have never obtained membership by choice, rejection or for other reasons. Mikkelsen, (1995:104) suggests that interviewing a number of different people on the same issue is particularly relevant within exploratory research, such as this. Also, collecting views from three different groups gives diverse perspectives, which is deemed essential by Willis (2006) for validity and reliability of the findings. In total 24 interviews were carried out: 12 VSLA members were interviewed; 5 drop-outs and 8 non-members¹⁰ divided between 6 male interviewees and 18 female. Table 4.1 gives an overview of the interview participants according to VSLA, “type” of VSLA affiliation and gender. For more information on the interview participants please see appendix C.

¹⁰ Three interviewees identified as non-members, unfortunately, proved to be present or previous members of other VSLAs than the four VSLAs targeted for the research. Hence, technically only 8 non-members were interviewed, though 11 were identified.

Table 4.1 Overview of Interview Participants

VSLA	Members	M/F	Drop-Outs	M/F	Non-Members	M/F
Wanangua						
	Interview 1	F		F	Interview 14	M
	Interview 2	F	Interview 11	F	Interview 15	F
			Interview 12	F		
Chazimya						
	Interview 3	F				
	Interview 4	F				
	Interview 16*	F				
	Interview 17*	F				
Vilimo						
	Interview 5	M	Interview 13#	M	Interview 18	F
	Interview 6	M	Interview 13#	F	Interview 19	F
Fukafuka						
	Interview 7	F			Interview 20	M
	Interview 8	F			Interview 21	F
	Interview 9*	M			Interview 22	F
	Interview 23*	F			Interview 24	F
Total	12	3/9	4	1/4	8	2/6

* Identified as non-members of the target VSLAs, but proved to be members or previous members of other VSLAs

Drop-outs were interviewed at the same time (husband and wife)

The selection of interview participants was an ongoing process during data collection. Firstly, VSLA members were chosen as follows: As appropriate in the research context the chair person of the VSLA was selected, and after the group session a second member was identified upon my personal evaluation, of the openness of the individual to speak freely. In total eight members were selected in this manner. The remaining four members were identified as non-members but proved to be present or previous members of other VSLAs and one member was identified to speak on behalf of his mother; a non-member. Some non-members were identified through snowballing (during interviews with VSLA members) which proves to be a useful method when targeting participants difficult to identify (Saunders et al, 2007). This task was expectedly difficult, as it is seemingly not appropriate to disclose the identity of individuals who have not had access a group or left it (Int.7). Presumably this is

related to embarrassment or conflict. Most non-members, however, were identified by the key informants (discussed below). Drop-outs were also identified using snowballing.

The interviews lasted between ½ and 1½ hours and were conducted in a semi-structured fashion. It ensured that the most essential topics were covered but still left room for the interviewee to express thoughts and opinions of their own, within the time frame (Kvale, 2003). Furthermore the use of interpreter also invites application of this method, as it gives the interpreter the possibility to get familiar with the interview content and thus speeds up interpretation (Bujra, 2006). Highly similar interview guides were formulated for the three groups of interviewees facilitating comparison (appendix D). The guides were created on the basis of existing literature on VSLAs and the research objective. They were adjusted slightly after the initial group sessions and interviews when important issues and expressions were known. New themes were, furthermore, introduced to subsequent interviews as they came to the fore. The interview situation was eased by preliminary introduction and explanation of everyday life by the participants (Kvale, 2003), and possibly my previous experience from living and travelling in four East African counties (appendix E). The extent of the field stay obviously also added to my integration and understanding of the context.

4.2.1.5 Key Informant Meetings – Selection & Categorization

As the third element of the data collection three key informant meetings were undertaken, one for each second-level administrative area of the VSLAs¹¹. Since two of the VSLAs fell within the same administrative area, only one key informant meeting was held for both groups. Two informants for each area were identified by the translator. Generally, chiefs were identified on the basis of their knowledge of the inhabitants of the area, and despite attempts from the translator to create gender balance all key informants were male. The informants allocated each VSLA member to a wealth ranking level and identified non-members for interviews.

Allocation of the VSLA members to wealth ranking levels was done on the basis of the *household or husband* of female members. It was explained that the key informants had to look at the wealth of the husband or household as women often have no possessions. This creates a risk that the wealth composition of the VSLA members and identification of interviewees is flawed. It is problematic in terms of the allocation of VSLA members (of which

¹¹ The District Assembly is the main authority. Below the Assembly are Traditional Authorities which gather the sub-Traditional Authorities, also referred to as the Group Village Heads (GVH). The GVH heads a group of Village Heads (VH) which is the administration closest to the local population. The VH is the chief of a village. These usually consist of 15-30 households. (Field Diary, SEP, 2009)

most were women), since the wealth of the husband seemingly not necessarily benefits the woman within the household. For identification of interviewees the issues is less significant. If the assumption above is correct, it is highly unlikely that a woman identified in a household would be wealthier than her husband. Thus, I assume that the poorest segments of the communities have been identified, if the household has been allocated within the third or fourth level. Furthermore, the key informants were not specifically asked to identify women for interviews, but evidently did so which could indicate that the women are seen as the poorest even within households¹².

4.2.2 Ethical Concerns

After these sections on the practical approaches to the field work I shall devote a few pages to reflect on issues of ethics in development research. During my five weeks in the field I continuously came upon issues that required reflection as to the appropriateness of my behaviour, content of the research, methods etc. The following disclose how I dealt with these various ethical issues.

First of all, '*Sensitivity to cultural differences is a principal ethical guideline in development research.*' (Harrison, 2006:63). In accordance with this I attempted to understand the culture in which I was placed to recognize differences and similarities with my own. In order to gain trust and mutual understanding (Harrison, 2006) I was very aware that participating in the everyday life was key to gain such attributes. The attempts made to participate in local events, be they cooking, fetching water, attending church services, joining the church choir, or participating in funerals, were highly appreciated and noted at my farewell session and by the interpreter. To use the terms of Uphoff (1999) I attempted to create social capital, especially trust and a favourable reputation, through constant interaction and culturally sensitive behaviour. Also my experience with other Sub-Saharan African contexts proved useful to gain trust and understanding (appendix E). Considerations of justification of intervening in the lives of participants is a recurrent issue in development research and an inevitable issue to deal with (Harrison, 2006; Mikkelsen, 1995). In my experience there was a clear hope on the part of the participants that the interaction with me could potentially bring benefits, such as financial or technical support. This contrasted with the reality that my

¹² As most key informant meetings took place after the interviews with the VSLA members it was not possible to verify the allocation to the wealth ranking with the interviewees. In the instances where it was possible to seek verification, the interpreter was reluctant to ask, explaining that he had to paraphrase to avoid offence (appendix E).

research would not directly benefit the participants, thus the expectation that was put on me may have been higher than what I could fulfil. Alternatively, interaction with me clearly was an appreciated gesture. This was expressed through a feeling that the participants were being heard. The interpreter further assured that my behaviour had not been offensive and that I showed a high degree of cultural sensitivity and respect towards the participants (appendix E). I hence, argue that despite the possible discord of expectation I trust that the participants gained something from the interaction me.

Informed consent (Brydon, 2006; Mikkelsen, 1995; Kvale, 2003) from participants was obtained immediately before data collection. Each interview, group sessions or informant meeting initiated with an introduction to me, purpose and outcome of the research. The participants were assured anonymity¹³ and confidentiality and asked about attitudes towards recording of the conversations (Brydon, 2006; Kvale 2003). Not until it was certain that the participant understood and accepted the circumstances did the data collection begin. The previous considerations highlight essential concerns of doing development research, which I have attempted to comply with as far as possible.

4.3.1 Data Analysis

This final section of the chapter on methodology will concern the process of data analysis. It will thus describe the steps taken to structure and analyse the data material, both during as well as after the field work.

According to Miles & Huberman (1994) data analysis should not only be undertaken after data collection. Taking field notes is the first and essential step of data analysis because reviewing these often stimulates the researcher to recall things that were not noted during data collection. These supplementary notes were contained in the field diary along with recollection of information and observations made outside the actual data collection (Kvale, 2003). All interviews were transcribed and transcriptions are held very close to the original recording. However, all emotional aspects (sighs, tone of voice etc.) of the conversations are left out, since I seek to display an overall impression of the participants' opinions (Ibid). Passages irrelevant to the analysis are also left out. It has been necessary to occasionally reformulate statements or passages in the transcriptions to make sense of them¹⁴.

¹³ Complete anonymity was hard to secure since other inhabitants of the area would easily be able to trace who had been visited for interview.

¹⁴ This was due to the limitation to the interpreter's English skills.

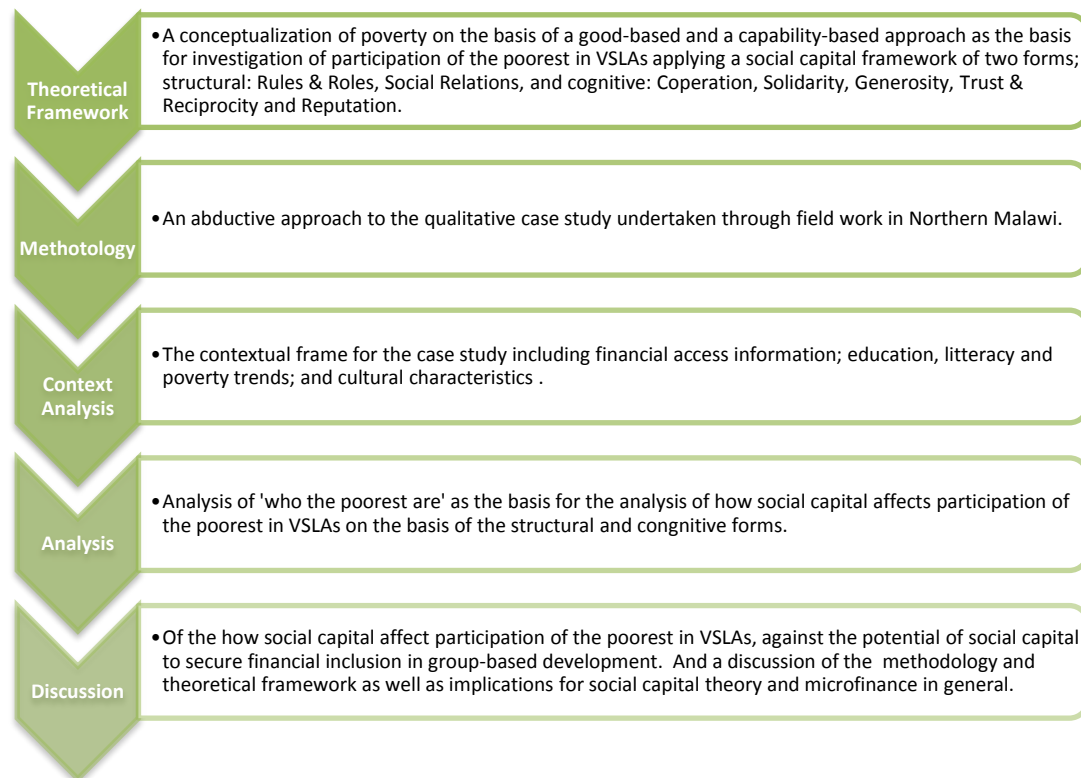
In the analysis all statements from interview participants are weighed equally as I find that they contribute equally to the analysis.

The interviews are my main source of data, and thus the only data that has been coded. Due to my abductive approach, I did not have a start-list of codes to steer my data collection. This allowed for more context-sensitivity and open-mindedness during data collection, even though the ultimate exercise was to match the data with a theoretical frame (Miles & Huberman, 1994). The actual coding, thus, took place upon return from the field. In this process I made use of Kvale's (2003) 'Meaning Interpretation'¹⁵ which accompanies the abductive approach well. The researcher has a perspective on what is being investigated and interpretation takes point of departure in this perspective. The researcher makes abstractions that depart from the original statements to create structures of meaning. It demands a certain distance from the original statements which is obtained through a methodological and theoretical perspective and which recontextualises the original statements into a specific conceptual context (Kvale, 2003:199). My coding was thus primarily inspired by the field data but labelled and analysed according to my theoretical frame. The analysis thus builds on the coded statements that supports or invalidate the theoretical assumptions. Figure 4.0 outlines the research process for this paper.

The qualitative case study strategy emphasises the importance of the context of the case (Danermark et al, 2002). The next chapter present the context of the research as well as introduces the case organisations.

¹⁵ Translation of the concept taken from Kvale (1996) *'Interviews – An introduction to Qualitative Research Interviewing'* Sage Publications

Figure 4.0 Research Process



5. CONTEXT ANALYSIS

The following sets the contextual frame of reference of the thesis as well as introduces the facilitating organisations.

5.1 Malawi – The Warm Heart of Africa

Malawi is commonly known as the Warm Heart of Africa, for its openness and friendliness towards visitors. The following will, among other things elaborate on this.

Malawi is located in Central Africa, landlocked and bordering Tanzania to the northeast, Zambia to the west and encircled by Mozambique to the south. With a population of ca. 13 mil Malawi

Figure 5.0 Map of Malawi



Figure 5.1 Map of Africa



ranks sixth among African countries in population density (Minot, 2010) and the country ranges among the least developed countries (OECD, 2011). The economy is largely agricultural with about 80% of the population living in rural areas (CIA, 2012).

Tobacco forms the second largest source of income at the national level, and along with tea, sugar and coffee, it make up more than 90% of Malawi's export revenue (McCracken, 2000; FinScope, 2008). In the Rumphi district most commercial farmers live from tobacco (SEP, 2009) and the recent dramatic decrease in tobacco prices have severe consequences for households as well as national growth (Maotcha, 2012).

Of the total population 40% live on less than one US \$ a day, and with around 350 US\$ p.a. the country has one of the lowest GDP per capita in the region (UNICEF, 2009;

IMF, 2012; FinScope, 2008). Poverty rates, however, differ between regions. In the northern region 9 % of the ca. 1.9 mill people are counted as ultra-poor i.e. living on less than 00.20 US\$ a day and another 31% are poor (DCA & C&S, 2010; NSO (b), 2009). Table 5.0 shows poverty by region in 2004 and 2009 (NSO (b), 2009). In 2004 the rural Northern Region had the second largest ration of both poor and ultra-poor. In 2009 the Northern Region had the smallest ration of both

Table 5.0 Poverty by Region – 2004 & 2009

	2009		2004	
	Ultra-poor	Poor	Ultra-poor	Poor
Malawi	15%	39%	22%	52%
By Region				
Urban	8%	25%	8 %	25%
North Rural	9%	31%	26%	56%
Centre Rural	13%	41%	16 %	47%
South Rural	23%	51%	32 %	64 %

poor and ultra-poor. Hence, besides general decrease in poverty rates the north now has the lowest level of poor inhabitants at the national level.

Despite the existence of a number of financial services in Malawi, access is a severe problem, and the government acknowledges that a more inclusive financial system is necessary for the economic development (IPM & KD, 2012). The Financial Sector Assessment Programme from 2007 conducted with support from the IMF specifically recommended that financial access was deepened. The UNCDF¹⁶ and the Ministry of Finance has thus launched a national strategy for building inclusive financial sector. Despite the reforms undertaken in the past decade, more than 55% of the adult population remains financially excluded (Ibid). Even though Malawi ranges among the top of its African peers¹⁷ when it comes to use of formal services it remains within the bottom third as regards the financially excluded. From a regional perspective 51% of the population in the Northern Region is financially excluded compared to 48% and 40% in the Central and Southern Region respectively (FinScope, 2008). The main constraint to businesses in the Rumphi district is access to financial capital, which is limited to those with sufficient collateral. (SEP, 2009). Despite the high population density commercial banks remain operating in cities and towns leaving the rural areas largely unserved (IPM & KC, 2010). The main reasons for not having a bank account are largely due lack of capital. Malawi is a nation of savers where 74% save in cash or in kind. Reason for not borrowing is

¹⁶ United Nations Development Fund

¹⁷ South Africa, Namibia, Botswana, Nigeria, Uganda, Kenya, Zambia, Rwanda, Tanzania (FinScope, 2008)

commonly concerns for indebtedness or inability to repay. In Malawi there seems to be a general consensus that late repayment is unacceptable stated by 80% (FinScope, 2008).

Literacy is acknowledged to be an essential part of socioeconomic development such that high literacy levels correlate positively with low poverty levels. For Malawi the national literacy was by 2008 63%¹⁸ (NSO (a), 2008), which is rather impressive compared to other African nations. According to the UN Statistical Division 2011¹⁹, Malawi ranks above Zambia and Ghana in a Sub-Saharan African perspective and below South Africa and Zimbabwe that take the top positions (UN, 2011).

From a regional perspective, the Northern Region outcompetes the Central and Southern Region on all literacy parameters. The Northern Region has the highest percentage of the national population completing education within senior primary and, junior and senior secondary school. The region also enjoys a 77% literacy compared to 62% for the Central and Southern Regions. Within the north Rumphi district reaches an 82% literacy rate only slightly behind the regional leader of Mzuzu City (88%) and the national leader Blantyre City (88%). This implies that the research area has a rather literate population. What furthermore supports this is the data on literacy by ethnicity. The Tumbukas, which populate the Rumphi district, receive the highest rate of 79% compared to 60% for the Chewa which is the largest ethnic group (32% vs. 8.8% Tumbuka), that populates central and south Malawi (NSO (a), 2009; CIA, 2012).

Malawi, unlike many other African nations, does not suffer from long-term internal conflicts (AfDB/OECD, 2007). Despite the persistence of regional and tribal rivalries no significant tribal frictions exist and the Malawians are known to be conservative and traditionally nonviolent (US D. S., 2012). As the main ethnic group in the Rumphi District is the Tumbuka, 95% speak Chitumbuka and only a 5% speak Chichewa (SEP, 2009). As noted above, the north enjoys impressive literacy rates compared to the rest of the country. The Scottish Missionaries play a significant role in this development establishing important educational and diplomatic relations to the people in northern Malawi (McCracken, 2000). The emphasis of education is thus an integrated part of the northern Malawian tradition. In Malawi, as in many other places in Africa, ancestors play a significant part in the everyday lives of their

¹⁸ Literacy is defined as ability to read and write in any language. Respondents aged 3 years and above were asked questions related to education and literacy status. In the report, literacy is reported for population aged 5 years and over (NSO (a)2008:32).

¹⁹ Literacy is defined as a person who can, with understanding, read and write a simple statement on his everyday life (UN, 2001)

descendants. Conflicts between families and relatives are condemned by the ancestors, which influence attitudes to towards one another in Malawi (Munthali, 2006). Finally, the African Philosophy of Ubuntu influence behaviour, since it values the community rather than the individual, and specifically in the case of Malawi putting oneself above the fellow community members is highly discouraged (Lutz, 2009).

5.2 Facilitating Organisations

This section briefly introduces the facilitating organizations, their relationship and work in the research area.

DanishChurchAid (DCA) is a Danish humanitarian NGO rooted in the Danish National Evangelical Lutheran Church. The organisation works with numerous local partners, other national and church organisations as well as international networks in a number of developing countries (www.noedhjaelp.dk). DCA, among other things, facilitated the initial contact with their Malawian partner: Church & Society. Officially denoted Church of Central African Presbyterians (CCAP) Synod of Livingstonia, Church & Society Programme, C&S operates in the north of Malawi. The CCAP has partnered with DCA since 2002, and is the largest contributor to development work in the Northern Region. The objective of the organisation is to improve the socio-economic status of people living in the area through sustainable church and community-based development programmes, and rights and social justice have become important aspects of the work. Established in 1992 as a committee under the Synod of Livingstonia, C&S aimed at fighting for human rights, good governance and democracy. In 1999 it established itself as a department working on advocacy, civic education, research and consultancy (Field Diary). C&S has a very politically active and influential director.

As regards the introduction of the VSLAs in the project area of Rumphi district, it was engendered through the expressed need among women in an empowerment program to also have access to financial resources (C&S, 2008). C&S works through local paid staff and volunteers and responsibilities are distributed accordingly. Through mobilization meetings, organized by staff and volunteers, the community is introduction to the VSLA method. In the case of the Kamphenda area the training did not only include the current members of the empowerment project, but reached out to all interested parties. After group formation on the basis of self-selection, groups are trained extensively in the VSLA method through a series of meetings where both volunteers and staff participate. Further explanation to the VSLA method

will be presented below. I was attached to the local volunteer for C&S who undertook training in and around the Kamphenda area, and was also my interpreter. He is furthermore part of the Village Development Committee²⁰ and a volunteer for a number of other organisations. Figure 5.2 shows a map of the Rumphi district.

Figure 5.2 Rumphi District Map



The two main green areas depict the Nyika National Park and the Vwaza Game Reserve

²⁰ The social-economic development is undertaken by the Area Development Committees representing all the Village Development Committees (VDCs) in a Traditional Authority. The VDCs is a (unpaid) representative body from a village area that identifies needs and facilitates planning and development of the local communities. The Rumphi District has seen a rapid increase in VDC (village development committees) over the past years suggesting that the demand for self-rule and organizing decision-making is high. Informal administrative structures, such as women and youth groups and civic clubs, complement to the social and civic work of the governmental agencies (SEP, 2009).

6. ANALYSIS

The following section comprises the analysis of the paper which is built up around the group sessions, the key informant meetings and the 24 interviews. Firstly, the section will present an analysis of how the poorest are defined. Secondly I look at the structural form of social capital consisting of: Rules & Roles and Social Relations. Thereafter, the cognitive form is investigated entailing five dimensions; Cooperation, Solidarity, Generosity, Trust & Reciprocity, and Reputation. Each dimension is considered regards to the possibilities for the poorest groups to participate in VSLAs. The final section collects all arguments from the analysis to create a summary of the findings.

6.1 Who are the Poorest?

The analysis of who the poorest are functions as a basis for the rest of the analysis, where the definition will be included at all stages to draw conclusions on participation of the poorest. The analysis is based on data from the wealth ranking as well as from the interviews.

In the theoretical framework I described two strands of literature on the definition and measurement of poverty: The goods-centred, which focused on economic well-being; and the person-centred, which emphasised peoples' capabilities to move out of poverty. I will now look at how these strands are represented according to the data. On the basis of the descriptions in wealth ranking the poorest are by and large described as people that have almost a complete lack of assets; clothing is poor, housing is a shelter of grass or sticks with no bed or blankets, they have no mobile phone, no means of transport and food is collected from the trash or through begging (appendix A). This description of the poorest is clearly within the goods-based measure that emphasis lack of income and consumption. However, it represents only one element of who the poorest are. Some participants mention that the poorest do not bathe, they have no knowledge of diet, they cannot contribute to discussions and have less knowledge (appendix A). This, alternatively, suggests that capabilities or lack thereof also describe the poorest, as these indicators are not based on income or consumption. Markedly, the expressions that correspond to the capability definition are only made about the poorer populations (level three and four of the wealth ranking). This could be an indication that being very poor, not only depends on accumulation of assets, income or consumption but also capabilities to change your life circumstance. I suggest that if you e.g. have little knowledge (education) your chances of discovering ways to move out of poverty may be limited and there

are certain jobs that will be out of reach. Within this frame of thought education may be a way to improve one's livelihood as opposed to a larger income.

The interviews also revealed different points of views. A non-member expressed the following: *'The house doesn't matter to me. It happens sometimes your husband has built the house, and he dies, then you are just staying in a very beautiful house. So even if you could consider that this one is better off she is not.'*²¹ (Int.19:4). Clearly, the house as a physical asset does not matter to this woman in terms of wealth. She still suffers from bad health and difficulties farming her land due to old age. Along the same lines another non-member describes the poorest as such: *'He doesn't want to take his chaps [children] to school, to attend education. There is free primary school from standard 1-8, but he never sends his chap to school. [...] The way that someone appears you could foresee if one is very vulnerable.'* (Int.22:4). This further indicates that poverty is not only understood on the basis of assets but is also ascribed to behavioural manifestations, such as not taking your children to school. Interviews further revealed that mobility and good health is important to be able to maintain a living, as these are prerequisites for running a business (e.g. Int.12, Int.16). This again points to a capability based approach, concerning one's abilities to move out of poverty. According to the above the poorest are primarily understood as those without any assets, pointing towards a goods-centred approach. But that some non-asset attributes such as little knowledge, not sending your children to school, immobility and bad health etc. are also counted as characteristics of the poorest, which suggests a capability definition of the poorest.

There are, further, certain discrepancies between how the poorest are described in the wealth rankings and by the interviewees; and how they are picked out by the key informants. Seven of 25 interviewees and 29 of the 83 VSLA members were allocated to the fourth level of the wealth ranking by the key informers (see table 6.0) and thus belong to the poorest. However, none of the interviewees live in houses of grass or sticks, and they farm and sell their produce to the extent they are able to, which suggests they do not need to collect food from trash or are forced to beg. Most also express themselves well²². But in two of the interviews with individuals identified as the poorest the conversation was severely hindered (Int.15, Int.20). In these situations the participants seemed to have difficulties understanding

²¹ Due to the use of an interpreter all statements are in the third person. In the quotes I have, thus, changed it from third person to first person, whenever an interviewee is talking about him/herself. This avoids confusion about who makes the statements.

²² For further detail please refer to the interview transcriptions. They contain details of housing and schooling and other personal information.

the questions, let alone answer them. In one case (Int.15) the participant showed very little understanding of numbers, despite the fact that she was running a small business of selling beer. It suggests that identification of the poorest by the key informants do not strictly match the description from the wealth ranking. It is possible that the key informants view the wealth ranking levels as guidelines with a spectrum of nuances between them and thus find one person more at one level than another, but not entirely matching the criteria. Thus the key informants possibly identified interviewees and allocated VSLA members according to their own conviction of the wealth ranking levels. It is also possible that the context has implications for the definition and allocation of the poorest. As I described in section 5.1, the north of Malawi is subject to a relatively literate and well educated population and has the lowest poverty rates in the country. This could mean that there are very few examples of the poorest as described above among population in the Rumphi district.

This has implications for the analysis of the distribution of the VSLA members between the wealth ranking levels. From Table 6.0 below it is clear that the poorest are indeed included in the VSLAs. The figure shows that the distribution between the four levels varies somewhat between the groups, such that Wanangwa and Chazimya have an almost equal distribution between the levels. Vilimo's distribution is skewed towards level one (the least poor) and Fukafuka has the largest number from level four (the poorest). The majority of the VSLA members belong to the three lowest levels and the fourth level contributes the largest

Table 6.0 VSLA Members' Distribution According to Wealth Ranking level

<i>WR Level*</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>Total</i>
<i>VSLA</i>					<i>(Members & %)</i>
Wanangwa	5	9	5	6	25
<i>% of group</i>	20%	36%	20%	24%	100%
Chazimya	4	4	7	5	20
<i>% of group</i>	20%	20%	35%	25%	100%
Vilimo	5	4	2	2	13
<i>% of group</i>	39%	31%	15%	15%	100%
Fukafuka	0	4	5	16	25
<i>% of group</i>	0%	16%	20%	64%	100%
Total	14/17%	21/25%	19/23%	29/35%	83/100%

** 1= the most wealthy/least poor, 4 = the least wealthy/poorest*

share of total VSLA members, indicating that the poorest constitutes the larger share of VSLA members. The accuracy of table 6.0 is affected by the uncertainty of the interpretation by the key informants. Table 6.0 may thus not show the exact distribution according to the wealth

ranking, but it can be assumed that the distribution reflects a general trend of participation in VSLAs in the research area. On the basis of this exercise it seems as if the poorest are in fact relatively well represented in the VSLAs, but it is not necessarily the poorest as according to the wealth ranking they represent.

To condense the analysis above, it is possible that the criteria for the poorest in the wealth ranking will match only few from the area and that the definition will only partly match the interviewees and VSLA members despite the allocation to the fourth level. However, it must be assumed that a group of people, at least partly, falling within the wealth ranking level for the poorest does exist since the criteria has been identified in all group sessions and also represent statements from interviews. The investigation on the basis of the definition of the poorest above maintains its importance because it highlights the difficulties the poorest may face whether they are numerous in the village area of Kamphenda or not. Further, the data material reveals that there are limitations to membership which match well with this description of the poorest. Analysis will thus be done on the basis of the definition above, but evidence will also be drawn from those identified as the poorest, even though they may not fall exactly within the fourth category.

The research participants' definition of the poorest contains elements from both the goods-centred approach as well as the person-centred approach. In other words the poorest are defined primarily on the basis of total lack of assets (income and consumption) but also according to their capabilities to move out of their current situation. Importantly, I propose that this definition of the poorest entails that groups such as the disabled, people living with HIV and AIDS (PLWHA) and the elders are also calculated among the poorest. It is so, because they often lack capabilities to change their life circumstances due to health issues, immobility etc., which I will show in detail in the analysis. This definition is the basis for how the poorest are understood in the following sections of the analysis.

6.2 Structural Social Capital

As I have now defined who the poorest are I move to the analysis of participation of the poorest in VSLAs. The first form of social capital embodies the *facilitating* elements for mutually beneficial collective action. Firstly, Rules & Roles will explore the organisational structures the VSLAs with reference to their potential for facilitating collaborative behaviour. In the second section I analyse the impact of Social Relations on collective action and how this affects participation of the poorest.

6.2.1 Rules & Roles

This analysis of how the VSLAs are structured entails how work is carried out within the groups especially in relation to; resource mobilization and management; decision-making processes; communication and coordination; and conflict resolution. As argued in section 3.2.1.1 the set up of the VSLAs already creates a basis to carry out the functions and activities required for collective action as they gather to make use of their collective force to reach certain benefits. The section will as such provide less an analysis of *whether* these structures are in place but rather analyse *how* they can be seen in VSLAs. Hence, this initial part of the analysis will not look at the implications for the poorest. Following, I will present the basic structures and how these structures are apparent among the groups I encountered. I will analyse how work is carried out in the VSLAs according to the functions and activities described above. And on the basis of this I will conclude upon how the VSLAs foster collective action for mutual benefit.

For recollection, VSLAs are a very basic way to provide simple loan and saving facilities in communities that have no access to such facilities. As noted in section 5.2 C&S introduce the VSLA method and subsequently provides extensive training through a number of meetings. The processes of organisational set up is thus instructed by the development organisation, and carried out by the groups. The following will display the structural features of VSLAs I encountered and relate them to the official CARE VSLA guidelines (Allen & Staehle, 2009) which C&S is following. The groups should consists of about 10-25 members which, is sufficient to create a reasonable pool of capital from which to borrow and small enough to maintain manageability (Allen & Staehle, 2009). The groups that I am familiar with all range between 10-25 members irrespectively of whether they have received training or not (observation). The following quote shows that members are aware of the benefits from a larger group: *‘There was a member from the group. She would come to me when we were chatting, [saying] we have formulated a group and it is meeting on Sundays. We are few, so if you are willing to join, you can also come, so that numbers can rise a little bit.’* (Int.17:4). In the area of Kamphenda only two groups have received training from C&S, but other organisations have previously introduced the concept to the area, which probably adds to the number of trained groups. The rest of the groups that exist are created on the basis of replication of the trained groups. According to the interpreter numerous groups exist but no exact recording has been made of the actual number.

In the Kamphenda area the groups meet weekly to undertake sharing and borrowing. Sharing is the practice of saving up, and works through the buying of shares. A member can typically buy up to five shares per meeting and can thus save up the amount that corresponds to five shares. According to the VSLA guide this limit on share buying is utilized in order to avoid extensive ownership by few members of the savings in a VSLA. In the area of Kamphenda the typical price of a share is 50 Mk²³ (around US\$ 0.30²⁴), but one group paid 250 Mk/share (group sessions). The groups I met all remained within the limit of five shares per meeting. According to the VSLA guide once the group has saved up a certain amount (decided by the group) the members have the possibility to borrow from the pool of money. They are consequently obliged to repay according to the conditions decided by the group, all groups I met were distributing loans. A cycle of saving and borrowing is time bound and all groups that I came across did not exceed the one-year limit suggested by the VSLA guide. Five out of the eight groups I encountered had gone through a cycle and started a new. The cycle is concluded by a final sharing during which the accumulated savings and service charges on loans as well as a variety of penalty fees are divided between the members according to the amount each member has saved up throughout the cycle (Allen & Stahle, 2009). A social fund, encouraged by the VSLA Guide, was established in all VSLAs I came upon and the groups made use of it to greater or lesser extent (appendix F²⁵). The social fund is a basic insurance fund that covers illness, death or other unfortunate circumstances²⁶.

The previous paragraphs suggest that a number of rules are in place which built around collective action. Resource mobilization is secured through the shares. Resource management is rendered possible through a lower and upper limit to the number of members as well as through structures that prevent monopolization of the savings. Furthermore, limits to the length of a VSLA cycle limit risk of loss of capital following a simple logic that less money is easier to manage. These rules facilitate and ensure that activities are carried out in a specific manner that facilitates coordination of activities.

Essential features of the VSLA model are autonomy and self-management of the groups, since the goal is institutional and financial independence. Consequently, there is no

²³ Malawian Kwacha

²⁴ Calculated from the following website: www.exchangerates.org.uk

²⁵ Appendix F contains the constitutions of the VSLAs. I was only able to obtain three out of four constitutions from the participating VSLAs.

²⁶ The rules around the social fund vary somewhat between the VSLAs, and especially between trained and untrained groups (observation).

capital infusion by external donors or organisations. Development organisation, thus, only provides assistance in terms of training (Allen & Staehle, 2009). The VSLAs that I am familiar with assigned members to one out of five roles within the VSLA: a chair person, a record keeper, a box keeper and two money-counters. These five positions make up for the management committee and are ideally selected at the general assembly according to the VSLA guide. Through these democratic means, decision-making processes are established to enhance collective action, since all should have a voice in relation to management composition. Aside from these positions three key keepers are selected who each hold a key for the box which contains the money and which is kept with the box keeper (observation). It is unknown, however, whether the groups that have not received training have actually conducted a general assembly or not, but from my interaction with the groups it seems that untrained groups also install the management committee with the intended positions. The case VSLAs has developed constitutions that set the rules for the VSLA. Consistent with the VSLA guide, its purpose is twofold. Firstly, it provides a framework for governance, works to resolve disputes and provide a framework for sanctions. Secondly, it specifies conditions for the practices of sharing and borrowing. The constitutions of the case VSLAs reveal, that it contains rules on borrowing and repayment, default, election procedures, running of meetings, sanctions in the form of fees, gaining membership and leaving the group etc. (appendix F). The constitutions vary greatly between the groups, and especially between trained and untrained group (appendix F). The formulation of a constitution suggests that functions such as coordination and conflict resolutions are in place within the VSLA model and should thus provide for collective action.

The VSLA guide dictates that any action should be spoken out loud and transparency is ensured through memorizing facts and rules, e.g. the capital pool of the group at the end of a meeting, a particular rule from the constitution, the number of shares of the person sitting next to you etc, this also allows for the illiterate to participate. The chair person, record keeper and money-counters have specific tasks to undertake. According to my observations these processes are followed meticulously in the two groups I observed at weekly meetings, one trained the other untrained. I cannot say however whether this is particular to these groups or representative of the area. The Vilimo group experience problems implementing their constitution, suggesting that untrained groups have difficulties managing the VSLA. Moreover, most VSLA members expressed a desire for more training that indicates a wish to gain discipline and to ensure proper management of the groups.

6.2.2 Social Relations

I now turn attention to the analysis of the second dimension of structural social capital: social relations. This section will, first of all concern how the relations between individuals as information channels affect group formation and thus collective action. Secondly, I will look at whether all relations are equally conducive for collaborative behaviour. Lastly, I will provide an analysis on how the social relations affect participation of the poorest in VSLAs. For an overview of the interview participants please see table 4.1.

I will look at the group formation processes as a starting point. Close to all interviewees identify social relations as the point of departure for their knowledge about the VSLAs. This is cross-cutting for members, non-members and drop-outs. Non-members typically expressed that they have heard about the VSLAs from relatives or friends (Int.14, Int.15, Int.18, Int.22, Int.24), whereas more than half the VSLA members, have also attended mobilization meetings (Int.2, Int.3, Int.5, Int.6, Int.8, Int.9, Int.23) and subsequently started the group formation process. The following quote by a member explains the practice of group formation: *'Some persons started the group, I was one of them. We found it was a good idea. Let another member [person] know that this is a good idea, and this person went to tell another someone, so we were three persons. After this we started to mobilize the rest of the community, after this mobilization others wanted to join, and the number rose up to 15. Then each member could publicize [advertise] for the VSLA and the number rose up to 25. [...] All knew someone in this group at the beginning.'* (Int.7:2). From this statement it becomes clear that word of mouth practice of gathering a group is a typical way to form the VSLAs. A few people find interest in starting a VSLA and subsequently make use of their social relations to assemble a group. Through a practice of persuasion and information (Int.3, Int.9, Int.8) an initial few identify potential members and invite them to join. Afterwards, the group members discuss how the VSLA works and the rules are decided upon among the members (Int.2, Int.3, Int.5, Int.7, Int.8, Int.9, Int.16). From this I argue that social relations can be an 'entry ticket' to a group. They work as information channels about the existence of VSLAs, and thus become essential for participation. Without access to these information channels it may be difficult to participate in a VSLA. It further suggests the importance of having the "right" relations, meaning relations to those that have information about VSLAs. The following statement is an interesting example of social relations as information channels *'Some of them do not want to chat with their friends, to get the information, [...] it is their behaviour. [...] They are not used*

to chatting with their friends. If you can be chatting with your friends, you will gain something which will be helpful in your life, e.g. what is the goodness of this VSLA.' (Int.6:2-3). The statement is provided by a member expressing his frustration over the ignorance of fellow community members towards the VSLA. The quote backs the fact that social relations are channels of information, but also that these channels must be utilized for them to be useful. With this in mind the social relations identified among the research participant are evidently conducive of collective action, as they provide and are essential for group formation and participation in VSLAs.

Nevertheless, it seems that some relations are not necessarily conducive of cooperative behaviour, as evident from the next quote provided by a young, male drop-out: *They are all related [in the VSLA], which is a problem, as one could abuse a position as for example a treasurer, take out money from the group. At the end of the day, someone must take responsibility to tell the treasurer to pay back the money, but this may be difficult if you are too interrelated. Then it will make conflicts.* (Int.13:2). Seemingly the risk of conflict with close relatives is undesirable implying that there are limits to how close the relations should be within a group for it to function efficiently. It is supported by information in section 5.1 that Malawians are culturally predisposed to avoid conflicts with close relatives. It suggests that family relations may not always contribute to collective action in a VSLA. Often family and close relations are seen to be vital for social capital (Clever, 2005). Interestingly then, the quote above ignores this claim and other accounts, such as the following, support that forming groups with close relatives and relations is problematic. *'If there are problems in the family it can have an effect. If you have a quarrel at home, it could be taken to meetings in the VSLA. So it is not good if all family members are in the same VSLA.'* (Int.14:4 see also Int.11, Int.6). Some personal distance between the members of a VSLA is apparently preferable. I thus, argue that relations can be too close to favour collective action. This has implications for micro finance in general if certain group compositions are counterproductive for group efficiency in micro finance programs based on self-selection during group-formation.

This last paragraph will dwell upon the implications of the above for participation of the poorest in VSLAs. As for the poorest members of the communities I found no clear evidence that they are particularly excluded from social interaction. Neither the elders I spoke to nor the participants with severe difficulties grasping my questions seem to be excluded from

social networks. They were to varying degrees aware of the existence of the VSLAs and wanted to participate as this conversation with a very poor non-member illustrates:

Anne Sofie: Would you like to be a member of a village bank?

Int.19: I wish to be a member, but I don't have any money.

Anne Sofie: Do you know someone who is a member of a village bank?

Int.19: Yes, I know some.

Anne Sofie: Is it from the bank here in Chivrunga [the village]?

Int.19: I know someone from Chivrunga, from Vilimo. (Int.19:1)

The poorest know of members of the groups and find interest in joining (see also: Int.20, Int.15). None mentioned being excluded from participation, on the contrary ‘...*there was encouragement from the members for me to join the group*’ (Int.18:4). This old, female participant however, refused to join due to perceived inability to repay. The interviewees I refer to above are considered the poorest among my research participants. Thus, lack of social relations does not seem to hinder participation for the poorest, that I interviewed. The relations are more likely to be an advantage if they make use of these relations to access VSLAs. However, one interviewee did note that the poorest would never even know about the existence of the VSLAs, while asking me: ‘*Would he [the poorest] be able to know there is a VSLA?*’ (Int.10:4) By this she indicates that an individual among the poorest may not have access to information about VSLAs. This touches upon the discussion in section 6.1 that there may be a difference in the poorest identified by the key informants and the poorest according to the wealth ranking and interviewees. However, this is the only statement that suggests that the poorest lack social relations. Most evidence thus point to that the poorest do have social relations that could give them access to a VSLA. In relation to close family relations I do not find that the poorest are influenced in any different way than other community members in regards to group efficiency. Too close relations then do seem to have an effect on collective action potential of a group, but not on participation for the poorest. This has implications for micro finance in general if certain group compositions are counterproductive for group efficiency in micro finance programs based on self-selection.

6.3 Cognitive Social Capital

In the subsequent sections I will embark on the analysis of the cognitive form of social capital. I will analyse each of the five dimensions in turn: Cooperation, Solidarity, Generosity, Trust & Reciprocity, and Reputation. For recollection, the latter is my addition to the framework of Uphoff.

6.3.1 Cooperation

Cooperation is, as mentioned, understood as an attitude towards working together for a mutual benefit where working together is viewed as better than working separately. This will constitute the first part to the analysis. The second part will dwell upon the willingness to oblige and accommodate to assignments and to accept tasks for the common good. This will provide for an analysis of cooperative attitudes and motivations within the research area and how it affects participation of the poorest.

Working together for a mutual benefit can be viewed as inherent in the ideas behind the VSLA model. However, it does not necessarily mean that there is an underlying motivation for cooperation within a community. A member expressed her attitude as follows: *'There should be love and cooperation among the members.'* (Int.17:5). This view of collaboration is shared by other members (Int.6, Int.5, Int.9, Int.4) and cooperation in VSLAs is viewed as follows *'...if you are alone you can only save up little. But if you are with others you can save up a lot more and borrow more money for your upkeep.'* (Int.12:1). This is expressed by a drop-out and present members of another VSLA and substantiates the existence of a view that collaborating is beneficial, as saving up alone is a tremendously difficult task (see also, Int.6, Int. 10). Similarly, joint investments in the VSLA, is viewed as a solutions to problems faced as a result of lack of money (Int.1). Seven out of the 12 VSLA members, thus, gave direct statements of cooperative behaviour as well as motivations towards cooperation.

Non-members are less explicit when referring to cooperative attitudes: *'At least all members need to abide by rules and regulations. [...] And also members at least should follow whatever they have agreed on a particular meeting.'* (Int.14:2, see also Int.7, Int.9, Int.14, Int.21). It was moreover noted that working together as one or having unity was necessary (Int.22; Int.21) as well as the advantages for saving in a larger group (Int.24), which expresses attitude towards working together for the same purpose. The attitudes among drop-

outs reflect the previous statements from both members and non-members (Int.10, Int.11, Int.13). The overall picture is thus one of motivation towards working together for mutual benefit, rather than working separately. This counts for members, non-members as well as drop-outs.

As understood from the quote above, adherence to rules and working together is important to the participants and a key element of the mutually beneficial. I argue, further, that part of taking responsibilities and accepting tasks for the common good is also an acknowledgement of consequences of behaving contrary to mutual benefit. One of the common consequences of working against the mutually beneficial is expulsion on the basis of default (Int.10; Int.11; Int.12, appendix F). It is probably to provide disciplinary action but also because it can have an impact on the financial well-being of the group if a member does not repay a loan. Working towards the common good thus implies repayment of loans and default results in sanctions that harm not only a drop-outs' economic situation but also their social relations (Int.10). However, one defaulter recognizes that she had herself been part of formulating the constitution which set rules for defaulters: *'I could not pay back a loan. [...]The constitution said that all must pay back money within 3 months. So following the constitution I was a defaulter and had to leave the group [...] I was concerned, but since I had been part of making the constitution, I felt that it was my own making. Then it was okay. I had to follow the rules.'* (Int.12:2). These examples suggest that there is a willingness to accept the consequences of failure to accommodate tasks for a common good. Even though the analysis has not specifically referred to the poorest, I argue that attitudes towards cooperation lead to an inclusionary view of other community members rather than an exclusionary one, which thus have positive implications for the poorest in a community.

6.3.2 Solidarity

The second dimension of the cognitive form is that of solidarity. This analysis will deal specifically with how the poorest are affected by the presence or non-presence of solidarity in relation to participation in VSLAs. I will firstly, look at the positive attitudes of helping others and to inquire costs to the benefit of others beyond immediate family and kin. Also, I analyse attitudes of community, cohesion and of 'standing together' where benevolence and loyalty is appreciated. Secondly, I will analyse the limitations to solidarity on the same basis.

As the section above disclosed, the attitude towards cooperation is prevalent among the participants, and much the same can be said for their overall attitude towards

solidarity. When it concerns the poorest members of the community the attitudes are expressed as follows by a member: *'We can also allow them [the poorest] since they are also human beings'* (Int.5:3). This is corroborated by a number of other members and most drop-outs (Int.3, Int.9, Int.4, Int.7, Int.12, Int.13, Int.11,). Non-members' attitude also supports this view, highlighting that it is essential to include the poorest (Int.22; Int.19, Int.21, Int.24). Despite acknowledging that the poorest are indeed short of assets to contribute to the VSLA, the general attitude seems to be that they cannot be excluded. This expresses an attitude of community with the poorest or sympathy towards their inclusion. This notion is further stressed in the following remark by a young, male non-member: *'Yes, we can allow them, just because we need to change every person, each person must have to change. Anyone who is a poor we should help include that person.'* (Int.21:5, see also Int.7, Int.8). In addition to inclusion of the poorest they should be assisted in getting this opportunity to improve their living standard. It shows signs of cohesion with people outside the immediate family and a motivation for helping others. The same is apparent for sub-groups of the poorest: PLWHA, disabled and elders who are also subject to apparent motivations towards cohesion and assisting others. When asked upon whether these groups could enter his VSLA a wealthy, male, member responded: *'No problem that is good. Because if people have HIV/AIDS this is the way he can earn his or her living. For the disabled it is good because maybe he's failing to work in the field, he's failing to do manual jobs [...] I can encourage them to join, because it does not require hard work to participate in the VSLA meetings.'* (Int.6:6). This attitude is shared by a number of other participants, with no distinction between their affiliation to VSLAs (Int.1, Int.2, Int.5, Int.7, Int.11, Int.12, Int.13, Int.17, Int.22). I therefore argue that the general view is that the poorest cannot, in principle, be excluded from participation.

An interesting example of this motivation for helping one another and attitudes of benevolence comes from the Fukafuka group, where the mother to a member was refused participation. The group therefore suggested that: *'...instead of her, they say, we think your son ought to take your place, you will be replaced by your son.'* (Int.9:4). Clearly, the group could have merely refused her access, but it chose to find alternatives to assist the woman. The son expressed that he had not intended joining the group had he not been asked to assist his mother (Int.9). Similar ways to assist individuals are proposed by other interviewees (Int.4, Int.22, Int.24). Another example of benevolence is appreciation of the trait of "being able to listen to others views", which is commonly found in the interviews (see e.g. Int.2, Int.4, Int.5, Int.7,

Int.8, Int.14), and reflects an openness towards different opinions. Likewise, Chazimya group showed benevolence as they attempted to encourage and help individuals with health problems or who were prevented by their husbands to join the group (Int.3). As I showed earlier, poor individuals were also encouraged to join (Int.18, Int.22).

However, not all share this inclusive view. Some note that the poorest are incapable of participating, as is understood from the conversation below:

Anne Sofie: What about the poorest in your area, will you allow them to join?

Int.16: We cannot allow those people.

Anne Sofie: Why?

Int.16.: After borrowing from the group the most vulnerable groups want maybe to take care of all their problems at once, maybe they cannot budget for everything they will just spend the money. So maybe the group will collapse.

Anne Sofie: So they do not know how to manage the money. That is the problem?

Int.16: They could even forget the amount they are supposed to pay in shares, so the group could collapse even worse. (Int.16:6)

Clearly, there is reluctance as to let the poorest participate. But it also appears that it concerns the lack of abilities of the poorest. Several other interviewees support this comment (Int.6, Int.9, Int.12, Int.17, Int.19, Int.23). I shall elaborate on this in section 6.3.4. A non-member, counted among the poorest, extends the view on the poorest and participation as she expresses: *'If you have no money. Most of them [people] they will just run away from you if you have nothing to contribute with.'* (Int.19:2). It suggests that without financial means you will not even be considered for participation. This is an obvious obstacle to the poorest. Furthermore, some indications that elders, PLWHA as well as disabled are not automatically included exist (Int.5, Int.9, Int.16, Int.18, Int.19, Int.23). The essence of the issue is collated in the word of a previous VSLA member: *'The elderly, they [the VSLA] would not allow them to be part of the group. For the disabled the disability varies. As an example, there is a disabled woman she is able to walk properly. But there are some [for whom] it is very hard to move. So for them it is very hard [...] they cannot actually make business. Then it will be more difficult to allow them*

into the group. Also with the status of HIV, there are some that are able to do business they could also allow that one to enter the group. But some, now and then they fall sick [...] so they are not able to carry out business.' (Int23:6). This remark clearly shows that even though these groups are not subject to categorical exclusion there are still conditions to solidarity and thus participation.

6.3.3 Generosity

I will now embark on the analysis of generosity. As noted earlier, this term refers to an attitude of altruism or selflessness, where the well-being of others is appreciated alongside the well-being of one self, as well as seen as beneficial to oneself if it is reciprocated. The following will analyse if and to what extent these features are present in the research context, and in particular its implications of participation for the poorest.

As compared to the previous two sections there is less evidence of generosity in general in the data material. But there are some strong examples supporting an attitude of generosity. Accordingly, a common entry barrier to VSLAs for the poorest is the initial fees and purchasing of shares. This problem is met by two interviewees who expressed willingness to lower the cost of shares in order to increase the possibilities for the poorest to join, even as this means that the yield at share out will also decrease. (Int.22, Int.6). It shows a readiness to make a 'sacrifice' for the well-being of others. But actually does not indicate an expectation of reciprocity. Upon asking how the poorest with very few assets or access to capital could enter a VSLA a non-member responded: *'In the first place if someone is very poor and have shown interest in joining the VSL, they [the VSLA] would call for a meeting with him or her, to find out what is the major problem. If the group is convinced that these are major problems and that he can be helped with some capital, they will say: we are giving you some money. The [...] whole group will contribute something for the shares for 3 weeks, while the person is doing some business with that capital. Then in the 4th week he will be starting to pay shares.'* (Int.24:5). Just as in the previous examples, this quote displays a willingness to assist a poor community member financially and thus shows concern for the individual's well-being, but this time it also requires reciprocation in form of repayment of the capital borrowed. Notably, this statement comes from a non-member and may express a certain desire for such behaviour as she may benefit from it. However, the fact that she has herself experienced this process in a ROSCA of which she is a member shows that it is not a practice alien to this area. The interpreter also supported her statement. Similar views on the well-being of others came to the

fore in the section on solidarity in regards to support people to be able to change their life circumstances (Int.21, Int.7, Int.8).

Another very strong signal of generosity is the mention of financial support in times of need. *'First of all I call our friends, those who have got 400 Mk. We should help him [the poorest] to gather that money. After all we can also introduce ourselves to take money to help one person who hasn't even one coin. So he should be joining that group.'* (Int.21:5) Other examples include assistance if someone faces inability to payback a loan or faces health problems in the family (Int.22, Int.10). This support is a sign of interest in the well-being of individuals aside from immediate kin, and there are again no indications of how the favour must be returned. However, in the case where an individual is assisted to pay back a loan it is in the interest of the whole group. There is an element of ensuring one's own well-being, since the collapse of a VSLA would affect all its members. Notably, the offer of direct financial assistance mainly emerged from non-members (Int.21, Int.22, Int.24). Members (Int.6, Int.7, Int.8) and the one drop-out (Int.10) represented in this section, mainly show interest in the well-being of others that does not refer directly to financial assistance.

In a slightly different way generosity is expressed through a willingness to include PLWHA to relieve them off their concerns: *'...those that are sick need to be entertained. So he can be included in the group, so we can be chatting with him/her and so he/she can be very happy, so somehow this person is relieved. [...] Because as someone with HIV you can be worried [thinking] oh no I can die. So we can be discussing [chatting], taking him as a fellow member, and assist this person health wise.'* (Int.6:6). Here selflessness seems key to such behaviour, and the well-being of others is clearly the attitude. Again however, reciprocity does not seem to be required, as it is not explained what is expected in return for this behaviour. The analysis shows signs of attitudes of generousness, but I cannot argue that it is representative of all participants. Furthermore, the expected reciprocity as per the definition of generosity is not apparent in this analysis.

6.3.4. Trust & Reciprocity

In this section on trust and reciprocity I have made additions to the original framework by Uphoff as I found it suitable for analysis of my data. I will devote more space to treat the concept of trust due to its extensive presence in the data. I will present an analysis of the general attitude towards trust based on the definition in section 3.2.1.2. Hereafter follow an analysis of the dimension according to confidence in *abilities* and *underlying motivations*. And

lastly, I explore reciprocity's influence on participation. As for the previous two this section also pays particular attention to the poorest.

What becomes clear from the data is that much emphasis is put on trust and trustworthiness. Trust is viewed as an important feature for participation in VSLAs by 15 out of 24 interviews spread across members, non-members and drop-outs. With specific reference to attitudes towards the poorest, a non-member expresses that the poorest indeed can be trusted (Int.21). The importance of trust thus affects who are counted among the trustworthy or not and clearly 'crooks' are not as the following description of the behaviour of a 'crook' displays: '*I come to borrow money from you. Then, today I don't come with that money. I bring the money at awkward times, not as promised*' (Int.16:2). It is clear that 'crooks' have very undesirable characteristics and are often described as above (see also Int.2, Int.3, Int.13, Int.16, Int.17). It suggests that they cannot be trusted, because others are not willing to let their future actions depend on the actions of a 'crook'. The significance assigned to trust, however, does not mean that trust is the immediate attitude towards others. A number of interviewees reveal incidents of lack of trust, such as potential abuse of authority within a VSLA (Int.13) or the scrutiny of new group members to know whether they possess the right manners to gain access to a group (Int.1, Int.16) Also, good manners cannot be taken for granted. A member expresses the following about drop-outs from her group: '*Those people are in Mzuzu, maybe to seek for other remedies [solutions]. If they were in the group now maybe they could run away with the money.*' (Int.7:4). It is unclear whether they have been expelled or left themselves, but in either case, these individuals are evidently not trusted. I, thus, argue that the cases above exemplify situations where individuals dare not base their decisions on the future actions of others. Thus, while trust plays a significant role in terms of membership the analysis does not provide evidence of an underlying attitude trust towards others. In this regards there is no distinction between members, non.-members or drop-outs. Regarding the poorests' inclusion in VSLAs a general lack of trust towards others does not seem conducive. If there is general distrust it is unclear whether VSLA members will trust the abilities or motivations of the poorest to manage participation. These notions will be developed further in the next sections.

Confidence in Abilities

In the following I will elaborate on confidence in others' ability to carry out tasks. Frequently interviewees would refer to the poor and participation in the following manner: '*The poor can*

enter if they have money to buy shares. If you don't do business then you cannot join. Where would you raise the money for sharing? (Int.12:3). This is cross-cutting for all participant groups. The quote points to two important notions. Firstly, the poorest are viewed as potentially being able to raise capital for purchase of shares, secondly, the ability to do business is viewed as *the* means to raise capital for purchasing of the shares. In regards to the first notion the majority of non-members point out that they, first of all, would like to be part of a VSLA and, secondly, that they are not members exactly due to lack of capital for purchase of shares or to pay the initial entrance fees (Int.15, Int.18, Int.19, Int.20, Int.22, Int.24). More than half of the non-members were assigned to the lowest level on the wealth ranking, but not all, suggesting that the potential for the poorest to raise money for participation in a VSLA is if not impossible, then at least difficult.

This brings us to the second notion that business is viewed as a requirement to be able to raise money and the following statement exemplifies the issue. In the quote an 18 year old boy is recounting his mother's (Int.20) attempt to join a VSLA. She is among the poorest, does not know her age, lives from doing piece work²⁷ and seemingly has the sole responsibility for ten children (Int.20): *'They [the VSLA group] were looking at her age [and found] that she could not manage [...] to do some businesses because of her age...'* (Int.9:4). She herself expresses that she was refused because she had insufficient funds to contribute to the shares, and that the group was not willing to assist her financially (Int.20). In line with the previous analysis of the motivation for solidarity that highlighted certain conditions for inclusion in a VSLA, this statement confirms that participation in a VSLA depends on confidence that the 'applicant' is able to carry out business, or income generating activities. Due to her age she is viewed as incapable of carrying out a business, which displays the lack of trust in her abilities required for her participation. She herself maintains that she would be able to raise the money (Int.20), but other interviewees in similar situations are more reluctant as to their abilities: *'Even elders they differ. Some are better off, but some are vulnerable because they fall sick every now and then. And it makes a very difficult situation for them to move about [...]. To engage themselves in business.'* (Int.19:5). These sentences are spoken by a 65 year old female, non-member among the poorest, and it shows that elders have difficulties doing business because it requires mobility which is hindered by frequent illness. Others support this

²⁷ Piece work is employment where the worker is paid per unit (piece) regardless of how long it takes to do the work. In this case, making ridges in a field is piece work, as the woman is paid per ridge she has made.

consequence of old age adding that elders are generally challenged to move merely due to their age and suggested age limits reach as low as 40 years (Int.14, Int.16, Int.18, Int.21, Int.23). According to my observations however some groups do allow for elders and PLWHA to join. Nonetheless, elders do seem to be subjects to doubts about their ability to raise money required for participation. The disabled and the PLWHA, suffer from similar difficulties of immobility and bad health (Int.9, Int.16, Int.19, Int.18, Int.23). Thus, I argue that the lack of confidence in their abilities is an obstacle for the poorest in general to participate in VSLAs, despite the general openness to include all population groups.

I will now turn to issues of comprehending the procedures of the VSLA. As I showed in section 5.1 the research area is fortunate to have a relative well educated population. Among the research participants more than half have had eight years of schooling or more, even though 2/3 of the poorest have only reached year five or below (appendix C). I propose that lack of understanding and lack of education correlate which is also supported by interviewees (Int.6, Int.16, Int.21, Int.22). From the interviewees I realize that lack of understanding remains an obstacle to VSLA participation: *'To me people are willing to assist even those who are financially handicapped. But you may foresee, this [the VSLA] is a new concept for [...] the most vulnerable, how can she or he understand? Those most vulnerable, their understanding varies, the most vulnerable their understanding is very little. The first thing is you may want civic education...'* (Int.22:4, see also Int.6, Int.16). The quote convincingly encapsulates the essence of the concern. The poorest are hindered from participation due to their low educational level or lack of. Therefore as I showed above a VSLA is forced to evaluate the likelihood that an individual has the capacities for participation, even though there is willingness to accept a person into the group. The poorest themselves proved to be aware of this, as expressed by this poor, elderly woman: *'...my marriage disbanded, and I may need assistance from my husband, so that when I borrow the money, if I had my husband around at least we could assist one another what type [of] business we could run. [...]The money I find with my own income, I can manage. But the money in the village bank, you will have a larger amount. [...]So to budget and plan it that can be difficult for me. [...] So the actually paying back to me is a problem.'*(Int.18:2-3). Not only is the capacity to undertake business an obstacle, the actual financial management of repayment of a loan is likewise challenging. Interestingly, she herself points to the problem and the group in her village actually encouraged her to join. Nonetheless, this woman finds herself out of reach of

the assistance she needs. Confidence in her own ability to manage participation is possibly further questioned since she seems to have few relatives to support her, and a poor education (Int.18). Similarly, two non-members fail to express themselves during interviews and showed difficulties comprehending the questions (Int.15, Int.20). This creates doubt about their abilities to participate in a group context that require ability to understand the procedures as well as financial management. The interpreter supports this view (field diary).

The concern for ability to understand the procedures is backed by examples from VSLAs where problems occur because some members fail to fully grasp how the money is divided (Int.6, Int.16, Int.21). Despite the fact that this involves individuals that have already obtained membership, it underlines the difficulties that arise due to lack of education. The consequence may be twofold: There is a risk of lack of confidence in such members' abilities to maintain participation, and these members may themselves decide to leave because they feel deceived. This is the topic for the following section.

Underlying Motivations

This second element of trust involves trust in the underlying motivations for revealing truthful information. The previous section revealed that lack of trust may not only flow from the more educated to the less educated. Those who fail to understand the math behind the share-out may feel deceived:

Anne Sofie: So it is mainly the members that come from outside your village that do not trust?

Int.6: Yes. Because of the school, education. [...] there are some that have less education, so they have problem of understanding. [...] Because some does not know how sharing goes, when time comes for sharing some can get maybe 10000 Mk some can get 6000 Mk. So he can ask how can I get 6000 Mk when others get 10000 Mk? Just because of education' (Int6:4)

Thus, the individuals with little education find it difficult to trust those that conduct the actual share-out because they lack understanding of the calculations. This is further likely to affect the poorest most as they often suffer from lack of education as proposed in section 6.1. I also came across direct refusal to participation on the basis of uncertainty of underlying motivations for telling the truth. In an interview with a young, female member she described that an 'applicant'

to her VSLA was working as a ‘middleman’²⁸ (Int.2). It was clear from the conversation that the woman could not support the practise of a ‘middleman’ of generating an income because this entailed hiding information from those with which the person did business, so the VSLA refuses access. The refusal was confirmed by the individual in question, but the reason for refusal was neither confirmed nor rejected (Int.14).

Non-members likewise show lack of trust as described by a VSLA member: *‘As for the sick they have also discussed the problem. The group has suggested that this person could just buy shares and not take up loans. But the sick feels abused if he/she cannot borrow. The group will be using their money. The sick will not be benefitting. It is not enough to be able to save money they [the sick] will have no ‘profit’.*’ (Int.3:3). In actual fact if ‘the sick’ merely save they *will* receive a profit at the end of the circle since all interests from loans will be divided equally between the members (Allen & Staehle, 2009). It suggests that ‘the sick’ do not trust the group’s good intentions and motivations. Others again imply some do not trust the VSLA because they lack understanding of how it works (Int.6, Int.8) and yet others want to be assured of the benefit of joining a VSLA before trusting its potential (Int.18, Int.13). Finally, issues of trust arise between villages: *‘[In] Our group many people come from one village, but some do not come from that village. So to be trusted, that’s another problem because they [the members from outside the village] don’t trust. To my side I can do it, but they cannot trust me. Maybe they can think that I have taken a large share [of the money]*’ (Int.6:4). This implies that the members outside the village lack faith in the motivations of the rest of the group. The actual implications of the above for the poorest are hard to determine, since the data does not provide any evidence that the poorest are particularly resistant to telling the truth. However, the poorest may exclude themselves from participation, due to lack of understanding and thus lack of trust in the motivations of VSLA members or initiating groups.

Reciprocity

I have earlier touched upon issues of reciprocity as it seems to play a role in how the interviewees perceive the possibility for participation. As displayed in section 5.1 Malawians do not generally accept late repayment, which could explain why some interviewees are

²⁸ The middleman buys a product at a cheap price (10 Mk). He says he needs to fetch the money to pay the vendor. He goes then to sell the product at a higher price (5 Mk). He comes back to the vendor and pays the 10 Mk and has in this way earned 5 Mk (Int.2).

reluctant to join groups even if they are offered financial assistance to initiate participation, as stated by an elderly, poor, female non-member:

Int.19: I couldn't ask to become a member, because I have no money, I couldn't dare to ask. [...]

Anne Sofie: But if you were then offered by the group, offered some way to start a small business, or to start planting some more mais, so you could sell more. [...] You still would not think it is possible for you to join a group, even if you had the opportunity to boost your personal capital?

Int.19: I can be given all that chances, but I can be sick, and maybe I go like standing, when I am wanting to go [I cannot move physically]. So that makes it very difficult and awkward situation.

Anne Sofie: So because you are sick, you can't work anymore?

Int.19: Yes.

Anne Sofie: So actually, you see no opportunities for you to enter a bank?

Int.19: I don't have that opportunity. I am still insisting I cannot find any coin around. And it will need a lot of involvement, moving up and down. So to me it's very hard even if I'm given that opportunity. (Int,19:1-2)

Even though it is not directly expressed that it is the act of reciprocity that hinders her from participation, it is clear that it is very important for her to be able to repay the loan, and that she is hindered from it due to poor health. Along the same lines, the quote in the section above revealed another poor, elderly woman expressing fear that she will not be able to repay even if she was offered initial capital (Int.18, see also Int.22). This is backed by a member who expresses profound unease to be caught in default (Int.3). From these three examples the personal feeling of obligation to reciprocate seems fairly strong, suggesting that reciprocal obligations are enforced in the research area. The expected reciprocity is further highlighted by a young, female drop-out who notes that: 'You must at least buy share and take up loans. Because at the end of the circle you will just be eating others interest, because you are not doing business.' (Int.12:3). The argumentation above implies there is a strong personal feeling

of obligation to be able to reciprocate among the poorest, even if an individual is met with trust and confidence that he/she will be able to reciprocate. Trust and reciprocity are evidently influential on participation for the poorest both from the group and individual perspective.

6.3.5. Reputation

The final part of the analysis will be devoted to explore reputation's implication for participation. Reputation as a basis for trust and a good reputation is preserved through observed behaviour and continuous interaction. Family reputation and network externalities may hinder or ensure certain benefits and confirmation bias may affect interpretation of reputation. Below, I shall treat each of these elements in turn.

In regards to observing or interacting to gain knowledge about others the majority of the research participants ensured that knowing the other members is important at the formation of the VSLA (see e.g. Int.3, Int.11, Int.13, Int.14, Int.16, Int.21, Int.23) and thus for participation. Among the interviewees there is great accord that strangers are individuals whose character you cannot know and who do not stay in the village area on a permanent basis (Int.4, Int.7, Int.9, Int.18, Int.21). Unfamiliarity with the personal traits of the individual obstructs participation due to the inability to observe or interact on a continuous basis, as suggested by the following description of a stranger: *'A person who's habits, his character, we cannot study. We cannot join him the group. Maybe he is a thief. First of all we should have to study him/her. After all we can let him join.'* (Int.21:5). The temporality of strangers hinders participation in the same way because it does not allow for others the time to get to know the individual. It further implies a risk that the person can leave at any time without fulfilling his/her obligations to a group. In either case, though, the essence is the inability to continuously follow an individual's behaviour through which a reputation is created. What also supports this argument is the fact that locality matters: *'They must know the behaviour of a person. Is it a trustworthy person? If he comes from too far away you may not know if he is trustworthy?'* (Int.3:2, see also Int.9). Geographical proximity gives easy access to identify if 'applicants' have the behavioural qualities required by the group (Int.16, Int.4), and if the behaviour does not match those of the group it results in refusal (see e.g. Int.2, Int.4, Int.16). The implications of the above for the poorest to participate in a VSLA are not clear. No interviewees mention correlation between being a stranger and being poor. Since, the poorest are mainly identified on the basis of their lack of material assets and capabilities to move out of poverty this says nothing about whether they are more likely to move around or live far away from village areas. However, if the

poorest depends on begging, doing piece work and collecting food from trash as outlined in the wealth ranking, it is not very likely that they would live far from village areas (appendix A).

The previous section established that unfamiliarity with a person creates insecurity about his/her intentions and trustworthiness. There are, however, ways to assess an individual which is less known by the VSLA in question: *'Because you live very close, you can look at the family and decide that the family is perhaps crook and not trustworthy. If you do not trust the clan, you will not allow a member of that clan to join.'* (Int.1:2). This clearly shows that family reputation may influence individual reputation if sufficient observation or interaction with the individual is impossible. It gives an indication that family reputation could be important, even if only one interviewee states so. It could further affect the poorest negatively since coming out of a poor family with little knowledge and capital may rub off on the individual.

Reputation may likewise travel through chiefs or host families of a newcomer (Int.3, Int.5, Int.24) which highlight network externalities from social relations, that is, the fact that direct personal interaction or observation is not required for the evaluation of a VSLA 'applicant'. As described in previous sections most VSLA members found out about the VSLA either through acquaintances, or identified members for a VSLA by use of their social relations. The following quote underlines how network externalities matter in the process of forming: *'We came from different churches, but one person from one church will know another person from another church, and then this person will know more people from that second church.'* (Int.10:1). Maintaining a good reputation, thus, becomes important not only in immediate social relations but also gives access to groups if just one member can support the good reputation (Int.2). The implications for the poorest are most likely not any different than for any other individual. I suggested earlier that the poorest are not in lack of social relations that could provide them with network externalities.

A favourable reputation may affect participation in VSLAs in other ways: *'Other members would like to have me as part and parcel of the VSLA, knowing that I was also a treasures for that COMSIP[community savings investment program], opting that if I would join, I would also be a box keeper for that VSLA.'* (Int.22:3). Evidently, a favourable reputation is advantageous, as the statement shows. This woman was invited to join a VSLA because she had done well as a treasurer before. Likewise, individuals that have proved capable of being members of other financial institutions and reliable to repay loans enjoy advantages in joining

a group (Int.23). Alternatively, default leads to exclusion which I argue leads to an unfavourable reputation ‘...who ever could not pay back the loan will not be included in the group. We will exclude those people.’ (Int.23:6 see also Int.2, Int.3, Int.4, Int.7, Int.12). Additionally, the example from section 6.3.4 in which an individual was directly excluded from participation as the person was considered dishonest (Int.2), is an excellent example of how reputation affects the possibilities for participation.

As for the poorest the reduced abilities to manage budgeting and planning for loan repayment, as displayed above, may have greater implications for exclusion due to an inherently poor reputation. I thus argue that the likelihood of default is greater if an individual among the poorest has been included in a group. According to the analysis in this section it may ruin his/her possibilities for future participation.

Interestingly, however, a few interviews show (Int.12, Int.10, Int.3) that not all defaulters are subject to exclusion to participation: ‘[T]hey knew about my problems and why I could not pay back, and knew I would be a good member. And I knew the members from [the VSLA] very well before entering.’ (Int.12:3). This statement comes from a defaulter, who is now member of another VSLA. It suggests that one instance of bad behaviour can be circumvented and does not necessarily affect the chances for participation in other VSLAs if a favourable reputation is strong with those that interpret it. This supports the thesis of confirmation bias that interpreters of a reputation will usually seek to confirm their own views. Thus, default may not always be exclusionary to future participation. The notion that reputation depends on the interpreters is not immediately prone to affect the poorest in a harmful way, as there does not appear to be any particularly negative attitude towards the poorest. Contrary, the general attitudes among the research participants are ones of solidarity, cooperation and possibly generosity, as suggested in previous sections. However, the general view that the poorest suffer from bad health, immobility and lack of understanding may have quite the opposite effect. Here, I propose, personal reputation through interaction, observation and network externalities may be more influential on participation of the poorest. Therefore a distinction between personal and group–reputation seems defining in this matter.

6.4 Summary of Analysis

The analysis shows how social capital affects participation of the poorest in VSLAs, but in different ways. Below the findings are summarised according to the seven dimensions within the framework.

Rules & Roles

The structures of the VSLA suggest that the model provides for the necessary resource mobilization and management procedures, decision-making processes, coordinating functions and conflict resolution mechanisms, and thus facilitate collaborative behaviour for mutual benefit. And the analysis suggests that the groups attempt to work according to the model, even though they may not always succeed.

Social Relations

Social relations have a significant impact on participation in VSLAs, to the extent that they become prerequisites for participation. They often function as information channels on the existence of VSLAs and as 'entry tickets' to join a group. This assumes the "right" relations with information about the VSLA. The relations are key in the group formation process and thus highly conducive of collective action, but too close family relations can be counterproductive for collaboration. As for the poorest, I found no clear evidence that the poorest suffer from lack of social relations, but that they must be exploited. Finally, the poorest are particularly vulnerable to problems stemming from groups with close family relations. Altogether, social relations in the research context seem rather conducive even essential for group formation and affect the poorest's prospects for participation positively.

Cooperation

Taken together members, non-members, and drop-outs are relatively motivated for cooperation both explicitly and implicitly. Working together rather than separately is viewed as beneficial. Adherence to rules that support the mutually beneficial and acceptance of the consequences of breaking them implies readiness to oblige and accommodate to tasks for the common good. Even though the analysis does not specifically refer to the poorest, I argue that attitudes towards cooperation lead to an inclusionary view of other community members rather than an exclusionary one, which thus have positive implications for the poorest in a community.

Solidarity

There is a relatively high degree of solidarity among the interviewees such as attitudes of benevolence, helping each other also beyond immediate family, and a feeling of cohesion and community, which provide for collective action. However, there are in practice certain demands on participation in VSLAs which the poorest are often unable to meet. Even so, I argue that the overall motivation for solidarity is beneficial for the poorest, particularly, because this group is not categorically excluded.

Generosity

There is some evidence of underlying motivations of generous behaviour, and these attitudes affect the poorest's likelihood for participation positively, especially the willingness from non-members to provide financial support for the poorest, as well as the general concern for others' well-being. Interestingly, the expected reciprocity as per the definition of generosity is not apparent in this analysis, and I cannot argue that the analysis is representative of all participants.

Trust & Reciprocity

Trust and reciprocity have significant implications for participation of the poorest. Trust is essential for participation, but there is no immediate trust from members of VSLAs to 'applicants' and vice-versa with no distinction between members, non-members or drop-outs. Especially, there is a lack of confidence in abilities of the poorest to manage participation. The specific requirement to run a business: to generate an income, is obstructed by lack of mobility, poor health and little education. The latter further hinders understanding the procedures of the VSLA and management of loan repayment for the poorest.

The lack of education also creates distrust in underlying motivations for joining VSLAs because some individuals fail to understand the VSLA procedures and purpose. This even counts less educated VSLA members. Distrust in motivations for truthfulness also obscures participation of people with certain personal traits that suggests that they are not truthful. The implications for the poorest are ambiguous, since the data does not provide evidence that the poorest are particularly resistant to telling the truth. However, the poorest may exclude themselves from participation, due to lack of understanding and thus distrust in the purpose of VSLAs and motivations of members or initiating groups.

Finally, there is evidence of expectations and obligations of reciprocity and a strong personal feeling of obligation to reciprocate even though reciprocity is explicitly demanded. The latter is particularly evident among the poorest, possibly reflecting the general Malawian attitude that late repayment is not acceptable.

Reputation

Reputation appears to be important to participation in VSLAs. Interaction and observation are key to establish the reputation of an individual. Thus, strangers are less welcome into VSLAs. There are no immediate implications for participation of the poorest since there is no obvious link between being a stranger and being poor. Family reputation could have particular influence on access for the poorest as they are known to have little knowledge and capital. Network externalities can be an access point to a VSLA if an individual has a good reputation, which the poorest may benefit from as they are no less likely to create social relations than others according to section 6.2.2.

A poor reputation on the other hand may be particularly damaging for the poorest. Reduced abilities to plan financially may expose the poorest to a bad reputation and thus less likelihood of entering a VSLA. If granted access default is possibly greater for the same reasons, which reduces possibilities for future participation. Confirmation bias can have both negative and positive effects on participation for the poorest. Since the poorest do not suffer from a particularly negative reputation in the first place they may benefit from confirmation bias. Contrary, the poorest are challenged when it comes to knowledge, mobility and health which draw in the opposite direction. Thus personal reputations as compared to reputation of the poorest as a group may be defining for the implications of reputation.

7. DISCUSSION

In the following I will discuss my findings in relation how social capital affects participation of the poorest in VSLAs against social capital's potential for inclusion in group-based development. I will further discuss my methodology and theoretical framework in regards to validity, reliability and its usefulness in answering my research question. Finally, I suggest implication of the findings to social capital theory and microfinance in general.

7.1 Empirical Discussion

In the analysis I have treated seven dimensions of social capital. Within the Structural form: Rules & Roles and Social Relations, within the Cognitive form: Cooperation, Solidarity, Generosity, Trust & Reciprocity and Reputation. I have through these dimensions sought to answer the research questions: *How does social capital affect participation of the poorest in VSLAs in Northern Malawi?* I have hence aimed to contribute to the debate on financial inclusion of the poorest through microfinance, seen through the lens of social capital's potential to secure inclusion in group-based development.

The analysis shows that the structural form of social capital is present to provide for collaborative attitudes for mutual benefit and there is no doubt about the significance of social relations for participation in VSLAs. In accordance with Thorp et al (2005), who, as mentioned earlier, highlight that information on the existence of a group often flows through the social network, the findings show that social networks are often the first and essential step to gain access and further a prerequisite for any of the other dimensions to emerge. However, I found no evidence that the poorest are in particular lack of social relations or cut off from social network, which counters Thorp et al's (2005) argument that the poorest lack access to social networks. Obviously it presupposes that the poorest can also take advantage of their relations, which the cognitive analysis of social capital revealed.

In the analysis of the cognitive dimensions I show that the general underlying motivations towards cooperation, solidarity and, to some extent, generosity, provide evidence of direct and indirect appreciation of the poorest's inclusion in VSLAs, albeit conditions apply. Trust and reciprocity display these conditions as lack of trust in the poorest's abilities to participate. Clever (2005), also introduced earlier, advances that focus on the able-bodiedness of the poorest is essential for participation in group-based development such as VSLAs. Along these lines the analysis shows that the poorest are hindered in taking advantage of their social

relations because they are perceived to lack the physical or educational abilities to undertake required activities (running a business, understanding procedures, financial management) for participation. Schuurman (in Clever, 2005) suggests the danger of assuming that the poorest can use their social relations to move out of poverty, since this implies that individuals are seen as responsible of their own lack of social capital and thus marginalization. Similarly, lack of social capital is according to this study: distrust in abilities of the poorest due to bad health, immobility and lack of education which the poorest have little control of. Clever (2005), also propose that the poorest lack “room to maneuver” within social relationships, partly due to offensive perceptions of the poorest, which leads to continuous reinforcement of social structures that rob them off agency to set social rules. Further, as noted earlier, Simanowitz (2002) advances that the poorest are excluded due to negative perceptions or power relations. While my findings largely suggest willingness to include the poorest at least in economic groups, they also suggest possible self-exclusion by the poorest due to lack of trust in underlying motivations and normative obligations to reciprocity which thus restricts utilization of social relations and the favourable environment. Finally, the analysis shows that reputation may have ambiguous effects on participation of the poorest. On the one hand, the poorest experience positive attitudes towards them, on the other, they have a reputation of having little knowledge and lack of abilities. Thus it may come down to personal reputation rather than the reputation of the poorest as a group.

Social capital understood according to structural and cognitive forms thus provides ambiguous conclusions to its potential to secure inclusion in group-based development in the specific context. On the one hand, the underlying structures and motivations largely facilitate and predispose the community in the research area for social capital, which allows for participation of the poorest and thus inclusion in group-based development. On the other, the specific features of trust and reciprocity and possibly reputation do not foster social capital, which limits its potential for financial inclusion through microfinance, as participation of the poorest is limited by lack of confidence in their abilities and by self-exclusion.

7.2 Discussion of the applied Theory & Methodology – Validity & Reliability

In the following I will discuss the applicability of the theoretical frame and the validity and reliability of the methodological choices made.

The particular strength of the framework inspired by Uphoff (1999) and applied in this study is that it does not assume that social capital is present in the context it investigates and, as I showed above, made suggestions as to the inclusionary potential of social capital in group-based development. A challenge in the application of this framework is, however, the highly interlinked terms of particularly cooperation, solidarity and generosity. The difficulties distinguishing between them complicated the operationalization of the concepts and the application in the analysis. Their distinction, however, brings nuances to the underlying motivations for social capital, as I e.g. show that solidarity unconditional, whereas cooperation and generosity were largely accommodating for inclusion. The subsequent analysis of trust and reciprocity specified these conditions. The multidimensional approach to social capital, thus, proved useful in distinguishing between constraints and options for participation for the poorest.

Importantly, I made extensions to the framework by expanding the dimension of trust and reciprocity and by adding the concept of reputation to the framework on the basis of the empirical findings. These additions proved valuable as especially the section on trust and reciprocity broke down the dimension of trust between confidence in abilities and underlying motivations and contributed with important nuances of the concept. I was thus able to distinguish that confidence in abilities play a large role in participation and that distrust in underlying motivations from non-members may lead to self-exclusion, which the original framework does not capture. The dimension of reputation facilitated better understanding of the practices of participation in VSLAs. Even though the reputational effects on participation of the poorest remain ambiguous, it suggests that the contextual frame is important to the significance of reputation. In this case study the poorest enjoy a generally favourable reputation which challenges their reputation of lacking abilities to participate. Different contexts may provide less favourable views of the poorest (Clever, 2005; Marr, 2002; Simanowitz, 2002), and the dimension of reputation may have significant implications on participation.

The empirical discussion established that social capital affects participation of the poorest in VSLAs in different ways. The critical realist view allowed for an explanation to this causal relationship whereby social phenomena of *participation of the poorest*, visible though the experiences of *members, non-members, drop-outs of VSLAs*, may arise from mechanisms of *social capital* (through seven dimensions) (Danermark, et al, 2002). To establish the validity of this relationship two forms must be considered, external and internal validity. External validity

is understood as the degree to which generalizing from one population to a larger population is possible. According to Bryman & Bell (2011) the aim in qualitative research, however, is to generalize to theory not to populations. Consequently, and in accordance with abduction, this paper has made additions to the theory of structural and cognitive social capital to explain the process of participation in VSLAs. Further, from a critical realist view, generalization means identifying the underlying mechanisms/structures that generate social phenomena (Danermark et al, 2002). So, social capital has proven to be a useful explanatory theory to unveil the mechanisms that generate participation in VSLAs for the poorest in Northern Malawi. While contextual factors (e.g. educational level) influence the conditions for participation in other African countries, my findings offer an initial explanation of the mechanisms that generate participation. To my knowledge, this is the only study of social capital's effect on participation in economic groups as VSLAs. It may thus guide future research on the topic.

In qualitative research internal validity is concerned with the congruence between data and the theoretical ideas developed (Bryman & Bell, 2011). That is, how well the data explains the concepts developed by the researcher. This is obtained through extensive participation in the social life and interaction over a longer period of time (Ibid). In this way internal validity is established as a result of the field stay. Further, data triangulation, the use of different participant groups and the continuous moving back and forth between data and theory secures this congruence, as well as the relatively extensive data material.

Reliability means the extent to which a study can be replicated (Bryman & Bell, 2011). In this study reliability is obtained through clear explanations to the methodological procedures in section 4 which ensures replication (Kvale, 2003). Furthermore, reliability is secured as data can be made available for later analysis using the same methodology. A point for reflection, however, emerges: the representation of the poorest among the interviewees. Preferable this population should have enjoyed a larger representation, but events such as funerals and the sale of fertilizer interrupted the final interviews, as well as the use of key informants to identify interviewees as I show in section 6.1. The use of key informants was a solution to a practical problem and provided an alternative solution to allocating the VSLA members according to the wealth ranking. While time prevented this, better identification of the key informants may have prevented miss-identification.

Understanding poverty given local perceptions is valuable in a number of ways: shows important elements of poverty lost in a predefined measure, gives context clues vital for

the case study, and supports beneficiaries' participation in the research process. However it may have complicated the definition of the poorest and the identification process, which call attention to the critique of 'local knowledge'. Critics claim that local knowledge is '*...strongly shaped by local relations of power, authority and gender*' (Mosse, 2004:19), which may explain the differences in interpretation of the wealth ranking. Also, expectations to what a development agent can deliver may influence the kind of knowledge that participants provide (Ibid) and thus expectations by the participants to my potential (as a foreigner) to attract funds may have affected the definition of the poorest. However, in the specific research context the inclusion of the participants in definition of the poorest was vital for data collection. Predefined definitions would have offended the participants, as they would feel assigned to categories they did not create themselves (appendix E). Cultural sensitivity is vital in development research (Harrison, 2006) and my multiple stays and travels in East and West Africa, may promote better understanding of and integration in the context.

7.4 Implications for Social Capital Theory & Microfinance as Group-based Development

In the following I discuss the implications of these findings on the theory of social capital in a development context, and for group-based development through microfinance.

The critique of social capitals' potential to secure inclusion in group-based development focus on the poorest abilities to participate in groups, mainly due to constraints to network access and inability to utilize social relations to their own benefit (Clever, 2005; Thorp et al, 2005). Proponents argue the opposite proposing that the poor can make use of the social connectedness in families and close relations to secure access to groups from which they can benefit (Wong, 2003; Irving, 2005). My findings suggest that it is yes and no.

As noted the particular framework for social capital that I have employed looks at the presence of different dimensions of social capital in a context (Uphoff, 1999). This entails that social relations and networks' potential to foster inclusion is *one* dimension out of several that enhance the potential for group-based development to be successful. While the community that I have studied can hardly be said to be antisocial such that efforts of building trust and capacities among people through group-based development would be pointless as suggested by Levi (1996) and Portes & Landolt (1996) (in Clever, 2005), the lack of trust in *abilities* of the poorest remains the key obstacle to participation for these groups as well as possible *self-exclusion* on the basis of distrust and reciprocal obligations. Suggestions that social capital can

be exploited to by the poorest to join groups (Wong, 2003), is thus partly supported by the analysis. But the ambiguity of the findings also suggests that looking at different dimensions of social capital may be beneficial to understanding where the constraints are. The findings further highlight the need to investigate social capital's potential in the specific *context*. Thus in accordance with Bebbington (2007) my findings support that understanding social capital needs a contextual frame to account for geographical, cultural, political, power related or gender based differences. Thus, as far as this paper, social capital as a conceptual frame for analysis is not rendered meaningless as suggested by Lin et al (2002), but sensitivity to different dimensions of the concept when applied in development studies and practices as well as the specific context is essential.

Form this study it is clear that social capital is indispensable in the process of group-based development. But especially it became evident that there are demands for practical abilities and competences for the poorest to participate. The first implication for microfinance (based on group methodologies) in general is a call for thorough investigation in the potential for social capital creation in a particular *context* before embarking on microfinance, as Uphoff's framework and the previous discussion suggest. As the analysis showed multiple dimensions of social capital are at play in a given context that may influence inclusion of the poorest in different ways. Paying attention to this may prevent some of the failed attempts to provide finance for the poor, and may also give rise to understanding the specific constraints for the poorest to participate and thus possibility accommodate these. The discouraging conclusions from the recent and extensive DFID impact assessment of microfinance (DFID, 2011), questions the positive effects of microfinance on the poor, due to weak assessment methodologies. Proper analysis of the conditions for group-based development could be a starting point to ensure the intended impact.

Also the particular demands for physical and educational competences draws attention to the fact that these limitations of the poorest cannot be levelled out by social relations. Furthermore, my study has found no evidence of social exclusion of the poorest or sub-groups like the elderly, the disabled or PLWHA in the particular context, which is often highlighted as an obstacle to participation (Hulme, 2000). Thus capacity limitations rather than socio-cultural factors seem to be at play. These issue calls for more traditional development work that build on providing proper health care and increasing the educational skills of a population. Some VSLA programs do integrate other development activities in a more holistic

approach (Rippey & Fowler, 2011), but debates on the effectiveness of such programs is ongoing. Possibly, a cross-sectoral effort between development agencies within different fields is a better choice to do away with the underlying structural hindrances to financial inclusion of the poorest and provide the financial services they demand. Still, financial service directed at e.g. the disabled or the elderly is probably required to fit their particular needs.

Evidently group-based approaches to financial inclusion have its potentials as can be seen from the success that microfinance has after all experienced, but the limits must also be realised as to its ability to reach the poorest, even for simple models such as the VSLAs. Groups may be a way out of poverty but it demands a way *into* the groups beforehand and in this respect the practical abilities cannot be underestimated.

8. CONCLUSION

On the basis of the previous this thesis has sought to provide an answer to the research question: *How does social capital affect participation of the poorest in VSLAs in Northern Malawi?* Through a qualitative case study strategy the issue has been investigated empirically in the setting of Northern Malawi. The theoretical view has been that of social capital understood through structural and cognitive forms on the basis of seven dimensions: Rules & Roles, Social Relations, Cooperation, Solidarity, Generosity, Trust & Reciprocity and Reputation.

8.1 Empirical Conclusions

The analysis shows that the structural features of social capital are present to provide for collaborative attitudes for communal benefit, and that, especially, social relations are essential and have seemingly positive implications for participation of the poorest. From the perspective of cognitive dimensions I show that the general underlying motivations towards cooperation, solidarity and, to some extent, generosity, provide evidence of direct appreciation of the poorest inclusion in the VSLAs, although conditions apply. Trust and reciprocity reveal the essence of these conditions: a lack of trust in the poorest' abilities to participate, and possible self-exclusion by the poorest: firstly, due to lack of trust in underlying motivations and, secondly, due to obligations to reciprocity. Finally, reputation seemingly has ambiguous effects on this group's participation. On the one hand, the poorest experience positive attitudes providing a favorable reputation, on the other hand, they are viewed as having little knowledge and assets, drawing in the opposite direction. Thus it may come down to personal reputation rather than the reputation of the poorest as a group

The empirical discussion revealed that the potential of social capital to provide for financial inclusion is ambiguous. On the one hand the underlying structures and motivations largely facilitate and predispose the community in the research area for social capital, which allows for participation of the poorest and thus inclusion in group-based development. On the other hand the specific features of trust and reciprocity and possibly reputation do not foster social capital obstructing participation of the poorest, which limits its potential for inclusion in group-based development.

The implication for microfinance (based on group methodologies) in is a call for careful investigation of the conditions for creating social capital, from a multidimensional view, in a particular *context* prior to establishing microfinance services. This may prevent

failed attempts to provide finance for the poor, possibly increase understanding of particular contextual constraints to participation and thus possibility to accommodate these. It may also be a basis to ensure the intended impact. The particular demands for physical and educational competences imply that capacity limitations rather than socio-cultural factors are at play. This requires more traditional development aid that builds on provision of health care and educational offers. While some VSLA programs do integrate other development activities in a more holistic approach their effectiveness is debated, and a cross-sectoral effort between development agencies within different fields may be a better choice to create the underlying structures for financial inclusion of the poorest and provide the financial services they demand. Still, tailored design of programmes to cater for e.g. the disabled may be required.

8.2 Theoretical and Methodological Conclusions – Validity & Reliability

The particular strength of applying the framework of structural and cognitive capital is that it does not assume that social capital exists within a particular context. The possibility to look at different dimensions provided a more nuanced picture of what constitutes social capital in the context of Northern Malawi. The framework, however, does have its limitations in the highly interlinked concepts, which may complicate operationalization and analytical application. Their distinction, however, do provide nuances useful in distinguishing between constraints and options for participation for the poorest.

The extensions to the dimension of trust and reciprocity contributed with valuable distinctions to the concept of trust that facilitated identifying confidence in abilities and distrust in underlying motivations as important to participation. The addition of reputation to the framework highlighted that the contextual frame is important to the significance of reputation to participation.

The critical realist view provided for an investigation into the underlying mechanisms of participation. Validity of the causal relation between social capital and participation is ensured for one externally through the additions to theory which may guide future research, as well as the explanatory strength of social capital in this particular case to unveil the mechanisms for participation. Secondly, internal validity through data triangulation, a variety of participant groups and the constant moving back and forth between data and theory secures congruence between data and the theoretical ideas developed. The extensive data material, collected through extensive participation and interaction during a lengthy field stay

supports validity, and clearly displayed methodological procedures ensure replication and thus reliability.

Of concern is the representativeness of the poorest in the data, which was hindered partly by practical circumstances. Furthermore, understanding poverty upon local perceptions complicated the definition of the poorest and the identification process. The claims that 'local knowledge' is bound by power relations may explain these complications, and expectations to my ability to attract funds may be influential. Even so the context demanded a locally based definition of the poorest, to avoid offending participants.

The implications for social capital theory as providing for financial inclusion suggest that social capital is indispensable for group formation and participation. However looking at different dimensions of social capital in order to understand the specific constraints to the poorest may be beneficial. This is directly linked to the contextual implication of the inclusionary potential of social capital in group-based development. Social capital maintains its importance as a conceptual frame, but as for financial inclusion sensitivity to different dimensions and context is essential.

This case study has shown certain tendencies in the particular context. While contextual factors influence the conditions for participation in other African countries, my findings offer an initial explanation of the mechanisms that generate participation. It is seemingly the only study of social capital's effect on participation in economic groups as VSLAs. The findings may thus guide further investigation, which is necessary to reveal whether my findings support general trends or are particular to the research area.

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Notes

This interview guide is intended to ensure that I covered all topics and neither the formulations nor the order of the questions was necessarily followed.

Writing in *italic* are notes to myself. As far as possible I did not ask specific questions, but rather gave the interviewee time to come up with the answers.

Interview Guide – VSLA Members

Introduction

I'm Anne, I'm from Denmark, and I'm here to find out who participates in VSLAs, who do not and why they don't. It is for my final paper at university. My hope is that the findings will on the long term improve on the VSLA method/design, but I cannot guarantee any immediate changes, and I am not affiliated with Church & Society. I'm interested in knowing about you. I would like your opinion, that is what is important, as many opinions as possible, you cannot say anything wrong, and you can always stop the conversation if you don't want to continue. I promise anonymity – nobody will know what *you* said. If you allow me I would like to record the conversation – it is important for me because I will be better able to recall the details of what you explain to me. I will be the only one to listen to the recording.

Interview**Background Information**

Name, age, children, spouse, occupation, schooling, place of origin

Own Participation

Why did you join the group?

What made you able to join the group? (*Examples*)

What would make it difficult for you to join?

What would keep you from joining?

What could make you drop out?

Why did you join this particular group? (*No other option, I know the people well, I have been in a group with them before...*)

VSLA - Pro's & Con's

In your opinion what are the advantages of joining the group? (*Examples*)

Are there any non-economic advantages of being a VSLA member? (*Improved capability (training, education, etc.), better social status, obtaining rights, empowerment, improved possibilities, network, others*)

Does participation improve your livelihood?

If yes, in what way?

Can you think of any disadvantages with being a member of the VSLA? (*Examples*)

Can you suggest any improvements to the VSLA project? Can anything be done better? (*Examples*)

Other Group Members

How do you know the other group members?

Can you describe the other members of the group? What is their caliber²⁹? (*Trust them, good friends, helpful, reliable, know them well, know them before hand, language, age, ethnicity, confidence, honesty, cooperative, responsible, contribute to discussions, respected, positive, hardworking?*)

What is your preference for members of your group? (*Close family, friends, neighbors, certain characteristics*)

What characteristics/qualities are important to you of the other group members?

Would you let strangers into your group?

Do you have any strangers in your village?

To you, what is a stranger?

Do you have any members with HIV/AIDS or that are disabled?

Do you have an age limit in your group (*lower and upper*)?

Can you describe someone that you would not want in your VSLA?

Participation in General

Do you think all individuals that would like to join your VSLA were also able to? (*Examples*)

Have everybody had the opportunity?

Have any one been refused or prevented to join your VSLA?

Can you think of anyone that would have liked to join a group but did not?

Would you let us know the name of this person?

In your opinion, why did they not? (*Not able to pay in the required amount, missed the opportunity, prevented by someone to join*)

Would you say that the poorest/most vulnerable can participate in the groups?

In your opinion what hinders the poorest from participation?

In your opinion who are the poorest?

Do you think you are among the poorest? (*The interpreter reformulates to appropriate question*)

To identify drop-outs or non-members

Can you mention someone who has dropped-out or who has never been a member?

Why do they not participate (anymore)? (*Not able to pay in the required amount, missed the opportunity, prevented etc.*)

Rounding off

The interview is rounded off with thanks to the participants and a photo is taken. This will be sent to the interviewee later. The interviewee is told that he/she can contact me any time during my stay in the village, if there are further questions.

²⁹ Word used to describe personal characteristics, attitudes, qualities etc.

Interview Guide – VSLA Drop-Outs

Introduction

I 'm Anne, I'm from Denmark, and I'm here to find out who participates in VSLAs, who do not and why they don't. It is for my final paper at university. My hope is that the findings will on the long term improve on the VSLA method/design, but I cannot guarantee any immediate changes, and I am not affiliated with Church & Society. I'm interested in knowing about you. I would like your opinion, that is what is important, as many opinions as possible, you cannot say anything wrong, and you can always stop the conversation if you don't want to continue. I promise anonymity – nobody will know what *you* said. If you allow me I would like to record the conversation – it is important for me because I will be better able to recall the details of what you explain to me. I will be the only one to listen to the recording.

Interview

Background information

Name, age, children, spouse, occupation, schooling, place of origin

Own Participation

Why did you join the group in the first place?

What made you able to join the group? (*Examples*)

What is your preference for members of your group? (*Close family, friends, neighbors...*)

Why did you join this particular group? (*No other option, I know the people well, I have been in a group with them before...*)

Leaving the Group

What made you leave the group?

When did you leave the group?

Are there any other things (besides what made you leave the group) that would make it difficult for you to participate? (*Lack of resources/assets, lack of network, lack of status, education, financial issues, lack of trust in the others, not the time required to participate, some preventing you*)

Would you like to participate again?

Why – why not?

Would you like to participate in the same group?

Would you like to start up your own group?

In your opinion how would you be able to participate again? (*Solution to the problem you were facing*)

Other Members

How did you know the other group members?

Can you describe the other members of the group? What is their caliber³⁰? (*Trust them, good friends, helpful, reliable, know them well, know them before hand, language, age, ethnicity, confidence, honesty, cooperative, responsible, contribute to discussions, respected, positive, hardworking?*)

³⁰ Word used to describe personal characteristics, attitudes, qualities etc.

What is your preference for members of your group? (*Close family, friends, neighbors, certain characteristics*)

What characteristics/qualities were important to you of the other group members?

Did you let strangers into your group?

Do you have any strangers in your village?

To you, what is a stranger?

Did you have any members with HIV/AIDS or that are disabled?

Did you let the HIV/AIDS affected or the disabled into your group?

Did you have an age limit in your group (*lower and upper*)?

Can you describe someone that you would have wanted in your VSLA?

VSLA - Pro's & Con's

In your opinion what are the advantages of joining the group? (*Examples*)

Are there any non-economic advantages of being a VSLA member? (*Improved capability (training, education, etc.), better social status, obtaining rights, empowerment, improved possibilities, network, others*)

Does participation improve your livelihood?

If yes, in what way?

Can you think of any disadvantages with being a member of the VSLA? (*Examples*)

Can you suggest any improvements to the VSLA project? Can anything be done better? (*Examples*)

Participation in General

Do you think all individuals that would like to be included in the VSLA also are included? (*Examples*)

Have everybody had the opportunity?

Can you think of anyone that would have liked to join a group but did not?

In your opinion, why did they not? (*Not able to pay in the required amount, missed the opportunity, prevented by someone to join*)

In your opinion would you say that the poorest/most vulnerable can participate in the groups?

In your opinion what hinders the poorest from participation?

In your opinion who are the poorest?

Do you think you are among the poorest? (*The interpreter reformulates to appropriate question*)

To identify other drop-outs or non-members

Can you mention someone else who does not participate or have dropped out?

Why do they not participate? (*not able to pay in the required amount, missed the opportunity*)

Rounding off

The interview is rounded off with thanks to the participants and a photo is taken. This will be sent to the interviewee later. The interviewee is told that he/she can contact me any time during my stay in the village, if there are further questions.

Interview Guide - VSLA Non-Members

Introduction

I 'm Anne, I'm from Denmark, and I'm here to find out who participates in VSLAs, who do not and why they don't. It is for my final paper at university. My hope is that the findings will on the long term improve on the VSLA method/design, but I cannot guarantee any immediate changes, and I am not affiliated with Church & Society. I'm interested in knowing about you. I would like your opinion, that is what is important, as many opinions as possible, you cannot say anything wrong, and you can always stop the conversation if you don't want to continue. I promise anonymity – nobody will know what *you* said. If you allow me I would like to record the conversation – it is important for me because I will be better able to recall the details of what you explain to me. I will be the only one to listen to the recording.

Interview

Background information

Name, age, children, spouse, occupation, schooling, place of origin

Own Participation

Do you know about the VSLA?

Where have you heard about it? (*Do you know anyone who is a member of a VSLA?*)

Would you like to join a group?

Why – Why not? (*Did you have the opportunity?*)

What makes it difficult for you to join a group? (*Lack of resources/assets, lack of network, lack of status, education, financial issues, lack of trust in the others, not the time required to participate, someone prevent you*)

Is it a problem if group members are too closely related in a VSLA?³¹

What would make it possible for you to join?

Have you been a member of any other forms of savings groups?

VSLA - Pro's & Con's

What do you think are the advantages of joining the group? (*Examples*)

Are there any non-economic advantages of being a VSLA member? (*Improved capability (training, education, etc.), better social status, obtaining rights, empowerment, improved possibilities, network, others*)

Do you think participation would improve your livelihood?

If yes, in what way?

Can you think of any disadvantages with being a member of the VSLA? (*Examples*)

Can you suggest any improvements to the VSLA project? Can anything be done better? (*Examples*)

Other Members

What would your preference for members of a group be? (*Close family, friends, neighbors, certain characteristics*)

What characteristics/qualities are important to you if you were to join a VSLA?

Would you let strangers into your group?

³¹ This question was added rather late in the data collection.

Do you have any strangers in your village?

To you, what is a stranger?

What about people with HIV/AIDS or the disabled, would you let them into your group?

Would you set an age limit in your group (*lower and upper*)?

Can you describe someone that you would not want in your VSLA?

Participation in General

Do you think all individuals that would like to be included in the VSLA also are included?

(*Examples*)

Have everybody had the opportunity?

Can you think of anyone that would have liked to join a group but did not?

In your opinion, why did they not? (*Not able to pay in the required amount, missed the opportunity, prevented by someone to join*)

In your opinion would you say that the poorest/most vulnerable can participate in the groups?

In your opinion what hinders the poorest from participation?

In your opinion who are the poorest?

Do you think you are among the poorest? (*The interpreter reformulates to appropriate question*)

To identify other non-members

Can you name someone who else in your situation?

Why do they not participate? (*Not able to pay in the required amount, missed the opportunity*)

Rounding off

The interview is rounded off with thanks to the participant and a photo is taken. This will be sent to the interviewee later. The interviewee is told that he/she can contact me any time during my stay in the village, if there are further questions.

Thera**Interview 05.12.2011,
Transcription 10.02.2012,****Notes***Italic:* Anne Sofie Hansen

Normal: Malango Gija Thera

Conversation

[03:00] *I would like to know if you think, if we get honest responses from the people in general?*

I feel that honestly speaking that some of the respondents could respond very positively, but I could feel that some could not come very clear on whatever we are aiming at, they could hide some of the information. But some respondents could come very clear on what was happening on the ground. But some were hesitant on giving us the proper information.

As a village agent I could see that this type of response is not quite what we were looking at. But since we could not push them let's have these answers. But generally I could say that some could respond very positively. I could guess that the best three was that lady and I could really give her a distinction. [...]

[05:00] *Because I felt that sometimes people were actually saying things that were completely, you feel that they are actually lying right now, you ask a question and they are actually not telling. Not because they are getting around it but they actually tell you a direct lie. You know that this is actually not true[...]* And also the most question is something concerning disadvantages, at least each and every thing has got its own disadvantages. But in most of the people they couldn't tell us the disadvantages.

But maybe it was too difficult? It was not so difficult, I don't actually really understand why they don't say that there is actually no real disadvantage towards that one [the VSLA].

But I'm thinking, maybe they think I will get something out of this interview if I'm only positive towards the VSLA, maybe we will have more training, so in that's sense it's maybe hard to make people talk about the negative things? And also I could feel that it's a very strange thing. Most of them have not received so much training, they are just starting and have not attended much training. As such, if you don't know – you cannot know [if there are any disadvantages] one the question on disadvantages time is also very vital to an individual. But they could not measure time, because if you are meeting someone, your timing is 2 hours but you could stay maybe after 2 hours. I would feel that they could mention that one. [The discussion goes on the fact that time is perhaps an issues of relevance to the limitations to going to a VSLA, as the time spent in meetings could have been spent on other things]. I think on this on this question they are lying, something should have a disadvantage.

[08:00] *Perhaps they are afraid to mention the negative things?* Yes, let's not mention the negative things. But to me there are disadvantages. Somewhere everything has its disadvantages.

[09:00] *What do you think was preventing them from telling the truth, because I can't understand exactly?* What I can guess is, one of the most contributing factors is educational levels. The second thing, is exposure and some sort of mixing [with other people]. Maybe it is very hard to seeing a white like you interacting with that one and they cannot express themselves right very direct. So with them they were some sort of afraid. [...] Like me if I am meeting the president, I might feel displaced somewhere. Because looking at the environment itself maybe it's not conducive. So with that you can psychologically not express what you feel. You are depressed, as such you don't air out what you feel. But most concerns is mixing, educational and the environment.

So with education is it because they don't understand what is being asked of them? No not actually gradually, I'm talking about the different levels[WR]. We have got some in level 2 and somebody in level 4, you mention somebody he doesn't mix, he doesn't go to meetings. With that one he cannot express. And it also applies, [you could see at the educational levels reflected how well they expressed themselves]. Because their education could just go standard 1, standard 2, get married. But if I have mixed with a lot of people, then you have interacted with a lot of people, so you know. [The exposure would help you to know how can I tackle this questions] from which angle. So you couldn't go deeper what type of problems are you finding. But with somebody else who has gone to school, they could just come straight with whatever problem and explain it. So with these major 3 factors. That is why it was hard to get the information.

[...] That is sometimes I would say, let's reframe [rephrase] this question. Because if I ask very direct, they could think: why is he asking me this question about maybe vulnerability. So I would go twisting a little bit so that one should be very comfortable and air out whatever he can.

[13:30] *Did you often rephrase the questions to a large extend?* Ah sometimes I gradually as we are going towards the end. I would also maybe think okay, that time around we couldn't capture that much and this time around at least I need to paraphrase more so that whoever doesn't capture that one at least he couldn't get some of this [the questions]. Like, some of them, if you ask the questions very directly you could offend someone. So you could paraphrase a little bit more, so that he feels that we are in the same lines. So that at least he can answer something.

[14:30] *Because I actually felt, or at least I had the impression that at least when translating back to me you would translate very directly, because sometimes it was very hard to understand the answer. And you also said sometimes that you didn't really know what he or she was saying. I couldn't actually understand. In 'Tumbuka I've got problems'. So I couldn't actually understand what he or she wants to express. I English and Tumbuka some of the words are very similar [but sometimes they are not, so I would rephrase the questions so that they would understand and so that you would understand].*

[16:00] *So when the phrases were very similar, you would translate directly?* Yes. [...] Like maybe in English, somebody is a thief, somebody has stolen something. SO how can you put

it, for example: Stolen, and, a thief. A thief is just a person, stolen is the process. Sometimes in Tumbuka they would mention these two different words. So I would balance the two [translate it to the same word]. Like this is actually the very same process. [...]

[18:15] You know in Tumbuka that can tell you a very long story, but you translate it in two seconds. They will tell you a story going this way and that way, this lady what is he talking about. So you could sometimes ask a lot of question, so that I could have my own understanding. Okay, he was aiming at telling me this one.

[19:00] *Do you think that the people we have talked to, have they been representative of this area, has it covered the different WR?* Certainly I could be straight with you. We have not covered much on the 4th WR. I could feel than we have done much of maybe 2 and 3 not 4. If time could be on our side, we could also maybe do the other random selection, I could feel that one we could do our best. Because relying on the key informants, sometimes they where not very straight.

[20:00] *What was your opinion on them, the key informants?* On some extend the key informants for _____ were the best. Because whoever they could chose according to [the WR levels] they could chose better. But I could see that our key informants [for one GVH] I would trust that they would know better the people around, but they couldn't have more information on whoever they are choosing. So with these, I think they were not good. But according to that one [the key informants for another GVH] after choosing 3 or 4 or 5, maybe one out of that group he doesn't fall within that [the chosen] category. So I could think that with those 2 guys they were very good. They are living with in that area, they could know each and every one, from which ever angle. But with these [from one GVH] they couldn't actually tell us.

[21:40] *But they also have a very big area?* That is another factor, but maybe they are indulged [involved, probably] with several of the things going around, so they couldn't actually trace who doesn't belong to such a group. That's why lets have the 3, because this lady around could petty well know the others. So that's my own understanding.

[22:10] *So the only problem was actually that they didn't have enough knowledge. It wasn't because they were choosing, because we think Anne Sofie should talk to this particular person, for some reason... we like her better, or we don't like her... whatever. It has more to do with that they didn't know the people better?* That is the thing I could understand. Also I think we had short falls on that one. My own understanding is that if we could give ample time. But [if you do another research] you need to see the entry points, how can I reach these onese that I wasn't. Because with this issue of the key informants for Wanangwa & Chazimya we could feel that there was a need for more time. Maybe before actually going to that person [doing the interview] we could go and ask to you belong to A,B,C,D? Then find another way around. So that we can actually find the best that we need to get hold of of the 4th WR.

[24:00] *But we had planned for 2 more interviews, but which we could not cover. But with 2 more interviews the 4th level, it would have be well at least better. But then again time has been a factor and with these problems [funerals and fertilizer] that's a shame. But it is good that you mention the key informants. So who would have been better? Because it seemed to me that you really wanted Bwana_____? Because he is _____ at least he can know some people pretty*

well, that is why I said at the beginning at least involve 4. Because maybe if we had that lady [a planned 3rd informant for the area of _____], we would have been able to capture the right people around. But since she is also very busy with other business, we couldn't manage to capture her around. And also we needed to meet them but that day they are busy, that day they are busy so we needed to use other methods to get hold of them. They were not actually doing whatever we wanted them to do.

[26:00] *The best would actually have been to do the social mapping for the whole area. So that we do every single household, and then we would have had somebody to actually put every single household into boxes.* For that actually we could have had another pre-brief meeting, where we could just have involved some who we could feel could be key informant. We could have probably 3 sessions. The first session we would invite these people to [allocate people into the WR] then we could invite the other people with the very same social mapping. So let's balance the 3 and then take the best idea. [...] But with this so short period of time, I could feel that was too extensive.

[27:20] *But I'm very happy that we got to meet at least a few who were really at the bottom. Because my impression was that everybody was jus. They speak well, they are doing well, they know what they want.* Actually it is very hard. You can be at the very same level, like maybe form 4, but somebody to express, it is very, very difficult all together. That's why they say, this one is a spokes person, that one is a doctor.

[29:00] *Do you think that the people that we spoke to, did they expect to get something, some money, some help, something or other?* Not actually, I can guess that like direct response in terms of money, they couldn't expect that one. But at the end of the day, they were looking at perhaps, at the end of their research our area at least will benefit. Like if you see somebody coming in doing some research, at the end of the day there will be improvement maybe in terms of the banks. They will maybe move slighter up from where they were. That is my expectation I could feel like. Even now, people are troubling me, why not calling that one [me] to our place? This to them is a moral boost. They could recognize that if they had some shortfalls, we could more [...], somebody has heard it. [...] We have had a positive response, not a negative.

[30:00] *Do you think that affected how they were answering?* No no. You were very flexible, any expression [expectation] before the beginning you could air out [explaining that this is what we are aiming at during the interview] So it was very straight on that one.

[30:30] *Okay, so now I want you to evaluate me. I would like you to say if there is anything that you think I should have done differently, or asked other questions or maybe I didn't behave well, maybe I was rude or disrespectful in some senses. And if there is something I could have done better to get better answers perhaps in the interview sessions and also the group sessions?* Okay, at a certain extend towards the end, I could feel that, if someone was giving you in formation in a very correct manner, you could sometimes maybe skip something that you maybe wanted to [know]. You could maybe have planned to say something, but you could rush and the you could say okay I forgot something. But also towards the end you could feel like maybe exhausted. I could sense it. You could take the discussion very casually. And then you could lack consistency and so with that you were lacking some sort of spirit, your spirit was a little bit low so you couldn't grasp whatever you could take from that respondent.

Sometimes I could try to bump in, can you also try to have this [question]. I could see that you were lagging behind. But generally, your mood, you were very good and also where ever you are going, you could sense actually what environment are we going [to] today. You could see the house and you could say, let me adjust whatever. This time around I'm here, let me do like they do. So I could appreciate very much, the climatic setting very much - you could judge we are going to this house, they are falling maybe in this category. And you could match very well. [...] I could appreciate that one.

[34:20] *So you don't feel that I have offended anyone?* No, no!! [...]

Okay I appreciate that very much! So with that one. You know, you have gone so much to Vilimo, so much but this time around, you were like maybe a celebrity. Anyone would prefer, Anne si coming. You were mixing. That's why you could find that some guys they could just come very open. You are unlike the others, they could mention. Just because you could mix very well. But if you were rude and arrogant, let her cross. But culturally you have done at least a very good mixing with the community around. Maybe I was just looking you backgroup, because you were born in Africa, you are part and parcel of an Africa. [...] Maybe it is some sort of an instinct. Maybe it is because that one has stayed in Africa that is why that one is so flexible. [...] But you have done a very good job around, and people will try to remember that at least somebody else with whom we can mix. [...]

[36:00] *I'm happy to hear that. And thank you also for giving me the negative sides also because I was really getting tired. It was hard at the end.* Yes, I could see that you were lacking concentration. [...] Then you can try to evaluate the two here I a was bad here I was good. [...] So that's the most interesting thing. Each and every where you need to evaluate. Whether you are in a workshop, you need to evaluate, how have you done. You cannot be perfect the human is too error. [Talk on the importance of improving oneself]

But is this the only way that you could see that I could have done it any different? If I had been more sharp also for the last part? Should I have posed different questions? But of cuase you have reformulated the questions [...] Of cause at the end of the day you need to capture something out of your research, so you cannot just paraphrase or rephrase anyhow. Just because you need to capture the very same with the very same level, but you need to gather a lot of information. so actually I don't feel that you could paraphrase always, [...] This one says this, then I need to say to you whatever is there. So you cannot just paraphrase anyhow. But I feel you were doing a recommendable. But maybe you were lacking concentration to a certain extend just because at the end of the day. If you are interviewing each respondent at least you need to have more of concentration on that one.

Yes you need to have the same concentration and respect to everyone. [...] Yes, and maybe me as an interpreter to you I also have my own short falls. I couldn't maybe be able to capture whatever is there. Actually you know if you are meeting the person in the first instance you are maybe not able to capture whatever that one wants to express. He has got something in the head, but he cannot air out. So sometimes you are in the horns of the dilemma. What this lady is trying to say. Sometimes you can guess, maybe he is trying to move here, but actually he doesn't express the ay he wants to express. Sometimes if you are interpreting you are speaking to a French and you are English, In the wording itself you miss some of the meaning. [...]

[40:00] *But that is sort of the inherent problem with translation.* Just because if you are talking direct, I hope you don't miss some words. But when you translate, sometimes you miss some facts, you might miss them. So I would prefer that Anne...

She should learn Chitumbuka. You can learn Chitumbuka, but also you are very good. You have stayed here close to a month, but you can able to speak some of Tumbuka language. Some have stayed here a year but they cannot talk tumbuka fluid or they cannot mention some of the words.

But that depends on whether it is easy for you to learn new languages. For me it is easy to learn new languages.[...] Maybe actually because you are studying something like development business and development, which needs a lot of interacting with the community around so to you it is added an advantage.

I have also found that you break the ice by greeting someone in their own language. Then all of a sudden they are much more open to you, than if you were not. Often they would appreciate. I think this one is very pompous, she is always greeting in English we are Tumbuka. But if you greet them in Tumbuka, so often they can talk with you. [...] You know, if you are in Rome do as Romans do. [...]

[44:00] *How do you think I have treated you. How have you felt about being my translator, my organizer my coordinator, my everything. Have I demanded too much from you?* To me in the first place, I shouldn't hide, it was a very, very, challenging thing. Because in the past, I used to interact with white people but most of them were men. But to interact with you, on the first day in the first week. Without knowing which type of person you are, to me it was a very challenging thing. Because to me sometimes I couldn't guess that whatever I'm doing now. Have I done it in a very perfect manner or not. Have I insulted this one, or whatever. So to me it was a very challenging thing. On the first early days. And also that you are doing actually research so I could say. Fluently I like to talk Tumbuka, would I be consistent taking this task ahead expressing myself in tumbuka and in English. And whoever type of respondent we are going to meet will I deliver to the best of my knowledge. So that feeling, maybe my performance would be below average.

You know what I will say to that. So this I would say would be a nut to crack. But generally you are treating, I hope. And you are very very sensitive I could judge. Sometimes I could feel here, I'm not good here, but you could try to level here on the very same level, so that we could balance out. So that we could keep your conversation or our interview at least well informed. And in a manner so that we can treat whoever [well]. [...] So that is why I have said on Saturday: I have learned a lot from you. And my learning has updated me maybe mentally, physically. [...]

Yes, because you have done twice the work that I have, because you have had to go to every place at least twice. [...] So that is why I have been asking you all the time. Is it okay, with you? Do you have other things to do? Because I didn't want to interrupt. Sometimes I could feel that you are very flexible. Sometimes if I had some of the information you could balance. So Gija, what is your program like? So you could try to comport me, whatever the work I should have. But also I could awake myself, this week around I'm having this program. So even my wives at home, could also balance. [...] So this time around that I have stayed with a

white person, they could also guess that I have to go at two, that's two. So my wives too, they are also geared. [...] I move with several organizations around, so I am used to it. [...] The only challenge was this one: How would we mix? With this short period around. And very intense. Would I manage the whole of the program so at least whoever she wants to meet, let me try my level best, so that we can meet. So I was very fast in thinking, that if you tell me my program tomorrow, so I could use some of my methodology of mobilization that I have learned from NICE, so that, this one I cannot get here, let's do the other way around.

You have not felt very pressured? No no no no!

Well I'm thinking, what about the group exercises? I'm especially thinking about when we were making the categories [WR], were people comfortable in this situation? Or was it difficult to actually do these? Just because I know that this particular methodology is used very much, everywhere. Like this time around, people were very comfortable. The thing is, with interaction, the Church & Society has come here several times. And sometimes we use, I don't know if you know about score cards, we use score cards so it's just similar process. So I think most people they are very familiar with that one. Just because who ever attends several meetings, in the way that you find also those things are done. And also that was 2007, we had a similar exercise whereby there was a needs assessment [...] so people they are used to that one. So to me, I feel, there was no any problem. Also I know you cannot run away from that one. Even if you runaway but you fall within. So sometimes you could think that it is bad that somebody is mentioning about whoever I am, but you feel that it is the very same thing.

That's good to know. Because it is a sensitive issue [poverty]. Sometimes you need to be very diplomatic. If you ask somebody you want to get information whether he falls on the fourth category [of the WR], but you need to be more diplomatic on that one, so he needs at least to understand, what is the purpose on that one. That is why I asked: Could you [the participant] please mention the wealth ranking that you know, so somebody can mention what belongs in the different categories. And in the end you can ask can you categorize yourself. So he feels very comfortable that she or he has mentioned him or herself, so she's just putting herself in what category she has made. In such a manner she feels very comfortable. It is not him mentioning to me. Myself I have mentioned it. [...]

[53:40]Yes, so it's their own words, their own categories. That is exactly what is important, that it came from their own minds. Because if you make for them, they feel very offended. Okay, he already knew pretty well about me, why asking me these questions?

So that is actually quite important also? You cannot offend. She or he has mentioned whatever is there. So it is not like me putting a word on her. She had already mentioned. So if he mentions – ah okay, I fall in this one. I can say, okay it is part and parcel of our discussion.

I feel very happy when you say these things. So I only have the last thing, for our formal part of the conversation. I would actually like for you to explain to me what is the process when a group wants to be trained? Because now I know, that Church & Society they have only trained, or paid for training, for [about 3 groups] So now they were trained. So what happens now? Because it seems to me that you sometimes purchase the box for them? Actually, with these donor funding projects, with the need you have for training, you can ask from the donors. If you say that you are going to train five groups, the budget is made for that amount, and you ask

for that amount from the donors. So I think that for that amount there was an underrating. They [C&S] were thinking that maybe there would be very few groups coming out of that one. But at the very end, at they came and mobilized the community, they could find that there are so many groups coming up. As such for them, they could find that there are so many groups coming out and they couldn't train all those at once. And after that they judged, okay, let's just take some of they groups and train them. And if we have some more funding then we can go and train some more. Because in the first instance there were 30 groups coming up, but they thought that it would only be very few. But in a normal situation. Like the first training, was fully funded, so in the first were I, _____ and _____. So me and _____ we were training Wanamgwa group here. While _____ were training the other group. So they were the first groups trained. So afterwards they were looking may we would train furthermore. But with this shortfall of funds, they couldn't train the other groups. Then the other one that was trying to shoot up was Tayamba, saying please, we want training. And they were to revise the training procedure, looking at the funds and human resources. So they say that, okay we need to train more groups, because more groups are coming up. So what we see is, that we can buy a box for you, we could see that we have got this budget, this catchment area, so all of them they seems to be interested. So with this little resources we have lets do that, so that we can at least reach out to more groups. [...] With these few human resources we are having and these few financial resources. But still more groups were coming out, looking for training. And with LISAP they have also pulled out, so there was a gap also. [...] But the arrangement was with the fully funded. 1) they were given a box, the two bowls, the pass books, and also some allowance for the members and also for me a little bit, so that I can buy soap. But gradually, that more groups were coming out, so they would cut in. SO thin money made for allowance we can train more groups.

But allowances for you of for the members? For the members. They were given a little allowance, it was meant for lunch. We were learning from the morning to maybe up to four, so they were given something little, so they could go and buy some food around. Or also they could get that money so they could cook nsima and buy come relish. So that was the arrangement. But also, as we are going, they trained me for sustainability purposes, so that I can be going with other groups that are just coming out. Train them, how village bank is running.

[01:02:00] *So now if a group comes to you. How do you do?* What I do is that this time around they need to contribute something in terms of buying a box. Just because I know at the end of the day these donors are going to pull out. So to sustain the groups we need also to rearrange or mould some of the procedures, just because if you only think, that DCA will be around til Jesus comes, it will not work that way. So I need to also mould and explain that you're friends were trained in this way, but C&S are going to pull out. But we need to go ahead with these village banks, so I go I say okay: a Box is maybe around so much, a pass book, the bowls the locks are around so much. So what we can do this time around is be a go-between. So I go to those making the boxes, and say that I have got five groups. So I train them, after training they will start sharing using maybe the box they have around or using whatever method, before the box is made. SO if they have run for a period of maybe one month or 3. I will go to the box maker. Please, can you give us this box. I bring the box here, so they will be paying a little bit something till they can cover the whole of the expense, then that box belongs to them. So that is the local arrangement.

[01:03:30] *But are you then paying for the box in the first instance?* No, because sometimes you cannot trust the members, so you cannot just give the box, and they don't pay back. Sometimes anything can happen, so you say. Please, can you first contribute some money, so I can buy a box.

Okay, so they start sharing to there is money for the box. Just like, if you just give the box, they will not pay back the box. And that one that has made the box, will say, where is my money. So you get trouble. So you say. Have you got somebody who is a very trustworthy who can be keeping the money, whether using whatever method. So, you say, how much is there a box is may going at 7000, so give me 3500 I pay that side, I take the box I give you. Afterwards you contribute the other money and then you pay the box. But if you are fully funded, you will give them the box etc, and they will pay back. We encourage them, if we are just giving, and giving then they will just be receiving. So we want to squash that actually of just begging. We want to remove that one. So that is what we are trying. We are also encouraging, I think by the end of the day, I was also discussing with the Fukafuka group, we need also to arrange for them to buy them the box, the pass books whatever is needed. But also you know, like we human being, sometimes we pretend that we will do but we will not do so you need to also be very flexible. To see what is the combinations, how is the cooperation? Sometimes we can make the whole thing and they won't pay back, so we need to balance the two. [...] Money is always tempting. Like me, I'm not working. Say okay contribute the money, after contributing, take the money counter or two members, the chair person and a member. Let's go to Rumphu, just because sometimes money is just so tempting, that I can also spent some of the money. So organized the two, this one has made the box, pay them and then come back. So they will just pay you for maybe the transport full stop. To avoid any, to run away from those temptation.

But Mr. _____, he is your _____ isn't he? Yes.

So in _____ there is no village agent, in his area there is not someone like you? I don't know that side. But here they have identified me to cover the whole of the task. I don't know in _____, maybe there is one, but I'm not aware about that. But here I'm the only person. Reporting to him, so this one wants a box. So Mr. _____ can you please organize a box for A,B, C? [...] But normally, if they have got a problem [the groups], if they cannot share-out the money afterwards then I go there teaching them, this is the way how we divide some shares. So I always go there to teach them whatever they don't feel, we don't know this.

WANANGWA GROUP

Part 1: How the Association will govern itself**I. BASIC INFORMATION ON THE ASSOCIATION**

- Name of the Association Wanangwa Group
- Address: P O Box 13 Kamphenda Rumphu
- The Association was formed on: 23rd November, 2009
- Date of official registration: Nil

II. OBJECTIVE OF THE ASSOCIATION

- The purpose of the Association is to be an independent, profitable provider of financial services to the members
- The services the Association provides to its members in order to achieve this objective are:
 - to keep money through shares
 - Our Association will help members when indeed through the Social Fund.
 - Members will be borrowing money on the interest accumulated

III. RELATIONSHIP TO EXTERNAL SOURCES OF FINANCIAL SERVICES

- The Association will not borrow from financial institutions during the first cycle of savings and lending. If it does so in subsequent cycles it will use the following principles:
 - The Association must be the borrower and not individual members
 - The Association will not allow the lender access to information on individual loans
 - Members' savings cannot be used as collateral for an external loan
 - Any borrowing by the Association must not exceed the total value of all members' paid up shares

IV. WHO MAY BE A MEMBER OF THE ASSOCIATION?

- Lower age limit: 18 -70 years
- Gender : Females only
- Residence Kamphenda VDC
- Other common circumstances well mannered and respectful

V. COMPOSITION OF THE MANAGEMENT COMMITTEE

- Chairperson
- Record-keeper
- Box-keeper
- 2 Money-counters

VI. ELECTION PROCEDURES

- The maximum number of consecutive terms any one person may serve on the Management Committee is: 1 year
- Elections must be held at the beginning of each new cycle.
- The minimum number of members who must be present to hold an election is: 17 members 2/3 if the membership
- The election procedure will use a system that allows everyone's vote to be secret.

- The minimum number of people that must stand for each position is 2.
- A candidate for election to a post must be proposed for office by another member.

VII. REMOVAL OF OFFICERS FROM THEIR POSITION BETWEEN ELECTIONS

- Any member of the General Assembly can call for a vote of no confidence in a member of the Management Committee. If a majority of the members the member decide that the person should be removed from the Management Committee, the member must step down and another member be elected to the same position.

VIII. MEETINGS

- To mobilise savings the Association will meet every: Once a week
- To disburse loans the Association will meet every four weeks.
- The cycle of meetings will continue for a maximum of 52 weeks before the Association shares out its assets.

IX. MEMBERS LEAVING THE ASSOCIATION

- If a member leaves the Association because they have no alternative, the Association will calculate how much they must be paid using the following principle:

Give back her savings without interest

- If a person leaves the Association before the end of the cycle for no reason, except their wish to leave, the Association will calculate how much they are paid using the following principle:

Give her savings without interest

- If a person is expelled for failing to make regular share-purchase/savings deposits, the Association will calculate how much they are paid using the following principle:

Will calculate her shares minus the money she owes the group

- If a person is expelled for failing to repay a loan, the Association will calculate how much they are paid using the following principle:

Will calculate her shares and if she owes the group any money will get goods from her house wealth the money she owes the group

X. EXPULSION FROM THE ASSOCIATION

- The reasons for which a person should be expelled from the Association are:
 - if a member is not buying shares
 - if a member is failing to repay loan
 - if a member is not following the rules of the association

XI. DEATH OF A MEMBER

- If a member dies the Association will calculate how much money should be given to their heirs using the following principle:
 - If a member dies without any loan her shares will be given to her heirs.
 - If a member dies with unpaid loan, the loan shall be written off

XII. FINES

The following table lists the fines that can be charged for offences committed by members.

Offence	Amount
Non-attendance at a meeting for personal reasons	K50,00
Late to meetings	K20,00
Not remembering Association rules	K20,00
Loss of member number card	K20,00
Forgetting key	K50,00

Chatting through the proceedings	K20,00
Showing disrespect to a fellow member	K100,00
Not remembering decisions and activities of the preceding meeting	K20,00
Failure of a member of the Management Committee to perform their duties	K100,00
If a member lost keys of the box will refund	

XIII. AMENDMENTS TO THE CONSTITUTION

- 2/3 of the members must agree before the constitution can be changed
- Anyone can propose an amendment to the Constitution

2: Services offered by the Association

I. SAVINGS

- Members may buy 1 – 5 shares in each meeting
- Members may contribute an equal agreed-upon amount at the start of every future cycle to speed up the growth of the loan portfolio. This can be more than 5 shares if all members agree

II. LENDING

- Those eligible to borrow are:
-if you are a member with a clear record on your shares
- If you are a legible member who buys shares and you do not have any debt
- The maximum amount that anyone can borrow is three times the value of their shares:
- The maximum length of loan term is 24 weeks, but only 12 weeks during the first cycle
- A member must repay a loan before (s)he can take another
- The service charge rate to be charged every four weeks (month) is: **10%**
- When a member does not repay a loan the following principle will apply:
If a member is unable to repay the loan her shares should be forfeited.
- A loan that is not repaid will be considered uncollectible after: **three months**
- If a member dies his/her loan need not be repaid. She is forgiven and her shares will be calculated and be given to her relatives
- The highest priority for loans will be given for: to those who buys shares
- The second highest priority for loans will be given for: to those who repay their loan in time
- The third highest priority for loans will be given for: to those who repay their loan

III. SOCIAL FUND

- The contribution to the social fund will be: K20,00
- The social fund contribution will be paid: Every week
- The benefits for the death of a spouse will be: K500.00
- The benefits for the death of a child will be: K500.00
- The benefits for the death of a parent will be: K500.00
- The benefit to a member whose house or workplace is accidentally destroyed will be: K1000
- The benefit for sickness of a family member will be: K500

CHAZIMYA GROUP

Formulated on: 7th August, 2011

Rules of the Bank

1. Non-attendance at a meeting for personal reasons K50
2. Late to meetings K20
3. Not remembering Association rules K20
4. Loss of member number card K20
5. Forgetting keys K50
6. Chatting through the proceedings K20
7. Showing disrespect to a fellow member K100
8. Not remembering decisions and activities of the preceding meeting K20
9. Failure of a member of the Management Committee to perform their duties K100
10. Forgetting Box K100
11. Failing to answer a question during the proceedings K20
12. Forgetting to wear a uniform K20
13. If a member dies the Association will calculate how much money should be given to their heirs
14. If a close relation of a member of Association dies K1000
15. If a member dies K2000
16. If a member is sick K500
17. If a member has lost a son or her father K500
18. If a member is sick just for a day K200
19. The benefit to a member whose house or workplace is accidentally destroyed will be K2000
20. If a member fails to repay the loan
 - Should be removed from the group
 - Should calculate his/her shares
 - Should pay a penalty of K500
21. Those eligible to borrow are
 - a. Those who repays in time/well
 - b. Those who does not owe the group any money
22. If a member is in need (eg if a relation is sick) the group should help him/her
23. If a member fails to pay the loan within the required 3 months we have to give him another month with a penalty. If he/she reaches the fifth month the association should calculate his/her shares and be removed from the group.

VILIMO GROUP

Rules for Vilimo Group

1. When coming to the meeting a member is not allowed to drink beer
2. A member should not be notorious
3. If you are late to meetings you are supposed to pay K20
4. Non-attendance at a meeting for personal reasons K50
5. Chatting through the proceedings is not allowed
6. An outsider is allowed to borrow the savings with a 20% interest

7. A member is allowed to borrow the savings with 10% interest
8. Every member is supposed to pay K250 every week.
9. Every member is supposed to pay K10 for social fund every week
10. Every member of the association should abide by the rules.
11. If a member fails to repay the loan will go and collect goods at his/her house wealth the loan.

Note

Italic: The interviewer

Normal font: The interviewee

[]: Explanations, passage take out, reformulation of difficult passage.

Observations

She is fairly shy especially related to identifying drop outs and non-members. Some encouragement was needed to get responses.

Housing: Large brick house, cement floor, glass windows, tin roofing, good furniture.

Personal Profile

Age: 33

Schooling: Form 2

Husband: Yes

GVH: Zuñguzu

Children: 4: 1 son, 3 daughters [1-14 years]

Occupation: Farmer [the whole family likes farming]

Origin: Kamphenda is her home village and the whole family as well [it is possible that she moved to Kamphenda from somewhere else].

Interview

Why did you join the group? She had some problems in the past. The money she gets from the husband to do business. But after joining the group she can realize the capital from the group.

How did you get the initial capital to join the group? From the husband. The husband is just happy with her joining a group. Most men allows their wives join the VSL, but as the tobacco market is not doing well at the time, some does not have the money to join the VLS.[The translator asks if there are someone who could not participate due to lack of money. She reveals a name of someone who can join the VSL if she finds the capital]

How was it possible for you to join? She saw that the characteristic of her and the rest of the group they could tie. Some members that are trustworthy and they are able to pay back the loans. So she saw that if they would invest together there would not be any problems.

Are there any difficulties to maintain membership? No problems. [The translator says: When you are a leader you do not have any problems. Laughter]

Are there problem with running the VSL? The group does not run well, when some members does not show up at the meetings, the key holder for instance.

Have anyone been expelled from the group? Nobody has been expelled this year. But last year some were expelled, because they could not repay loans. She will not let us know who. Helena says that they have left Kamphenda for somewhere, they are not around. [The translator explains that he knows who have been expelled last year]

What are the characteristics of those who were expelled? They were disadvantaged. Could not find money, could not find food, and the money they got from the VSL they spent on food and not on business [The translator explains the previous, it is not translated]. At the end of the circle they could not repay – there was no other option, since the group needed the money. The group could take them to the court, but because of sympathy they did not. And because of the reputation the VSL would get if it took someone to the court.

Did you know all before forming the group? They knew each other pretty well, that's why they join in a group. They knew each other because they stay around the same area, even though they stay in different GVHs [traditional geographical boundaries]. But they go to the same churches [but come from different churches] and draw water from the same water point, and know each other from the market – will find out who pays back or not. A few people start the group, and discuss about other individuals as to whether they would be good for the group. [The translator: The selection is naturally done, the VSL is introduced to the chief, and the at least 3 or 4 people gathers and decide it is a good idea and try to convince others to join. You might find that other small groups have gotten the same idea, and so a group is formed. Then naturally a leader is found]

What is your preference for members who can join your group? If you find that someone can pay back loans they can join.

How do you know the members of your group? Because you live very close, you can look at the family and decide that the family is perhaps crook and not trustworthy. If you do not trust the clan, you will not allow a member of that clan to join.

Do your members have specific living standard or status or come from a specific place? You must come from around Kamphenda. Living standard is not important, if they are able to pay the shares etc they can join. If the characters fit the group, they will take him onboard.

What do you think about HIV/AIDS affected? affected can also be assisted by shares and the social fund can assist with transport money to go to the clinic for treatment. Some, however, are not open about their illness. In her group there are no-one that she knows of. But other groups have members that have come open about it [Chazimya].

Have all that would have liked to participate have also been able to? There was a lack of access to information on that I am coming to the group. Some were not present at the group meeting, when I visited. They want me to know that the way they opened the box at the meeting was not normal procedure.

Will you guide me to those that were not allowed to join because of bad characters? She will not tell us about those. She says that some are not in the C&S groups, they may be with the LISAP. So they decided to say that this one has completely failed [the recording is unclear].

Maybe the crocks join in a group together.... [she speaks around the question. The translator, tries to explain why we need to get this information].

The drop outs, did they all move out? [The translator laughs and says: it is so sensitive!] She does not answer, she cannot tell me. Someone is still around [She reveals a name]. Others have moved away to Mzuzu.

Staying [Nkarawaka] what does this mean? You are a house wife the husband takes care of the business, the business of the husband can assist you to pay some shares. The husband will assist the woman to pay shares until she has enough to be able to start her own business. [The translator: The capital comes typically from the husband] Not employed, not doing business. [The translator: my own personal view: in Malawi we don't realize that if you are selling partially salt, or mandazi, you don't feel that you are doing business, they will try to underrate it, don't consider it as doing business, so they will just say staying].

[43:00] Can the husband use the wife to access capital? The husband can also access the money that the wife borrows from the bank, but there are limitations because the loan must be repaid, they must agree in the house how to repay.

Someone in your group mentioned that a problem is that you would like to link up to larger institutions. What do you think of this? It is a problem. She explains that for example she has ex 3000 Mk, and wants to do large business, but you find that there is too little capital in the VSL. You may need 9000 Mk but you cannot access it in the VSL. Advantage if linked to banks to access this capital - Wants the whole VLS to be linked. There is a need for extra training to link with the bank, as they don't understand how the bank works.

What services do you need? [The translator: It will be tricky because she may not know what services banks offer. Therefore I will rephrase to ask if she has been client at a bank] She says that lending is needed, but also saving. [The translator: there may be a knowledge-gab] [...]

[Final thanks, greetings and questions for the interviewer]

Interview 2
21.12.2011

05.12.2011

Transcription

Interview

Wanangwa Member

Note

Italic: The interviewer

Normal font: The interviewee

[]: Explanations, passage take out, reformulation of difficult passage.

Observations

Very lively young woman. Very straight forward and not shy.

Housing: Clay house, clay floors, no glass windows, no doors between the rooms, grass-thatched,

Personal Profile

Age: 23

Schooling: knows how to read and write

Husband: moved away from her husband [he was a truck driver]

GVH: Zuñguzu

Children: 2 boys [2-4 years]

Occupation: Sells madazi. Farmer: gn, beans, mais, soya.

Origin: Kamphenda is her home village. Lived elsewhere in Kamphenda with her husband

Interview

Why did you join the VSL? She felt that she could not keep money safe in the house.

If the son falls sick she can get assistance from the VSL. Also to do her business.

She has no problem of maintaining membership.

What are the advantages of being a member of the VSLA? After the sharing of the money: Buy fertilizer, pay for soap.

Are there any non-economic advantages? Getting 'pass-on-goats' is an advantage, this is a project C&S also runs.

Does the relationship you have within the group matter? They develop a relationship in the group, they can share some experiences in the group: cultural experiences, how they can interact in a group and they interact and share ideas between the villages. [The translator suggests: Perhaps how to run businesses]. She didn't have clothes or buckets in the house – now she has these things

Are there any disadvantages? No

Can you think of any improvements or limitations? They have little money within the VSL, so linkages to other financial institutions are necessary to boost the capital of the group.

Is it mainly to borrow money? Both saving and borrowing. Extra training is necessary, so that those that are lending and providing saving services they have got their own arrangement. So the group needs training to understand how the banks work to know more about how the bank system works.

Should the whole VSL or just members? The whole VLS should link up!

What are the criteria or characteristics of the members of your group? Crocks are not welcome. She explains that he borrows the money but does not pay back the money [these people have not entered the group – they were refused]. She will not mention the names of those that were refused access [The translator explains why it is important for her to let us know about these individuals and confirms confidentiality][She gives up names of an individual that were not allowed to enter]

Why could they not join? They live like a middleman: [Reformulation of explanation: The middleman buys a product at a cheap price [10 Mk]. He says he needs to fetch the money to pay the vendor. He goes then to sell the pen at a higher price [5 Mk]. He comes back to the vendor and pays the 10 Mk and has in this way earned 5 Mk.

Are there other characteristics? You must be well mannered [that means, you] need to speak to one another in a friendly and polite manner. You must listen to others views and be open to others.

Are these the characteristics of the members of Wanagwa group? These things were discussed at the formation of Wanangwa, and then they decided on some criteria, those that did not like these criteria could leave the group.

How did the group come together? In the first instance LISAP [sister organisation to C&S] had some VSLs. But with the coming of C&S they introduced the VSL, at community level. Then chiefs mobilized the villages that whoever wants to join is most welcome. Each member came forward from each chief and then leaders naturally came forward and the groups were created.

I know some members were expelled from your group, can you explain about them? There are no one who were expelled.

Do you think the most vulnerable people within your area are able to join your VSL? All can join, whether poor or rich.

Who do you think are the most vulnerable? Those that does not have enough food, no clothes, bad housing.

The drop outs have they left Kamphenda? Yes, most have left, they are not around.

Those that have not left, are they doing other business? They are just peasant farmers.

She will not mention the names of these. And she cannot know about drop outs from other groups.

Do you have any members with HIV-AIDS? There are no one who has come open about it in the group. But they cannot exclude them, all are one.

Staying, what does this mean? I see that you are doing a lot of things? She is just doing business on the Saturdays, for the market, therefore she does not count this as a work. The rest of the week she is fetching firewood, cleaning of plates, smearing the floor. Taking care of domestic things.

Who did you know to be able to join the VSL? She knew a member of the group who introduced her to Wanangwa. She is just a friend, not a relative. And she stays around the area. She was the only one that the interviewee knew, and the member took her to the group.

[Final thanks, greetings and questions for the interviewer]

Note

Italic: The interviewer

Normal font: The interviewee

[]: Explanations, passage take out, reformulation of difficult passage.

Observations

She speaks very freely. Is a very pleasant lady. Came with a number of good reflections. She is a respected lady since she was receiving the paramount chief on one occasion. The impression is that she is a very strong woman. She dropped out of Wanangwa because she failed to pay back loans, but experienced no social conflicts.

Housing: Possibly brick house, iron roofing,

Personal Profile

Age: 48

Schooling:

Husband: No husband – marriage disbanded. She was born in the house in which she lives

GVH: Zuñguzu

Children: 3: 1 daughter, 2 sons [19-32 years]

Occupation: farming, domestic work, selling beans/tomatoes, has livestock: looks after goats and pigs, goes to church. Has been growing tobacco, but not she opts for mains and soya.

Origin: Kamphenda, family in Kamphenda

Interview

[05:33] *What were your reasons for joining?* Because of poverty.

How does the VSL help from poverty? [This section is completely reformulated] The VSL helps as you can deposit money, and later they can borrow money. As an example: taking up a loan of 5000: 2000 for business, 3000 for soap, milling, and school fees. [08:00] Borrowing is however not the most important, there are several things like exchange of ideas at the meetings. Discuss issues concerning HIV/AIDS. Discuss welfare of the family like how they can handle of the husband – conflicts between the other women if the husband talks to other women. Some members lags behind does not understand business - how to manage finances. But if you discuss with these women on how budget and manage loan taking, they will improve. They try to help out each other. [10:00] If you lent from larger, formal institutions you risk that the bank will come and sophisticate [confiscate] your belongings if you cannot repay, this does not happen in the VSL.

Have you experienced that? Yes

Are there difficulties to maintain membership? No.

No challenges to repay loans? [Reformulated] Yes there are difficulties. At this time it is very difficult to sell products and since all live from farming to this is a problem, the problem is the tobacco prices which have decreased heavily. The market is down now. Last year it was a little bit easier. [...].

[16:30] *Are there other advantages?* They can also be supported by the social fund, in terms of sickness or if the house burns down. They share ideas and encourage people to be true Christians and to be strong in the faith. They come from different churches but God is one.

[18:00] *Are there any disadvantages or limitations to being a member of the VSLA?* Now the market is down the prices are poor. People cannot buy your commodities at the market. If you take up a loan, you divide it into two, some for business and some for home consumption. If I exhaust the whole amount how can I repay? It is mentally hard to live with the knowledge that you may not be able to pay back. You are not comfortable, worried because you are afraid to default. But last year it was easier to realize profit.

[21:00] *Can something be done within the VSL?* No, it is the economic situation that is creating this situation, they cannot not change that. They are not part of that problem. Other lending institutions to come to their rescue to add some more money to the VSL. For example OIBM [Opportunity Investment Bank Malawi].

Have you asked this bank? They have not. They were also told that they should have the consent from C&S before linking up with larger bank to avoid the groups being abused by the large banks. There needs to be a link. With the assistance from C&S they would join. But if they are told that it is not a good idea, they will stay with the VSL. There is a MFI in Rumphi which provides services here. You borrow money and you have to pay back every two weeks, but you may not be able to manage to pay back every two weeks. Therefore they were told to get assistance from C&S first. Their services are not appropriate. They should not try to benefit so much from the poor, it must be mutually beneficial.

Is that how we can improve the program [to link to a larger institution]? Yes.

[...]

[27:00] *In your personal opinion, what are your preferences for other group members?* Somebody must stay around – not move too much. [Should not come too far from this locality of Kamphenda]. They must know the behavior of a person. Is it a trustworthy person, if he comes from too far away you may not know if he is trustworthy? That person should love one another. Be trustworthy and not be a crock.

[29:00] *In your words what is a crock?* Someone who does not pay back the loan [she gives an example of someone who has borrowed money from another person in the village but has not paid back, this person cannot be a member] [...]

Are there any other characteristics [of crocks]? Women who are drunkards, and want to be in a VSL, shouldn't be involved in the group. [...]

Do you often find women who drink? Yes. [...]

How did you know the other members? She was also in the Chiligirano [ROSCA] of 10 members.

[32:00]Once you decided to form a VSLA, how did you find the other members? [...] Other people could appreciate that these 10 people are doing a good thing, and wanted to join.

So people from outside, they came and asked you can we please join your group? In the first place they could, but the group also explained the importance of being a member the VSL. So when they realized that it was important they wanted to join. [...] Friends, family, relatives, and neighbors are within the group.

[36:00]How many asked to join? 15 asked to join [...]but 5 did not have the money this time around and must wait until they have sourced the whole amount.

Have some of these 5 people come to ask if they could join? Yes [confusion as to why these people have not joined]

So you did have to say no to anyone who wanted to join? No [one has been refused]

[39:30]What about strangers, I hear that strangers are not really liked in the groups. Would you let strangers into your group? Strangers [visitors] are accepted

How would you describe a stranger? If that one is a visitor, they need to find out how long are you staying here, if it's less than year that is not enough, but if you stay for a year [a circle] and some months then they can allow that one to join the group. [...]

[43:00]How will you assess such a person, if it is a person new to the area? They will ask the family with which they are staying or inquire from the chief [...] so there are processes, they will not just say [come and join the VSLA].

Do you know of anyone who would have wanted to enter, but could not, not because you did not want them to but for other reasons other than for economic reasons? There are some. [...]Some women are prevented by their husbands, because of jealousy [...] he cannot let the wife just move, if she is coming late, maybe you [the wife] had another guy somewhere else, and [the husband will] say no you cannot join.

Is that very common? Ah partially here. [The translator explains:] But there are some that are refused. Maybe there are others, and you will find some that are better than me. [...]

[We cannot talk to one of these persons, stay too far away....]Some could not move because of health grounds. Not because they are sick all the time, but maybe they fall sick often, and they are afraid to not be able to pay back money [because they are not able to run a business] So let me just stay as I am.

How can we accommodate these people? [Reformulated]The group has tried to talk to these people. If the woman has a record of visiting other men then the man cannot be affected to change his mind. So he will prevent the wife from going. Then the group cannot do anything. As for the sick they have also discussed the problem. The group has suggested that this person could just buy shares and not take up loans. But the sick feels abused if he/she cannot borrow – the group will be using their money, the sick will not be benefitting. It is not enough to be able to save money – we will have not ‘profit’. The group will just be using their money, they will not be benefitting.
[...]

So these people that are sick they don’t feel that it is an advantage to them that they can save only? They have an idea, that they will not have any profit at the end of the day, because they will just be borrowing they money, and we will have noting at all. So they will not join. They have no mindset of saving. Saving AND borrowing is fruitful.

[53:00]*What is more important, saving or borrowing?* It is so important to borrow [for the bank to grow] .

Do you have any mechanisms to boost your group? [Reformulated]They use ways to boost the capital of the VSL if the amount to borrow from is not enough. Mkusyatumba: extra contribution of 4000 Mk/member in different installments. If all contribute this there will be a larger amount to borrow from. It is done once in a year.

[55:00]*4000 is a lot of money do all members have the opportunity to pay that money?* [The group votes on the amount to contribute] And the money is paid in bits[...] within these two months everybody should have paid.

[56:00]*I think I have understood that you would let the most disadvantaged into your group?* Yes.

Who are the most vulnerable? Those with little money [200Mk/month],

How does this person live, how does he get his money? Goes for peace work, goes to the hill fetching firewood to resell, sometimes he gets 200 Mk and buys some vegetables at the garden, then he goes and exchanges it for mains. He get’s maybe 2 tins, 1 for home consumption, 1 for reselling.

Do you think this person is able to join a VSLA? It is possible [...]they are able to buy shares.

[Discussion on the traditional authorities influence on VSLAs]

I was wondering could you explain further why there are only women in your group? You talked about men you call men crock, are they always crocks? [...] There are some women that are also groups.

[01:02:00]*But you decided to only have women?* The decided that there should not only be room for women. But some women could not follow rules and regulation then some could not

join. [...] [reformulated] They have jotted down some rules in the constitution that men cannot [find it hard to] follow.

Which rules do you have that would be hard for men to follow? One of the rules was that he needs not to have any position, because men have so much influence that maybe we could disturb the group. [...] So most men could not follow that.

So because the men will want the important positions, they will say no? Yes.[...] there are some men they have a understanding [...]

Could you help me to get access to some of these women that could not join because of their husbands? She has two doubts, one it that she is coming from far away, the other is the issue of jealousy. [...]

What about those who were too sick to want to join? Yes, [She reveals a name]

[Final thanks, greetings and questions for the interviewer]

Note

Italic: The interviewer

Normal font: The interviewee

[]: Explanations, passage take out, reformulation of difficult passage.

Observations

She is a very calm woman. Gives straight answers and is rather open.

Housing: Brick house, cement floor, glass windows, doors inside the house, electricity, a truck, iron roofing.

Personal Profile

Age: 55

Schooling: Standard 8

Husband: Yes

GVH: Zuñguzu

Children: 8: 3 girls, 5 boys [21-36 ca.]

Occupation: housewife, farming: Mais, casawa, a bit of tomatoes. Animals: goats, sheep, hen, pigeons, cattle

Origin: Home village is Kamphenda and most of her family lives in or around Kamphenda.

Interview

[01:00] *Why did you join the VSL?* Because of problems [...] such as finding money for grind milling, soap, salt, fertilizer.

What made you capable to joining? Beforehand a group where borrowing each other money through a Chiligrano [ROSCA] with 200 Mk/week, but after hearing about the VSL they decided to try this out.

Because you were already used to the [ROSCA] you then found it easy to join the VSL? Yes.

What are then the advantages of VSL? They can borrow much more money than in the [ROSCA]

Why can you borrow more money? They find that they can borrow money and they can purchase more fertilizer or more necessary things to have at home. They can borrow more because they have joined the group. [...] More members give a larger pool of money.

[04:30] *Can you think of anything that could make it difficult for you to stay in the VSLA?*
There are no problems.

Is there something that would keep you from joining a VSL (no time to go, no finance to pay shares)? No problems!

Are there any advantages that are not financial? They can learn more from others, if they are interacting.

What type of things do you learn? They learn about home economics, how you can cook, how to practice farming.

[6:50] Can you think of any disadvantages with being in a group? It is a new group so maybe in the future they can have an opinion.

Maybe it is hard for you to talk about improvements, but maybe you have some ideas? [no answer]

I would like you to description one of your group members: There is the Chair Person she try to advise other members that we need to be time conscious at the meetings. The Record Keeper reminds them of the amount of the shares and how many shares it is possible to buy. The members also talk about cooperation, that when you borrow some money you need to repay the loans for the group to grow.

What are the s of the members in you group? Some will not abide by rules and regulations, they are egocentrics.

Do they fail to pay loans or shares? Some could come late for meetings. Some they have their shares, but couldn't pay in full their shares, and go and buy other things which can make the group not grow very fast.

How would you describe the members that do not follow the rules, in terms of characteristics? They don't wish well for the group.

[11:30] Is there a lack of trust to these people? Maybe they are troublesome for the sake of troubling – lack of understanding.

Is it because they don't understand the procedures? Maybe there is lack of training, they don't understand the procedures. Since it is just a new group. After training the group would come up with proper procedures for the group.

Have you thought about asking these members to leave the group, because they are making too much trouble? They will need to sit down and to discuss the problems to improve things.

Did you know the other group members? [...] They know each other members' problems. [Reformulated] A few started the group 10 (or 15). Other people could just to join at a later stage. She was in the group from the beginning.

Are you all from the same village or GVHs? They come from different families and GVHs –

So how did you know the other 14 people? They are all staying around so they could easily identify that that one is not a problem, that one is not a problem. They are all in the same locality. [...] The locality is Zuñguzu.

What is your preference for group members (close friend/family members/neighbor)
She prefers everybody can be a member of the group.

What is important for you in a group member, I'm sure you look for a certain kind of character? Good mannered people.

Can you explain further, what is an example of good manner? Somebody should be able to express problems if he has problems and come open, and he needs to listens to others views.

I have heard about strangers, and most people say that we won't have strangers in our group, what is your opinion on that? To her she has no negative attitude towards strangers, because every person has the right to join. You are in human [if you refuse]

Do you have anyone you would call a stranger in your locality? There are some who are tenants them you would call strangers, and they come and go. [...]

So you would also say that if a tenant come and ask you would not let him enter? No. [The translator explains: they cannot complete the whole circle, because they leave before the circle has finished]

[21:00] *Maybe this is a little sensitive issues, do you have any members with HIV/AIDS in your group that you know of?* They have.

I would like to go back to participation in you group as a whole. Is there anyone that would have liked to join your group, but where you decided that no, you cannot join our group? Some have been refused because of the behavior

What was the behavior like? They were from other VSLs but could not repay their loans they had form the other bank, to they wanted to join their [the interviewee's] bank, so they where refused to join. As they could disturb the process.

Do you think that any individual did not join for non-economic reasons, because they were prevented, did not have the opportunity...? Some fails for non-economic reasons, some fail to join,

Will you explain why? Some individuals are just very lazy. [...] they wanted to join but couldn't because of their laziness. [They never got around to it]

So you don't see that anyone has been prevented from joining? No. [...] And there are no drop-outs

[25:00] *Would you let most disadvantaged join your VSLA?* They can also join.

In your opinion what describes a disadvantaged person? They have no food, they couldn't take their bath, they couldn't always wash their clothes They are always dirty

I would like to ask you about the social structures [...] I would like to know who makes the Decisions in a village? The people, the community. [...]

Who then has the most power? The village headman

Would you then say that the VH have any influence on how you can form you VSLA?

He has no mandatory. It is themselves deciding on that one.

[Final thanks, greetings and questions for the interviewer]

Note

Italic: The interviewer

Normal font: The interviewee

[]: Explanations, passage take out, reformulation of difficult passage.

Observations

Very calm person. He spent time to consider his responses, which were rather brief, but concise. Very interested in creating networks with other VSLAs to share ideas and best practices.

Housing: Brick house, cement floor, no doors between the rooms, glass windows, good furniture.

Personal Profile

Age: ca. 50-55

Schooling: unknown

Wife: yes, helps out in the farm

GVH: Chivrunga

Children: 5 girls [10-19]

Occupation: farming: ground nuts, soya, mais, sweet potatoes, kasawa

Origin: Kamphenda

Interview

[04:00] *What is your reason for creating this VSLA?* Banking facilities only lies in Rumphi, and the services they charge every month. They sat down and discussed about the importance forming a group to save and borrow.

Who sat down? All the members sat down [...] It was him that initiated the process.[...] So he was leading the whole group.

From where did you hear about it? He heard about it from Kamphenda [Wanangwa]. They felt they were behind others. Why are we behind others? Chiwrunga was the only people remaining without a group [according to him] [...] so they wanted to try it out as well.

[...]

[08:00] *Is there anything that would make it difficult for you to stay in the group?* Problem is scarcity of money, which makes it hard to contribute to the group. [...] He is talking about these poor prices on the tobacco market, dwindling tobacco prices, it is hard to find money.

Are there any other things? There are not other things

Then I would like to talk about the advantages. If you have got problem with school fees you can Borrow money. Borrow money to make a business like maybe selling of beans. Buy pigs and start a piggery project [future plans – not something he is doing now]

[His daughter sick from malaria enters the room and the translator brings her outside after a while]

[14:00] *What about non-economic advantages?* They could also share ideas in the group.

What type of ideas? He is talking about leadership skills, to that they can build the group to be very strong. [...] They want to gather the group to be strong.

This strength is that always in terms of leadership, how is this group going to be strong? They want to promote the group [...] upwards, strengthen it [In terms of the processes of how to run the VSL].

And these leadership skills, so you built the skills of all group members, both men and women? [reformulated] It is gender balanced. If the group become well established, they want to network with other institutions [VSLs] – if they have enough money they want to do a networking trip to visit other VSLs outside the Kamphenda area to share ideas.

Are there other institutions that you want to share ideas with? Yes. [...] They thought they may link up with OIBM [Opportunity Investment Bank Malawi, perhaps these words were out into his mouth]

Have you thought about creating a larger foundation of VSLs? The purpose of networking was to learn, share challenges and also learn from what they are doing. And then consolidate the whole processe and then try to improve [the VSLA].

Do you think there are any disadvantages? No

[22:00] *Are there any improvements to be made?* There may be an organisation lending them more money. Means of accessing more money than they have in the bank.

They want to be able to lend this money...? Also borrow and saving [...]

Are there any improvements to the way the VSL is run you can think of? Since they are not trained therefore they have access to training. They are just moving without guidelines. [...] Rules and regulations are not followed. So it becomes a problem for them.

But you have written a constitution? Yes. [...]

The rules that are difficult to follow which are they? [reformulated] Punctuality is a problem, some don't come, some come late. [...] The box is a problem: They have paid for it, but not received it yet. They are just keeping the money in a bag in the house not, no security attached to it.

Is it the saving or borrowing from the VSLA that is more important? Saving is more important than borrowing.

[27:30]How do you know the other group members? [Reformulated] After mobilizing the village the most interested joined the group. One came from Jerimia village, most just coming from around this area [just within the village]. Now the group has as many members as it can have. But with the security problem of the box there are no more members. At the beginning some could not join because of the cost of the box and contributions to shares. Some will probably take the advantage to join when the box is received.

[31:00]What are the characteristics in you group? Need to have one vision for the group to come together, if you have different views you cannot have a group. [The translator's thoughts: Cooperation is necessary among the group members]. They should love one another. Need to respect one another [or rather: listen to others views – not just say, this is wrong].

Is that how you would describe the other groups members? Yes.

How would you describe a person that you would not let in the group? Rude person. People that do not listen to others views. There are so many [...] People who are drunk at the meetings.[outside it is okay]

What about trust? Those members should be trustworthy

Was anyone refused to join your VSLA? Some were refused

Can you describe them? [...]Reformulated] they could not take others views. They would underrate other persons, be disrespectful towards others elders and others.

[36:30]Would you let me talk to one of these persons? They are living far from here. [The interviewer tries to explain why we need to talk to them] These people are outside Vilimo, but have formulated a very small group on their own of 5 persons.

Would it be okay to talk with this group? It is okay. [He reveal the members of the group]. They are easy to reach, they live within a 100 m radius.

[39:30]What are your preferences for other group member (close family, friends, relatives, people you have done business with)? If you are good mannered and have the same vision you can join, even though you are from another village. If you have the same vision you can join.

[...]

People have been talking about strangers, would you let strangers into the group? Yes if he is good mannered. [...] A stranger is a tenant, but if one has stayed for 32 or 3 years it is okay. [...] In their group they have no member that are strangers.

[...]

[43:30]What is your opinion on people who have HIV/AIDS or are disabled? They can be members, despite they are vulnerable, they can also be members.

Does the group allow the most vulnerable to be members? They can allow them since they are also human beings. [...A vulnerable person is] Someone who has nothing. When he has no money. If someone has enough casawa to sell, then a person has enough, but if you have completely nothing to sell you are most vulnerable.

Have all persons had the opportunity to join the VSL, or have someone been prevented for some reason.. have some women for instance been prevented by their husbands? No one was refused, but some persons found that they had different manners and, so they excluded themselves and formed that other group of 5 persons. [...] He is putting an idiomatic example, those that smoke hamp and drink a lot associate within the very same group, and disassociate from others. [...] No one has been prevented or refused [for reasons outside the group membership criteria].

[49:00] [Discussion on chiefs' influence on the group formation process, Reformulated] Decision-making is done by the chief, who gives the agenda, then after that the community debate this agenda and come up with the rules. The more powerful are the subjects, who has more power, the chief must have the support of the people [no man is an island] Dictatorship is not accepted. You remain alone if you are a dictator. So the chiefs have no influence on group membership.

[51:40] Was it a deliberate decision to have both men and women and a very equal number? Not a deliberate move, the members just happen to be distributed like that.

Have you had any Drop-outs from your group? No

[...]

Are there any advantages of both men and women as members? Yes, it is very important. Women are disadvantaged so it is good to have them in the group. If the husband dies and the both him and the wife are in a VSL, the woman know about the processes in the VSL, and the women have some opportunity. And they now dominate the men. Men dominate most of the time and tend to spend the money on drinking. SO with this 50/50 campaign men will learn from the women and join a VSLA.

[The translator: The problem is now that the men will not join the group because they would rather spend the money on drinking. So with the women joining the men may become aware of the usefulness of the VSL. Also a lot of focus on women empowerment so sometimes the men not want to join in on the same ideas because they do not feel the development projects are for them. And most groups are mainly made up of women – so men might not join if they are the only man to join]

[Final thanks, greetings and questions for the interviewer]

Note

Italic: The interviewer

Normal font: The interviewee

[]: Explanations, passage take out, reformulation of difficult passage.

Observations

Interview conducted at the Nkhoswe's where I stayed. The interview was conducted in English. He is very open and spoke freely about sensitive issues and came with recommendations and reflections. He was very articulate and spoke a good English.

Housing: Large brick house, tin roofing, cement floor, glass windows, doors between the rooms, good furniture.

Personal Profile

Age: 36

Schooling: Primary school teacher

Wife: housewife (does not work), takes care of the farm. But there are some problems, so she does not stay with him now, she stays in Kazuni.

GVH: Chiwrunga

Children: 3 boys (2-8 years), one stay in Nkhata Bay with a brother as the wife is away, one stay at a private boarding school in Rumphu.

Occupation: Primary School teacher for 7 years at Kankhoka primary school (Mwasizi), before teaching at Lusani Primary School, spends the weeks at the school. Farmer: tobacco (reduce production, but stick to it) and mais. You cannot live from teaching alone, you need some other means of income to also send your children to school.

Origin: Family is scattered around the north, but the home village is Kamphenda

Interview

[09:10] *What was your personal reason for joining the Vilimo group?* Solve some main problems [...] To buy items which I cannot afford to buy monthly [...] TV, farm inputs [discussion on salaries of teaching and why he has to farm to maintain upkeep of the family], fertilizer, chemicals (Harnis – weed controller). [...] Help me for going for medical checkups

But use of the social fund? No it is through saving and borrowing

Is the main reason to join saving or borrowing? Mainly it is saving. Because at the end to he month to be able to buy some larger items.

What makes it difficult for you to save in the house? I am weak myself, I cannot keep money in my house so instead I invest it in the VSL so it should be accumulated. [...] I will spend the money if I keep it in my house, buying coca cola and things that are not important.

It helps you with your discipline? Yes

[13:00]*Is it also an advantage that you can borrow?* It is also an advantage to be able to borrow. If you have some problems you can borrowed from the bank [...No problems repaying loans] Since I'm working I'm able to pay back.

[...]

Nothing would make it difficult to stay in the group? No. and no problems repaying.

Are there any reasons other than financial issues? No as of now there is nothing. Because our group is not trained some rules are flexible. That is the only disadvantage of our group. But I am willing if we are trained there will be no problems.

Administration of the group is weak now? [...]There are some rules, they are very flexible, they can change at any time because there is no box, if they have a great problems they can open it. [...]

Why is it taking so long [to get the box]? It takes so long because they [C&S] say that they want to train them for allowances. But they say that the box is ready. They [C&S] will bring the box and the pass books during training. [...] Waiting for the supervisor to bring the box and the pass books. But we are running it.

[...]

[17:20]*Can you think of any difficulties for others to maintain their participation?* Yes, for example the weekly contributions [1 share 250 Mk] may be hard for some to find. [...] and the first contribution to buy the box and other materials some members cannot afford to do this.

So you have a pretty big spread in your group, someone who find it difficult to pay and someone who have no difficulties? Yes. Another thing is sensitization. Some does not know the importance. So sensitization is needed. [Reformulated] These are members that have dropped. Some have dropped because they don't have any knowledge about it, they thought maybe there will be quarrels, maybe they will lose their money.

[...]

Three were mobilized by the supervisor in Kamphenda, and they explained practically, they were not trained but they were just convinced that the VSLA is important. And we started it. [...] [But they were not good enough to explain it further to the rest of the village]. [...]The first meeting, we were almost the whole village (more than 20). But at registration there were only 15 members, which were registered. [...] But some dropped at the first meeting and later on were 15, as of now we are about 12 members.

[Discussion on the drop out of 2 people from the group, due to different explanations]

[24:00] *Those other 5 members that did not continuing what was the reason for that?* Some say it is that problem of finances [...] they are failing to find that money [...] Another main problem, to my side, is sensitization.

They simply do not understand the importance of the VSL. Do these people have little education? Some of them have little education.

So what would make the difference. How can these people be aware? Just sensitization. [...] If there could be more sensitization they could join. Some of them do not want to chat with their friends, to get the information, [...] it is their behavior. [...] They are not used to chatting with their friends some of them. If you can be chatting with your friends, you will gain something which will be helpful in your life, e.g. this is the goodness of this VSL. [He receives a phone call]

So they have friends but they don't speak with them? They don't want to chat with their friends, to get something which can help. It is a problem to them at my side. If they are chatting with their friends they could be getting the goodness of the VSLA. [...] They know better, they know how to manage their family.

[28:00] *Could I talk to these people?* Yes. [...] [He reveals two names] [he receives a phone call] These people they can manage to pay, but they won't go because of lack of knowledge. They won't go to entertainment they will just stay at home.

[...]

And what about the wife [of one of the persons revealed above], did she drop out because of her husband? Yes, in Malawi the husband is the head of the family, but now we try to teach about gender, that women should also contribute. But some don't understand they are still intimidating their wife.

[...]

Maybe you have some good suggestions as to how to improvements the VSLA? Perhaps also in terms of the limitations? If you can maybe change the contributions [downwards] some can join,

Simplify and modifications of the box to buy it at a cheaper price, some they can join.

Although if we reduce the contribution fee we will also have little yield. So to make some members join to reduce the contribution fee and to have boxes at a cheaper price because 10000 is a lot of money. And again if we can have a campaign of sensitization of some members then we can improve our VSAL. [...] Some sensitization is needed at an individual level for some, but some can understand it at a village level [in a group]. And if C&S can train people fast, so that the people can know their stand. [...] That is why people did not come on time that day [when I met the whole group] because they are not serious, they are not trained. If we are trained we can be serious. That is why we are waiting for training.

[35:00] *Is it not possible to go ask other groups? For instance ask Wanangwa as they have been trained?* Yes it can happen, but there's a mentality that a time will come where we will be trained, they are waiting for the allowances that they think will be provided during the training, so they cannot be asking their friends.

So people have expectations of allowances when they are training? Yes. [...] They can take maybe one or two groups to go to Kamphenda to get training. They have heard from their friends that they get allowances. [...] Allowances, maybe 500 per day. They are looking for funds. During training there may be coca cola and something lunch. [...] Again when someone is training they will need a little money.

Okay so if you went to Wanagwa group to ask for help with training, they would also want something from you? Yes. They will need payment. And again during [the final] sharing, the one who come to supervise the sharing, the trainer, will expect some form of payment, ex. The supervisor (he will be expecting something). The amount is coming from the group, to the one who helps them share that money. The one who is supervising that group, it will be expecting something. [...]

Is this something you were told about at the mobilization meeting that the supervisor must be provided with something along the way? Yes we heard from some friends

But did the supervisor say this at the meeting? He didn't, but he will do it, I know that. [reformulated] Because I know of others who supervise and take payment for helping those that cannot count to do the sharing. So the ones who was trained will get the books and help with the sharing. [...] It is in the constitution. We cannot share money without the supervisor.

[40:10] *If you continue with the group will you keep doing this year after year, having the supervisor come to the final sharing?* Yes, because we are on a village basis, to trust one another it is somehow difficult. That's why there is someone from outside to share those things.

It is very particular for you that you are actually a village? Yes. Our group many people come from one village, but some do not come from that village. So to be trusted, that's another problem because they [the members from outside the village] don't trust. To my side I can do it, but they cannot trust me. Maybe they can think that I have taken a large share.

So the people in your group, you don't know them well enough to trust them? Yes. They don't trust one another, and again there is that training. They are saying they should not share on their own. according to their [C&S] rules. [...] They do [supervision] periodically.

[Discussion on the constitution of the group]

[44:30] *Do you yourself trust the other members in your group?* Yes.

So it is mainly the members that come from outside your village that do not trust? Yes. Because of the school, education. [...] Yes there are some that have less education, so they have problem of understanding [...]

[46:00] *Do you think trust is generally a problem within these village banks?* It is a problem because of little education. [...] But that problem comes because of lack of training. If there will be training there will be no problem. You are asking this because you think we are able to share on our own, but because of the constitution of C&S that makes us not to share on our own.

(46:00) *I'm also interested to know if there is a general lack of trust. Because if so, then you still need someone from outside to verify the sharing, if there is a lack of trust?* Understanding yes, understanding. Because some does not know how sharing goes, when time comes for sharing some can get maybe 10000 Mk some can get 6000 Mk. So he can ask how can I get 6000 Mk when others get 10000 Mk? Just because of education.

When you say education do you mean in general or is it training for the VSLA? In general. *To understand how the math is done?* Yes. If the C&S people can do this, the people will understand. [...] If they say 10%, They don't know what is 10% [...] There was no problem [to include individuals even though they did to understand the sharing]

[His receives a phone call]

[49:00] *You preferences for group members, what are the characteristics that you would like to be in a group with? The type of person you want to share your money within a group? What are the caliber of these person?* In a village bank mathematics is needed. Cooperation is needed. We should trust one another. Punctuality of people. Attendance again. Many days many people don't come, they just send money. So that if attendance can be good, so that we can be going together, today we have so much money, so that maybe we can understand better.

[52:30] *So do you feel that the group is not actually a group, if you say a lot of people don't show us. You don't have a feeling of being a group?* Yes. It is very bad someone is staying at home not attending the meeting. [...] Because one day they will bring quarrels because when we will be discussing something, they will not understand because of absentism.

It's a matter of transparency? Yes. Because if all attend there will transparency there will be no confusion.

At your meetings how many do normally show up? 5-6. Although, I'm also one of them, because of my job. But we have agreed that I should just put money somewhere, I have given them an excuse for not showing up. [...]

It is the same 5 people that every time shows up? Yes.

So the people that don't show up, they will often times come back? In times, maybe they have problems so they was to borrow money. It is the time when they come.

[...]

Yes let's talk about how to solve these problems. The problem is mentality, they think that one day they will have training. So the problem is training, if there will be training we will be

serious. So if someone stays at home he will be charged. [...] Or if you are late you will be charged. So as of now we are not serious, because of the mentality of training. But after training we will be serious.

[56:00]*Training is the only way to solve the problem, you could not convince people to start before the training?* As of now, it is only training. We have already the rules,[...] but we are not using it, we are not serious about it,[...]we are not implementing.

Are there any other problems besides the lack of attendance? Ah no. But after training we will be settled.

Are there other things you would add to the list of characteristics? Good-fearing [laughter] If some is fearing good he or she can understand someone better. But if someone is not going to church there is a certain element of vandalism.

So you would not allow a person who is not going to church into your VSL? Ah no. What I wanted someone who is attending church services, that can be nice to me.

[58:00]I also want that people should be dressing well

Why is it important? I has something to do with preventability. Because a VSLA should be like a model, we should be looking like we as if we are saving something as if we have got money. So as we are doing business, we should look like we are doing business, doing well. [...]

Do you see that when you look at other village banks, it the impression that people dress well? Yes some they have got uniforms, [which is a good sign of the wealth of the group] There is great discipline. When they go to the meetings they don't talk, only one. If someone talking they just keep quiet. Because of their rules they are serious. [...] Also there is no absentism.

[01:02:00] *How do you feel about including people with HIV/AIDS or disabled?* No problem, that is good. Because if people have HIV/AIDS this is the way he can earn his or her living. For disabled it is good because maybe he's failing to work in the field, he's failing to do like manual jobs. So that is good business he can do. [...] I can encourage them to join. Because it does not need working hard jobs, it is just discussing [to go to the meetings]. The one who is HIV he is weak, he cannot work in the field to earn a living, to this village bank, he can contribute so he can get something, on which he can earn his living.
[...]

What if they don't have the start capital, if you don't earn anything from the field? Where would they get the money to enter the VSLA? Some of them they can little bit find ways of finding money. And it is also an advantage because those that are sick need to be entertained. So he can be included in the group, so we can be chatting with him/her and so he/she can be very happy, so somewhere this person is relieved. [...] Because someone with HIV you can be worried, oh no I can die. So we can be discussing, taking him as a fellow member, can health wise assist this person.

So the groups have other advantages over the economic ones from being in a group, Often people say that you share ideas? Yes.

You talked also about leadership? Yes, when you in a group , someone learns to lead some body. To direct them.

[01:06:00]And you also have both men and women in your group?[...]Din you consider that when you organised they group? Yes. We considered that women should be involved. An on top of that the idea of the VSL came with women to our village. So many of them they are women. So we are happy with it, we want to boost our women, so that they can help us in our families. We are happy if they can help finding money to solve problems in the family, to run the family.

I remember that someone mentioned that it could be a problem if some women suddenly had gotten too much control over the family economy? Yes. Somehow it is very dangerous if women have money, so that they can provoke their husband and do things on their own, somewhere it is true. Some women will do this.

What do they do? They take it as if they have a lot of money, do things on their own, they can stay on their own. [...] They will leave their husbands because they have got the money. They will not respond to their husbands in a good way, [be disrespectful]. End the marriage. [...]

Have you heard about it from elsewhere? I heard about it, I heard that a certain women talked badly to her husband. Even men also, they borrow money without the knowledge of the wife, it is 50/50. Then they spent it on drinking, but the woman is waiting for money for mais. So that makes also problems [but it has not happened in this group].

[...]

[01:11:00]Is the fact that women want to stay on their own, it that a reaction to something, a reaction to not having that freedom? In our culture somewhere we expect that the husband is the head of the family. The woman is under the husband. So some women, if they get money, they want to rule the family. That's the problem. But now the government is trying to teach us to be flexible (to be 50/50), to give the opportunity to women [to also run the family]. It is because of education. Education matters, some men cannot allow their women to do business. There is a certain mentality that if you send a wife to business, it seems like they want to train her to become a prostitute. Because she will be going somewhere to be buying certain things so they are thinking she will be with other men there. That is their fear. So if a woman find a lot of money, they will have questions that why has she got a lot of money? Is someone giving them money?

[...]

But is seems to me that you are very aware of these issues here? Yes, but there are still some, the reason is education.

Is it in particular areas of Kamphenda? It's everywhere that you find this problem, everywhere in the Northern Region. [Description of marriage procedures in the north and south of Malawi]

No there are many that know about gender issues, but there are some, because lack of education gender problems exist. [...] So when we are talking of the village Bank it is now coming to little village. So there is a lot of people that have little knowledge, so there is a problem there [...]. So because VSLAs needs people who can do business, if they are doing business they can be giving shares weekly. But if they are just staying they cannot do it. So to do that business, they can find a lot of money, there are questions how does she find a lot of money.

[01:16:00] *So the community must accept that women have money?* Yes. Women can have opportunity to have money.

Would you then say that some people would be prevented by husbands or don't have time to go to the meetings? Yes. Some they can be prevented. Some because of lack of knowledge, lack of education, some will think that maybe when they are joining a village bank there are certain things that can be found there that can spoil them [the women]. Maybe that can lead them to prostitution.

[01:17:00] *That is the main fear?* Yes to some that is the main fear. And some think that women should be staying at home. So if she joins the village bank she will be moving so they don't want that.

Do you think someone would miss the opportunity because they don't know anyone to be in a group with? [...] *Would somebody be left out because they simply don't know anyone?* Yes, that can be happen. But I'm not talking about to my group. But in general that can be happen.

So you find people that are socially outside of a social system in some way? Yes, there are. A lot of people they are intimidated. A lot of women, because of this opportunity of joining a village bank, they [the men] don't want [...]

Do you find individuals that are social outcasts so to speak in a village these people don't have that social net work, that they don't know anyone? Or does that not happen? Ah, not yet. But many here, a lot of women who are staying on their own but a lot of women who are with their husband they have not joined. So somewhere their husbands they are pressing them down. They should not go with a village bank.

Can the most disadvantaged would you let them join your VSLA? We can allow him, if he can manage to pay the shares. If he wanted, we cannot condemn him. Because someone is poor, he's doing very fine and that one he till improve.

How would you describe someone who is very, very poor, what is your view on the most disadvantaged? One who has no house, no food, clothes are rags.

[01:22:00] *How does he get his daily food?* Begging.

[Discussion on chiefs' influence on the group formation process]

[Final thanks, greetings and questions for the interviewer]

Note

Italic: The interviewer

Normal font: The interviewee

[]: Explanations, passage take out, reformulation of difficult passage.

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Normal font: The interviewee

[]: Explanations, passage take out, reformulation of difficult passage.

Observations

She speaks a lot. At times it is hard for the translator to understand her. She seems relatively open, but perhaps a little reluctant. But that may be due to the fact that she is the chief's wife and thus may be restricted for reasons of respect to him.

Housing: Bick brick house, no doors between rooms, cement floor, tin roofing.

Life story

Age: 36 ca.

Schooling: knows how to read and write

Husband: Chief who has two wives

GVH: Jumbo

Children: 7: 2 son, 5 daughters [5-20 years],

Occupation: Farmer, sells: sugar, salt. In free time mends things, takes care of the upkeep of the family, casual labour/piece work to find money for school fees

Origin: Jumbo, and has always stayed around here.

Interview

[04:00] *What is your reason for joining the village bank?* Problems of finding food. To get money for upkeep of the children.

What about your husband, was he not able to help you find money? The husband assisted her, but it was not enough. But if she could join the VLS that would assist her in finding school fees as the family is big.[...] The husband had no objections to her joining the group.

[09:00] *Has there been any difficulties for you to join?* It's a problem is that she has to inform the husband first to ask for permission to join. Because without the assistance of the husband she cannot join the group. [A lot of discussion between her and the translator after this question] Also she has 3 chaps that she supports in terms of school fees. She is in the horns of a dilemma as to whether or not the VSL will assist her. [...] [The translator: She doesn't was to

come so much clear, I think [she means] that if the group would be attached to another financial institution, micro loans, to top up the VSL then it would help them. She talks about access of loans in other lending institutions, to get a larger amount in the bank, to be able to buy fertilizer or pay for school fees. But since they are not trained they are not assisted. That means that the money they are gathering as shares is the one they are borrowing which is not enough in terms of the services that they receive from the VSL. [...] She is also talking business, and that the amount she can borrow from the VSL is not enough to cover her needs, e.g. in terms of buying fertilizer. So the money that she can get from the village bank is not enough]

[11:20] Can anything make you drop out of the VSL: No.

What are the advantages of being a member of a VSLA? There is not short fall in the family in terms of salt, money for milling, now they have porridge with sugar instead of fried mais.

[12:30] Are there any advantages from being in a group? Yes. From being in a group you can find ways of finding money. From being in a group you also learn how to save up, and not just spent the money carelessly. But this time around let divide this amount of money, this I can spent, this I need to save somewhere else.

Is it good for you that you are in a group with a lot of different people, so maybe you get ideas from each other? Yes,

What for instance do you learn? Learn how they can stay in the house, in terms of behavior. They can learn from others how to stay with their husbands. [She explains further]. For instance, some would break the marriage if there is not money in the house, but with the influence of the group you can have different suggestions of how solve the problem.

[15:30] Can you think of any improvements to this village banking? [much explanation by the translator] Linkages to loans that would assist.

How did you know the other group members? [She has difficulties understanding this question, and the translator has problems understanding her] They knew each other from looking at the character of the person.

[18:30] So how did they know the character of the person? [...] Needs to be a good behaved person [Reformulation of the question drawing in some of the discussions from the FGD]. She confirms that none were friends, but that some are relatives.

[22:00] How did you find out which individuals wanted to join? Some persons started the group, the interviewee was one of them. They found it was a good idea. Let another member [person] know that this is a good idea, and this person went to tell another someone, so they were 3 persons. After this they started to mobilize the rest of the community, after this mobilization others wanted to join, and the number rose up to 15. Then each member could publicize [advertize] for the VSL and the number rose up to 25. [...] All knew someone in this group at the beginning.

[25:00] *How would you characterize the other members of your group?* Well behaved, good mannered. [...] The elders in the group will listen to younger members despite of the age.

What characteristics are important to you? She has got mobilization skills. Ability to move around, to talk, to members if there is need of that. She is not harsh to others.

Are these the same characteristics that are important to you when you look at other members of the group? Yes.

[28:40] *Would you let strangers into your group?* No they cannot accept them, because they don't know their character. [...] [They have strangers in the area] the tenants, [but they cannot participate]

[30:00] *Do you have any members in your group that have come open about having HIV/AIDS?* No one has come open.

How would you feel if somebody with HIV was in your group? They could just take it easy. Someone who is HIV positive are not at the end of their life.

What about disabled people? They can also be allowed to the group.

Have all that wanted to join this group been able to, and if not, why not? They have failed because they failed to realize the capital to join.

Would you let us speak to these people? [Discussion on this question between the translator and her. She does not seem willing to disclose anyone to us. The translator confirms the confidentiality. He explains people fail to disclose the names or whatever of being afraid that we are going to reveals that we have just visited you because the interviewee told us about you][She reveals a name] Others have gone to Mzuzu. [...]

[36:00] *I would like to know if some persons for any other reasons have not been able to join. Perhaps they have been prevented by their husbands...or perhaps did not know about the VSL?* No others have been prevented, but the main point is lack of capital.

[37:00] *Would you let the poorest or the most disadvantaged into your group?* They can be part of the group. Just because even herself, she was not in this level when she joined. So if they allow those groups at least they would lift their livelihood.

[38:00] [Discussion on the traditional authorities influence on VSLAs]

[44:00] *Can you explain further about the rules and regulations of your group, [that are written in the constitution]?* Timing for the VSLA meeting is 2 o'clock. Charging for coming for the meeting late [20 Mk]. When he's absent with no reason [50 Mk]. When he's making a noise during deliberations [20 Mk]. When he has failed to answer questions [20 Mk]. There are certain things that you are talking about in the group, each and every member should memorize these things. If you can't remember this you will be charged. [ex: remembering the number of shares & amount]

When he fails to repay the loans then they will go to get his property with the value to whatever he is owing.[47:50]Also they have got the Social Fund, where, whenever there is a funerals or she is sick they are supposed to go and be with that person, whether to condole or to see her, whether he or she is sick. [...] They can delegate maybe 3 or 4 persons to condole at that site. [...] That means that they will take something form the social fund. Also there is an example whereby he or she is dead, then they have to consider what to do with the money that she owes [...] They have agreed that the whole group should help to repay the loan. The whole group should contribute something. [...]

[50:20] *Then I would like to ask you talked about that some did not abide by these rules –what rules did they not abide by?* Some could come late for the meetings. Others could not remember the discussions and facts from the meetings, so they said I cannot abide by these rules let me just leave this group. Sometimes they are saying on this day we are going to repay the loans so she couldn't repay the loans, so definitely she couldn't stay in the group.

[51:30]*So some decided to leave, and others were told to leave?* It was automatical for themselves to say, I am not abiding by the rules let me just leave.

[...]

[53:00] *I am thinking would you perhaps let me know one of these members' names, so that we can have an idea of what made it difficult for them to come to the meetings or remembers the numbers that they had to remember?* Those are people who left for Mzuzu, maybe to seek for other remedies. To her, that was chance for their own experience since they have left they, maybe they could run away with the moneys. If they were in the groups now, maybe they could run away with the money. [That is her impression of these people. They might have taken the money if they had still been in the group]

[55:00] [Final thanks, greetings and questions for the interviewer]

Note

Italic: The interviewer

Normal font: The interviewee

[]: Explanations, passage take out, reformulation of difficult passage.

Observations

She speaks rather freely. She does not seem to be shy.

Housing: brick house, clay floor, grass-thatched in a very poor condition, no doors between rooms, large but worn furniture, no glass windows.

Personal Profile

Age: 36 ca.

Schooling: from 2

Husband: farmer: tobacco, beans, mais, soya, ground nuts.

GVH: Jumbo

Children: 4: 2 son, 2 daughters (7-18 years), they are all at school: standard 2, 4, 7 & form 4

Occupation: Farmer, house wife

Origin: Jumbo, and has always stayed here.

Interview

[04:00] *Could you tell me a little bit more about what made you join the VSLA?* They had problems finding soap, salt, money for school fees, she has just one in 2nd education, so she had problems of finding money for paying fees.

[40:50] *How did you find out about the VSLA?* She learned from others from Kamphenda who where in a group. [...] So she knew from Wanangwa.

So where you one of the people to start the VSLA? Yes

[05:20] *How did you actually gather the group?* When they head from Kamphenda that some had formed a group, they came to inform others about this in Jumbo. They could go around the villages and tell their friends [about the VSL in Kamphenda], and whoever understands the idea they could come together. [...] Most of them had a will to come within a group.

[06:31] *So how did you decide that your group should be these 25 who are members now, since many wanted to join? Did somebody not join?* They would call for a meeting for the members, and all who wanted to join, they would register their names in a note book. So that whoever wants to join can stay with them. [...] During the first meeting they were more than 25 but after wards they agreed that each member should contribute something [400 Mk], and someone dropped because they could not contribute something. [...]

[08:20] So the members that could not contribute why could they not contribute? They had no means of finding money and so they couldn't join the group.

How would you characterise the people that could were not able to pay? Some were of a good behaviour, but couldn't find ways of how to find the 400 Mk.

[09:20] So where some of a different behaviour- are there others that behaved differently? Some were saying that they had an idea that the group they are forming already have the money like an ordinary bank. So they had a problem that they needed to contribute the money, instead of borrowing the money, so I can just stay without this group. [Some would believe that the organisation that introduce there concept already have a lot of money from which to borrow from and therefore no need to contribute to shares. Perhaps there is a conception that C&S is a bank. They did not understand the concept, and may think the VSL is a means to rob them of money. They have no trust in the VSLA since you have to contribute money with the very little money that these populations have]

[12:20] Is it possible for me to talk to some of these people that did not understand the VSLA? [She hesitates a little] Most of them have moved to Mzuzu. [...] So the most outstanding idea was that the VSLA already had money from which to borrow. [...]

[14:00] Do you have any difficulties remaining a member of your group? At this time around there is very poor tobacco prices. The money circle becomes a problem. You will not find buyers for the commodities you want to sell. Then it becomes difficult to raise a profit, and hence difficult to buy shares. And this is maybe discouraging people to pay out shares. Because the circle of the money is just too low, due to poor tobacco prices. [...] The translator: now there is less money in the villages, because of the poor tobacco prices][...]

[15:53] Has that been the case for other members so far? It is the same to others

Have somebody then dropped out because of this? No

So if we should return to some of the advantages. Can you describe to me some of the advantages that are not financial or economic? These women could sit down and share some ideas.

[17:20] What type of ideas it that? How they can stay with their husbands at home. [...] They chat, they share their views, that most of the times since they are given shares, a cooperation between them and their husbands. Maybe if they are empowered they would just come home and if the husband is saying: how much have we realised at the end of the day? Ah you are not concerned of these moneys so it can develop also some conflict in the marriage, so we need to disassociate from that one.

Have you experienced family conflicts because you now have money which is your own? They would see to the other groups. But to their group, since they would see to it in their discussions they have not have that type of.

Are there other advantages that you can think of? Also they would find that they can keep livestock since other groups this time having livestock. [...] Most of the groups they get livestock from C&S, So they would feel that maybe they will also be part and parcel of that [...].After training I think they will have access to that facility.

[20:30]So how about the disadvantages or difficulties of being a member of a VSLA, because of other engagements or you have to work in the field? To her she has timed her time. At least she knows this time around she has to go to that one [the meeting] so to her it is no problem

Have you experienced that others have problems? Others do have [...] Sometimes they have got other jobs at home, and does not have time to come to the meetings.

Can you think of any other things? Sometimes cooking relish, maybe you come farming very late, maybe you are bathing the young ones, prepare for the husband to take a bath.

What did your husband think of you joining this VSLA? Her husband was able appreciate her joining the group because he was the one encouraged her to join.

Can you think of any improvements to the program? The introduction of microloan organisation to add to the existing loan capital, to boost the group. [The whole group should join or link up to the MFI to be able to borrow and save].

[25:30]What are the advantages of saving in a bank that are different from saving in a VSL? When you are saving in the group you can save very easy, but when you are saving in the banks you need to travel a lot, so it becomes more difficult. Also in the bank there is something charges, they charge on the loans, but in the VSL's there is no service charges.

So the main reason to join, would be to have access to more money? That is the main reason for linking up to these institutions.

I would like to return to the characteristics of the members of the group? You told me you were one of the members to start the group. The people that you then contacted to ask if they wanted to join the group how are they? Someone who listens to others' views. Somebody who can understand what others are talking about. [...] Not to be very harsh. Need to be polite. Need not be a thief.

Not a stranger [...] Somebody who is temperal [who only stays here temporarily, someone she does not stay here in this area, likely tenants][...] There are other they refused to join, because their behaviour is abnormal, their behaviour is not good. So they say these ones we cannot allow to join the group.

[32:00]Would you let me speak to some of them? It is more difficult for us to chat with them [The translator and the interviewer discuss]

Why? Someone would say that we were already refused to join, so why are we forced to talk to you? She is suggesting their opinion [...] [We try to explain that we would like to know their

opinions so find out if the program must be designed otherwise to also include them][She reveals a name].

I hope you understand why it is important for me to also see it from their view, to know what makes it difficult for them to join, why they actually want to join. The lady [that we are talking about] is understanding I hope maybe after discussing with her, we could change her mind-set.

So the qualities that you mentioned before are those the ones that you have also discussed in your constitution? They have discussed about that one.

[36:40]How do you feel about having the most disadvantaged or vulnerable from your area in your group? It is very good. If they can take part in that one there would be a change on their livelihood in the respected houses.

In your opinion who are the most vulnerable? The way she looks.

So you are really the most disadvantaged person? Yes. [...] To her this is the fourth one [of the levels we discussed in the group session]

[Discussion on the traditional authorities influence on VSLAs]

[Final thanks, greetings and questions for the interviewer]

Note

Italic: The interviewer

Normal font: The interviewee

[]: Explanations, passage take out, reformulation of difficult passage.

Observations

He speaks feely and openly, but seems a little shy. Unfortunately, the whole family was sitting rather close to us during the conversation and was able to listen in on it, which may have prevented him from speaking about some issues.

Housing: Unknown, but possibly brick house, tin roofing, clay floor.

Identification: He was identified because he was found to be able to explain why his mother could not join the Fukafuka group. His mother was identified by the key informants.

Personal Profile

Age: about 18

Schooling: standard 8

Wife: none

GVH: Jumbo

Children: none

Occupation: he assists his younger mother (perhaps mother's sister) in selling in her shop.

Takes the commodities around (Bolero, other places) and sometimes opens the shop. He gets 800 Mk/months. Farming: Groundnuts, mais, soya (he sells the soya).

Origin: Jumbo, and has always stayed around here. Vitnes Mwowo's son.

Interview

[08:00] *Why did you join the VSLA?* He was encountering several problems, amongst the problems were money for purchasing, salt, money for milling, soap. Those were the problems he was encountering so he opted to joining the village bank, in order to solve those problems.

So where did you hear about the village bank? He heard about the village bank from Burunchi and Wanangwa group from Kamphenda. So in the first place, the other member from this area Singiliheni, Fukafuka: A member of Fukafuka heard about the village bank from a member from Wanangwa. She heard that they were able to have some money around just because they were doing this VSLAs, can you also not formulate a group up there? Then after that this is how this one [The interviewee] knew about the VSLAs. So when the member from Fukafuka heard about this from she decided to inform other members so they need to come up with this Fukafuka group.

[11:40] Do you know the member well, since you joined the group? It is his in law, his 'brother's' wife [but not his biological brother].

Was it easy for you to join the group? It was very easy.

Can you think of anything that would make it difficult for you to maintain your membership? Since he's already a member there are no difficult situations.

[13:40] So you would always be able to buy your shares and pay back your loans? Yes there is no any difficult situation in terms of buying shares and paying back the loans.

What do you see as the big advantages for you joining the group? The outstanding importance is that they are able to buy some shares, that it the saving and also borrow. At the end of the day you can earn some interest then you can use that amount and after using it you are able to pay back the loan. Therefore it is important.

It gives you access to some money? Yes [The translator: Economic empowerment]

[16:30] Could you not have saved on your own? On your own sometimes you can think that he an keep, but maybe he cannot keep.

So you would spend the money? He will just spend aimlessly. But with the village bank he could save some money. He has some 100 Mk, and the rest he saves

Are there any other advantages that are not connected to money? [There is a lot of discussion, between The translator and the interviewee] There are several things that members do in the VSLA, like they share ideas. For instance, he is not married but he could understand that maybe there are some marriage conflicts, he could also learn some of the conflicts that are there, and how they can sort out those conflicts. So those are some of the ideas that he could be able to learn. Whenever there is a conflict also some of them they could share how to sort it out. And also being a member, you need to be time-conscious, all those things, apart from that [the marriage conflict] he could learn from others.

[...]

[22:00] Do you think there are any disadvantages from being in a village bank? There is no any harm.

It is always possible for you to come to the meetings? He says that if he fails to go to the meeting they will charge him, so always he would keep his mindset of going to the meeting, when there is a meeting he puts everything aside.

Can you think of anything that would make your VSL better, even better than it is now? The most outstanding thing is, since they are not trained, if they could be trained I think the village bank would be quite okay, since they would be able to know rules and regulations.

So the difficulties that you encounter because you are not trained can you explain further? When he is talking about rules and regulations, he only know about the sharing and borrowing.

But many things, maybe if a teacher can explain to them how village bank works, they need to know petty well what is a village bank.

[26:00] *So the other group members, can you tell me about the characteristics of the other group members, their calibre?* A good mannered person [the interviewee explains further] he need to be very strong minded. If some is talking ill about him, but he is not very mindful of that [does not care about bad gossip about oneself]. Someone who's late have to put a coin in a plate by the door. And each an everyone knows that it is the rule to pay. But sometimes he enters and he doesn't put any single coin, maybe he is arrogant and rude. These are the ones, you need not have that calibre in nature. A person should follow rules and regulations regarding the village bank. Somehow you can summarise that he should be guilty conscious.

[29:00] *Are there any other characteristics?* Others in the group, they would not most of the times contribute to the shares. At least the leaders must tell them that if you are putting shares this is our money at the end of the day there is an interest, so there is a need for you to be paying this amount. He wants somebody exemplary. Whatever is agreed he needs to do it. [The translator asks about trustworthiness] you need to be trustworthy in general, so to come when you promise to come. You should not be a thief [reminded by The translator]. [...] In a normal situation he rely on that amount 800 Mk. So sometimes he has a problem of putting money to buy shares. So what he does he goes for piece work [Gañyu], so that he will find money for sharing every week. That is the most difficult thing for him is finding out how to get the money.

[34:10] *Did you know the other group members beforehand?* No

Did you know some of the other members besides the one you have already mentioned? No he did not know all members.

Was it difficult for you that you didn't know the other members? It was not a difficult situation, he was taking into consideration all the members they are just coming within this village area, so although he couldn't know all members but to him he took it very lightly and simple. But to him if they were coming beyond Jumbo he could not feel comfortable. But since they are coming just around, to him that was not a very major problem.

[36:20] *I have heard other people talk about strangers, that they would perhaps not let them into the group. What is your opinion on that?* If all were just staying around here for some time he could also allow them in the group. But they also need that economic empowerment from the group.

What is a stranger to you? He can talk of someone, like a tenant, who are coming here temporarily.

So you would not let tenants into the group? He cannot allow them, since they are temporarily here, they can run away.

What about the people that might have HIV/AIDS, are disabled or the elders, would you allow them into your group? He cannot allow them, just because they are sick.

Have you agreed on that in Fukafuka? They have not agreed on that one [whether to include these groups or not].

Do you have a constitution? They have the constitution.

[...]

Do you think that all individuals that wanted to join the Fukafuka group were also able to? All were allowed.

Nobody was prevented or missed the opportunity when the group was formed? Those that were unfortunate were those that could not pay the entry sum of money. But everyone who wanted to had the equal opportunity to become a member.

[43:30] Cause then maybe we could talk about his mother and maybe why she couldn't join, because I think she expressed that she wanted to join. I think she was maybe prevented. They were looking at her age that she could not manage maybe to do some businesses because of her age, so instead of her they say we think your son ought to take your place, you will be replaced by your son.

So did you not yourself decide to join? Just because of that he was replacing his mother, but he was not willing to be part of the group [he had not intended join].

[45:20] So do you help your mother out through the VSL? They could also assist. The money that he realises from the village bank could assist with money for milling and mais for home consumption, so in such a way he is able to assist his mother.

[...]

Has anybody else from Fukafuka joined for this same reason? No this is the only one.

Have you heard about any other group, where someone has been rejected but the son or the daughter or other relatives have joined instead? He has never heard about that one, so it is very exceptional.

[47:00] How do you feel about the fact that you have been chosen to replace your mother? To him he feels better, because some of the problems were sorted out after maybe getting the money, also he would sit down with his mother and discuss what to do with the money, how to repay back the loans and also maybe how we can get some shares every week. So for him it is a very good idea that the family is assisted one time or the other

They discuss how can they pay back the loan? Yes, how they can pay back and how can they find money for sharing every week. Now they are sharing as a family, like a mother and son they are discussion how they can map the way forward and pay back the money they have got from the group.

Do you think that the most vulnerable can join the Fukafuka group? Each member could be allowed in the group, despite his vulnerability if he can afford to find some shares for the week.

So to you who are the most vulnerable? The most vulnerable person at the end of the day after getting the money, he borrows the money from that side, he is coming here, he is seeing is there food around here? Is soap around? Is money for milling around? Then he could go out somewhere else looking for these things. So in that sense he is able to see there I a problem around that at least needs to be sorted out. At least he is moving. The persons that have problems they are the most vulnerable.

So those are the ones that do not have money for soap, for milling? Yes.

[The translator: it is hard to talk about vulnerability when there is a group listening, so he is twisting it to give us some understanding. And he is also twisting the question so that he understands it well. The translator, would like if it is possible to assess the situation and not ask directly about the level of vulnerability, it is not as such offensive but The translator somehow finds that it is a sensitive. The translator paraphrases the questions so that they are not offensive in any way]

[54:30]Do you feel that you are among the most disadvantaged or vulnerable? He is in the lines of more vulnerable. So I [The translator] was putting to those layers, first I would mentions the layers and then he could pick from those layers.

[Discussion on the traditional authorities influence on VSLAs]

Have you had anybody drop out of the Fukafuka group? No

[Final thanks, greetings and questions for the interviewer]

Interview 10
28.12.2011

Transcription

Interview 16.11.2011
Wanangwa Drop Out

Note

Italic: The interviewer

Normal font: The interviewee

[]: Explanations, passage take out, reformulation of difficult passage.

Observations

She is a drop out of Wanangwa, But is now member of a different VSLA.

Housing: Brick house, somewhat worn out. Iron roofing, No glass windows as far as could be seen

Life story

Age: 37

Schooling:

Husband: Yes

GVH: Zunguzu

Children: 7: 6 daughter, 1 son [4-15 years] [one child passed away]

Occupation: farming: Mais, gn, kasawa, sweet potato, sometimes beans [home consumption and selling at Saturday market and during the week]. Has a garden: tomatoes & vegetables

Origin: Has lived in Kamphenda at least after she married, though her mother is Zambian, stays in Zambia.

Identification: Another drop-out of Wanangwa

Interview

Why did you join the VSLA? Because of problems, such as saving money was difficult.

Why was it difficult? E.g. if you have change from milling: 50 Mk, will be spent on sweets for the children. She has no place to save, so she will just spend it. She cannot keep the money in the house. If she sees the money, she will take it and spend it.

Why did you join the Wanangwa group? Her interest was in joining Wanangwa. She heard about the VSL from C&S. The group came together before the training. After the group was trained they elected the CP, box keeper etc. They knew each other very well beforehand. [Dette er en anden forklaring end den Elina Mkandawire kom med]. The Wanangwa group was the first group to be trained – her understanding as well. But she does not agree with the fact that VH chose the members of the group. [The translator: spørger igen, hvordan gruppen fandt sammen – det er svært at få forklaret].

How did you know the other members? They knew one another from church. They would interact and share ideas on how persons behave, to find out who will be good members. They

came from different churches, but one person from one church will know another person from another church, and then this person will know more people from that second church.

It had nothing to do with chief? Of cause the chief knew about it, but no involved with the formation of the group. [The translator: they cannot explain exactly the group has formed]

What are the characteristics of good members? Good manners You should be well behaved. You must be time conscious. You must purchase shares and abide by rules and regulations [e.g. not make noise at meetings] You must repay loans.

When did you drop out? Novembers 2010

Why? [She gives several explanations, until she finally disclose the real reason]. She could not pay back loan. The problem was that her child was sick, and she had to go to the hospital many times. Which made it hard to do business and hence to pay back the loan. Her plan was to by ground nuts, sell the ground nuts and pay back the loan. But when her child fell sick she had to take it to hospital and did not have time to do business. The Social fund did not help much. She was refused to use the money from the social fund. to take her child to hospital. The purpose of the social in Wanangwa does not allow members to take out money too many times. You will not have unlimited access to it. If you have a lot of problem, you cannot be allowed access to the social fund. Therefore she used some of the money she borrowed to take care of the chaps.

[36:00] Did you use some money from the social fund? Only 500 Mk from the social fund, to take care of the chap. The constitution says that you can only get/borrow [?] 500 Mk from the social fund.

How can this be improved? There's a need of revisiting the constitution, to accommodate some of the problems the members could face.

What would you suggest? [She does not herself believe she can answer the question] Perhaps they could increase the amount that you can borrow/get from the social.

How much should you then be allowed to take from the social fund for it to be useful? It should perhaps be at least 1000 Mk.

Would 1000 Mk have helped you? For her 1000 could be enough or not enough just because the VSL was very young and if there are a lot of problems, then the social fund can be bankrupt and empty the whole amount. So just starting a group that would be a problem. You cannot just increase the amount because if many have problems there will not be enough money. So if you say more than 1000 the whole amount will be withdrawn.

Do you have any suggestions how to solve this, because you cannot predict when the problems will occur? If you are alone [?] [...] you cannot not avoid these problems. Maybe if the constitution can be revisited so that one person gets perhaps 1000 or 2000 or 4000 Mk, she uses the money, but pays back without interest rate. So borrowing from the social fund/or the group and pay back without IR.

Does it work like that in you group now? No! [The translator: but I think others groups have that rule. You can borrow 1000 and pay back the same amount]

Do you have to pay back to social fund? Yes: When you relatives have died or your child is sick the amounts are large and you pay back the amounts with IR. But you don't always have to pay back. Only if you need to take out more than 500 Mk, you must pay back with interest rates. Because you may exhaust the social fund you can take out too much].

Are there some events that are more important to cover? [The translator: if there are many loop wholes then some can take advantage of it, therefore they are trying to make it very clear. So they are saying we should not put so many things into the social fund make it very clear as to what type of help the social fund should cover, e.g the sickness of a child, spouse, somebody who is very near. Because with the extended family in Malawi, the SF would be exhausted so quickly] That problem should be close to you, to avoid extended family and avoid misuse of the SF. The child and the in law are okay to cover, but not other family relations. When there is death they give you instantly, and then they don't give you for condolences. But if you have not gotten for the death, then they will give you for condolences. But the social fund is for death and for sickness.

What is more important for you, to have money for: death or sickness? Sickness. But the social fund should assist both death and sickness.

What made you chose the group you are in now? She was used to buy shares every week, even though she was a defaulter, then let me just join another group. She was among the first persons to start the group.

Where you also in that 10 people group? Yes.

So even before you joined Wanangwa you where in the group of 10 people [ROSCA]? Yes. But that did not make it difficult to pay the shares or loans back to Wanangwa.

What was the reason for you to start the group? They decided to start the VSL because the money was very small in the ROSCA. She is not afraid to run into the same problems in Chazimya that she had in Wanangwa.

What will help you avoid this? They have the money in the social fund. But besides the social fund, each member will contribute a little bit if someone faces illness. So they have another way of assisting members facing problems. It is *not* part of the constitution.

Is that an advantage of being in the group – yes it is an advantage.

What advantages do you find in you group now that was not in the Wanangwa?
Manners are good [she has difficulties in expressing herself about this]

Do you trust them more? That captures all angles of good manners.

Do you feel you know the members from your present group more than Wanangwa? Yes she does.

Could that be a reason for why you think your group now behaves better? [It is very hard to understand the answer]

Would you join the Wanangwa again if you had the opportunity? No,

Why? I cannot join, [The translator: no reasons attached to it]

Did you experience any conflicts when you had to leave Wanagwa? There was a problem because she could not payback, so there was a lot of conflict. They were dragging around: we need your money, we need your money!

Has it affected your personal relations to people from Wanangwa group? Yes.

How did the group try to make you pay back the loan? There were a lot of follow-ups, they were coming to her house to make discussions.

Did they try in any way to help you to repay the loan? No.

Not economically, more in terms of suggestions to how to be able to pay back? Nothing.

Can you think of any Improvements to the VSLA method? [she asks The translator to help her. She finds it difficult to answer]

What about limitations? Do you find any? Maybe if they could be attached to MFIs so that they can get access to more capital. [...]

How would that help you? It is a booster, there is enough money and you can invest it in bigger things.

What would you use the money for if you had access to it? She will open a shop in Bolero not Kamphenda.

Are there better opportunities in Bolero? The population is huge, many costumers.

Do you think that all who would have liked to join, also had the opportunity or were able to? They were given opportunity.

Also the most vulnerable? Yes.

What is your opinion on the most vulnerable? No place to sleep, no food, lack of dressing, he is moving here and there. You eat where you sleep. You find food at some place and eat at the same place.

Do you think it is possible for this person to enter a VSL? Would he be able to know that there is a VSL [she poses back at me]? [The translator: he would not be in a position to say: could I join a group]. The group is open, but it is not possible for a person like this to join.

Would anyone like to join, who has not been able to join, that you know of? No.

[Discussion on the traditional authorities influence on VSLAs]

Would you guide us to someone else who has also dropped out? [...] [She reveals a name] She must explain herself.

[Final thanks, greetings and questions for the interviewer]

Interview 11
27.12.2011
Interview 17.12.2011
Wanangwa Drop Out

Note

Italic: The interviewer

Normal font: The interviewee

[]: Explanations, passage take out, reformulation of difficult passage.

Observations

She speaks very eagerly. There is a feeling that she is not speaking the entire truth. She seems slightly aggressive.

Housing: Cement floor, brick house, tin roofing, good furniture.

Identification: Member of Wanagwa group

Life story

Age: 34

Schooling:

Husband: Yes

GVH: Tipokerere

Children: 5: 3 daughter, 2 sons [6-15 years]

Occupation: farming: Mais, ground nuts, kasawa [home consumption], tobacco. Business:

Selling kasawa and tobacco.

Origin:

Interview

When did you leave Wanangwa? Last years' circle.

Why did you join the VSL?

The members of the Wanangwa group learnt from the Bowe groups about the VSL and additionally there was a mobilization session for the traditional leaders [C&S] informing them on the VSLs, and because of this they wanted to start a group on their own. They therefore asked the facilitator of the Bowe groups to come to Kamphenda to train the Wanangwa group

Why did you join the Wanangwa group?

She had problems and managed to join the Wanangwa group: lack of salt, assisting the husband for purchasing of soap, money for milling. The husband could also be assisted with money from the VSL. There was an encouragement from the husband, there was assistance from the husband to initially join the VSL [he paid the first instalments]

What Advantages do find in the VSLAs? If you are one man, you have very little money at the end of the day. If you join a group you have access to more money in terms of loan. Saving was also an opportunity. Since as an individual you may just keep on spending, but in the VSL you are able to save, if you deposit the money at the VSL.

Why is it difficult to save? Very difficult, because there are many involvements. But if you are in a group you can save and others save, and at the end of the day you can borrow. May be you can borrow 3 times the amount you have in the VSL. Just because they are vulnerable, you can save. Because you need the money as a poor person, you are able to save [you have the encouragement to save].

Do you see any disadvantages or difficulties by being a members of a VSLA? No difficulties or disadvantages

Can you think of any improvements to the VSLA? The money realized is too small – outside assistance to the group would help. Access to more money through MFIs. Possibly donors or well wishers could assist with money.

Why did you leave? The traveling from here to Wanangwa meeting was too far [ca. 2-3 km] and other members couldn't pay their loans at share out. So the share out was smaller than expected because some couldn't payback their loans. No other reasons.

What about non economic reasons? No.

Solutions to the lack of payment? The whole group went to the defaulter to ask for the money. But up to now the individual have not paid back the loan. After the last borrowing, there should be enough time [3-4 months] so that every person has enough time to pay back the loan. 4 members have failed to pay back, all 4 have left the group and stay within Kamphenda.

Can we talk to these people? Yes [she reveals a name] She will show us this one, the rest she cannot remember their names. The rules of Wanangwa has not changed, as far as she knows.

Wish to join another group? Yes. She will join the groups she wishes to join when their circles are finished. She wants to join Tayamba II. There is cooperation among members, everybody pays their loans at the end of the circle, and there is no conflicts between the members. In Wanangwa there was conflict: the conflict was that some would not repay their loans.

What are the characteristics of people you would let into a group? Whoever fits!

What about the most vulnerable or disadvantaged? The can join and should join. So that when you are in a group you are able to learn from others.

Who are the most vulnerable? They have no food because he has no money for milling, if you have no salt for the relish you are vulnerable.

Do you consider you as the most disadvantaged? Yes

[31:00] *Whoever fits, what does it mean?* That everyone has something to contribute towards the group, whether you are vulnerable or disadvantaged you have entitlement to join the group, despite the vulnerability you should have access to join the group.

Are there any personal characteristics? No there is not.

Have you tried yourself to start a group? She has developed her own mechanism. She has a small box, whereby she puts some money each week. She has not asked others to join her. Others use the same procedure. These other people have already joined other groups [she says], so it's hard to call others to form a group.

What did the other members of Wanangwa feel when you left the group? Some could feel that she was coming at a distance that she could not manage to come to Kamphenda. Her feeling was that if some were defaulting [during] the circle she was in, then perhaps the group would collapse the next circle, so I better leave the group and find another one who could have one opinion.

The members of Wanangwa wanted to put a replacement for her. Other's felt that she should stay. [There was no conflict due to her leaving the group]

Where all that wanted to join the Wanangwa group also able to join? Yes, everybody where given the opportunity.

What about the HIV/AIDS affected and the disabled? They have access, they can join. They are also very vital.

I have heard that strangers are often not welcome, what is your opinion on that? Those who come and go cannot participate. Those who come to stay for some years [3-4 years] can join. The strangers are teachers [they will be transferred perhaps, they are not permanent]. However, those teachers who wanted to join were accepted. Drivers [they are employed from outside but some come to stay, and this one can be allowed to join. However, some come here temporarily, 2-3 months. They drive the matora [van], transporting people from here to Rumphi. Last year there was no minibus, and so the matora was the only transport]. Also tenants.

[Discussion on the influence of the chief on participation in VSLAs]

How did you know of the other group members? C&S did mobilization meetings on VSLs in 4 areas: Kamphenda/ Lusani I/II/ Karakaraka. The facilitator organized a community meeting and those interested in the VSL could start forming a group. The chiefs at GVH level called

those who were interested. They reached a consensus after the major meeting that from each chiefs village we need 2 individuals around Kamphenda.

Were there priorities given to the chiefs? They should chose people who are trustworthy since this is pilot VSL, so that others will learn from this VSL. Then the chiefs select the best 5 and from these the group selects the best 2 to make up a group of 25. At least someone who can submit shares was a criterion - since this was a pilot group. So then they [C&S] trained Wanangwa, and afterwards trained Tayamba II. It was tricky when they were. The area would come up with 20-30 groups at the first mobilization meeting. Some groups would die naturally, or disbanded, e.g. at Karakaraka 5 groups where formed, but as of now only 2 groups have survived.

Did you know the other members of Wanagwa group beforehand? No, she did not know the other members of the Wanangwa beforehand. [The translator: it was a strange thing with this group, and that is why they may have experienced these problems, because they didn't know each other very well]

Was it a challenge that you did not know the other members beforehand? It was a challenge to her.

Did you trust the other members? She would trust the other members. Some she didn't trust those that could not pay back the loans.

Do you know all the members of the Tayamba II members? Yes, and they know each other very well.

[The translator: Wanangwa was the first group. There was only group who could be trained from a very large group of people. So perhaps the communities decided that let's pick the best 25 people from this area. [that is, the chiefs pick 2 members from their village]].

[Final thanks, greetings and questions for the interviewer]

Note

Italic: The interviewer

Normal font: The interviewee

[]: Explanations, passage take out, reformulation of difficult passage.

Observations

She is a drop out from Wanangwa, but is currently a member of a different VSLA. She is very talkative, straight forward and open. The translator, felt she spoke the truth and did not hide any information.

Housing: Clay house. Grass-thatched. Clay floor. No glass windows. No doors between rooms.

Identification: From a drop out from Wanangwa

Personal Profile

Age: 27

Schooling: standard 8

Husband: Yes

GVH: Zunguzu

Children: 2: 2 daughter [4-8years] oldest is schooling

Occupation: Business: selling bean, tomato, fish [reselling – from the lake, go to Rumphi now due to lack of money to go to the lake – last year she went all the way to the lake to buy].

Farming: Gn, casawa, millet, beans [home consumption and selling through the week].

Origin: Has lived in Kamphenda since she married in 2009, she says that her whole family is in Kamphenda – but probably only her close family. Her home village is Mzimba.

Interview

Why did you join Wanangwa? Due to problems she joined to share ideas on how to solve them. She wanted to join to save and to borrow. You can borrow much more than when you save on your own. The problems she was facing: if you are alone you can only save up little. But if you are with others you can save up a lot more and borrow more money for you up keep. Share ideas on how to manage family issues and conflicts: quarrels with husbands. [she puts forward an example] You take money from the group – and go to the house and you consider the money only your business, not your husbands. The group will then help you in these situations.

What are your preference for other group members? All who wish to join can join a VSL

Why did you join Wanangwa at that time? She joined due to the decreasing interest rate in Wanagwa, that is, you pay less and less interest rate as the loan decreases. As opposed to flat interest rate on the LISAP groups. She only knew this when C&S started training the group.

Was Wanangwa the only one to join? No, there were several.

How did you know the group members?

They live very close so they can easily know one another.

How did Wanangwa become the group to be trained by C&S? [more than 30 groups were at the mobilization meeting] After the whole community was mobilized there was a very strong cooperation within the Wanangwa group, so when the field officer came to hold a meeting, all the members would be present at the meeting. Wanangwa was unique in that this group would always show up at the meetings the field officer was facilitating. This group was then selected among the 30, by the field officer.

Why did you drop out? She could not pay back a loan. The constitution said that all must pay back money within 3 months. She took out 20.000/30.000 and pay back. Lastly, she took out 30.000, but within 3 days her 'younger parent' passed away in Mzimba. So she used some money for transport to Mzimba. She would pay back part when she returned and the some was swapped for shares, but a last part she could not repay. She tried to do some business to raise the profit to pay back the loan, but she could not because some of the loan was used on transport to Mzimba. So following the constitution she was a defaulter and had to leave the group. The Social Fund is only to use for biological family relations – so she did not get money from the social fund.

How can this problem be solved? She could have saved up [by selling her own mais or produce] herself for expenditures of this sort, transport, not touching the borrowed money.

Did she have that option at the time? But at the time she had only just come to Kamphenda and therefore she had not yet gotten her mais fields started and had not had time to save up for these expenditures.

If you had stayed in Kamphenda some time you would have managed to raise the money for transport? Yes.

Did you ask the group to extend the period to pay back the loan – or were they very strict?

They extended the period, so now she has actually paid the loan in full. But she had to leave in any case. She paid back the loan in March 2010. But since the constitution says that defaulters must leave – the group forced her to leave. She was also paying in to the shares [while she was repaying her loan] even though she had to leave, but she was paid back her shares at the end of the circle.

How did you feel about being excluded even though you could actually pay back the loan?

She was concerned, but since she had been part of making the constitution, she felt that it was her own making. Then it was okay. She had to follow the rules. But she was worried.

Were there any conflicts with other members? No, there are no problems, they can still chat.

Would you join Wanangwa again? I have already joined another group. And she has no intention of joining Wanangwa again.

If you did not have the choice to join Chazimya, would you then have rejoined Wanangwa? Perhaps she could have gone back to Wanangwa.

Would you be accepted again? After some time some of the members were asking her to join the Wanangwa group again. But at that time she had already joined the Chazimya.

Is there anything that would make it difficult to join a group, financially, socially? No, nothing will prevent her from joining.

Always have cash enough? Yes.

Could other people be prevented? Some people will be refused if they have been defaulters in other groups.

Are woman prevented by her husband? Now there are so many human rights activist/orgs, so if you refuse someone to join, then you are trying to disassociate that person from acting out her rights. Someone will take you to the HR organisations.

Will all women actually do that [mention it to the HR org]? Not all will do, some do not have knowledge of HR and these orgs. They don't know they have the opportunity. Other could not join, just because they don't do any business. So if you don't do business, where would you raise the money for sharing? [she asks].

Is it possible to only pay the shares and not borrow? Not possible, you must take up loans. You must at least buy share and take up loans. Because at the end of the circle you will just be eating others interest, because you are not doing business. [The translator: If all are just buying shares, you are just sharing the very same shares]

Perhaps you can accommodate some members to just pay the shares at least during one circle... The translator: The constitution also says it is a V savings & Loans A.

What is your opinion on disabled or elders? Can they participate? They can be part and parcel of the group.

Do you have an age limit in your group? She says 75 years [she says, but the translator does not believe this]

What about the most vulnerable? They can enter if they can have the money for the shares.

What is your perspective on the most disadvantaged? No food, a house like hers [it is leaking, has no plastic to make it waterproof] lack of salt, lack of dressing – no shoes.

In what level does she see herself? In the 3rd level.

How was it possible for you to join the group you are with now? Because she already had the experience from a group, it was easy for her.

So your history from Wanagwa did not affect your entrance to this group? No, they knew about her problems and why she could not pay back, and knew she would be a good member. And she knew the members from the group very well before entering.

Are there any Disadvantages from being in a VSLA? There are none.

Can a woman with money create conflicts in the home? It cannot create conflicts. Since you will discuss how to manage the money borrowed from VSL with the husband. How to budget the money how to get a profit etc.

What about limitations or improvements? Do you find any?

A further linkage with other lending organizations to boost the capital. The whole group must be linked, not a single person. Her group is very capable of linking up to another financial institution.

Some join several groups to have access to more money. Is that a way for a single person to have access to more capital? Yes, it is a way to access more capital. Is it hard to manage to be a member of 2 groups? Depends on how you think. You must plan and work very hard. You must be assured that you can manage to borrow and pay back both places. If you can't then you should not.

[Discussion on the traditional authorities' influence on VSLAs]

[Final thanks, greetings and questions for the interviewer]

Note

Italic: The interviewer

Normal font: The interviewee

[]: Explanations, passage take out, reformulation of difficult passage.

Observations

This interview was done with a husband and wife. We tried to get to do the interview separately, so as to speak with one person at a time, but the husband would not allow that. It was rather troublesome to get the husband to speak freely, but easier with his wife, though she was inhibited by the presence of her husband to speak freely in some instances. Especially the reason as to why they had dropped out was very hard to get correct information on. The general feeling was that they were both holding back. But there was not a hostile atmosphere between the two. The wife was rather open about the fact that she had to listen to her husband and could not always speak her own mind.

Housing: Brick house, grass-thatched roof. Not glass windows.

Identification: Key Informants**Personal Profile [H= husband]**

Age: 31

Schooling: form 4

Wife: Yes

GVH: Chivrunga

Children: 2: 2 daughters [3-5 years]

Occupation: Business: Mobile grocery – to Bowe and Mwachanda: soap, salt, lotion, batteries, paraffin.

Origin: Kamphenda area

Personal Profile [W =wife]

Age: 27

Schooling: form 3

Husband: Yes

GVH: Chivrunga

Children: 2: 2 daughters [3-5 years]

Occupation: Farming: Mais, ground nuts, tobacco. Sometime they sell the surplus mais from the house. They do not move around to sell. A lot of battering goes on after harvest. [20 kg mais can cost between 500 – 800 Mk]

Origin: Came to Kamphenda in 2004.

Interview

[09:20] Why did you join the VLSA?

H: I was just encouraged by some people to do so.

How did they encourage you?

[No response to begin with]

How did they convince you to join?

W: They wanted to join the group because they were saving right away here. If they were saving maybe in Rumphu or Mzuzu there would be a lot of traveling. Going to Mzuzu to take the money. But here when ever their daughter falls sick they can just take the money right away here. The bank is just within our locality.

Are there any other reasons? H: No.

[...]

[11:48] You talked about you were encouraged. The people that encouraged you what did they say, what did they do?

H: This was the only reason

[...]

How did you get to know about the VSL?

W: They listen from the group that started: Tayamba [II]. So they got the information from Tayamba about these village banks.

So you heard it from Tayamba group. Did you yourself attend any information meetings. Or you just from this group about it?

H, W: Yes, we just heard about it from the Tayamba group.

So you were in the initial face of starting up the Vilimo group?

H: They were in the initial group

[116:32]How did this group come together. Did one person here about it from Tayamba, and then: why don't you join, why don't you join? Or how did that process come about?

H: We had a [mobilization] meeting and we discussed about the importance of this group and we all of us convinced joined. [...]

How many attended this first meetings? The whole village, the quarter?

H: Not the whole village, but some [possibly $\frac{3}{4}$ of the village]

And then from that meeting, some of you decided to form that group?

H: Yes

So the other group members, I have the impression that you know each other very very well. You are almost all related. You are almost all Nyirongo's, except the few that come from a place a little bit away, in Hewe. But there are two other members? [The translator: Those two members joined afterwards. So the initial group was only from within this village]

Was it important to you that you knew the other members well beforehand?

W: The new petty well about the other members. [...] Yes it was important.
[...]

[21:00] Was it a disadvantage to be related in a group? Did that create any difficulties? [There is a lot of discussion between the interviewees and the translator]

W: They are related. The problem would be, that sometimes somebody could abuse his position. For instance she is a treasurer, and she takes out money the money without the consent of the group. At the end of the day, someone must take responsibility of asking that one, please pay back that money. It would be rather a problem. Maybe there will be some scuwables with in the group. And maybe it can create enmity within the group. So to her that will be rather a problem, just because they are within the very same locality.

It would be hard to ask this person to put back the money because you are very interrelated?
Yes.

[24:10] But did anything happen while you were members? No
[...]

Did you find that there were other advantages than saving up in the village bank? After you were convinced to join?

W: Also you can be assisted by the Social Fund. Whenever you are in trouble, you fell sick. The they could take some of the money to assist you.

What about the fact that you can take up loans. If that important to you? Or was it merely the saving up that was any advantage?

W: It was also an advantage, from borrowing money from the group. But they couldn't maybe actually think of that on.

How did saving up in the group help you? You cannot save in your house?

W: No

H: We can save through business. The profit we buy other goods and sell. [the translator: in the house they could also save the money. Just because how they are doing now. They could also save in the house. That money they can use for businesses.

W: Also in the group it is better. Just because they could save until that saving becomes a larger amount. And at the end of the day, you can buy certain commodities. The you can recognize, I have saved for the whole of this period, now I can manage to buy these assets after saving for long. Then you can see that you can buy something which is from the shares.

[28:00] But you can save up at home, then why is it better to be in a VSLA?

W: Saving in the bank it has got so many advantages. One of them is if you want just to take the money there are some procedures that you need to undergo. But in the house you would simply take it. Also this house when it get burnt, then all the money could be lost. But in the bank at least it is secure.

[...]

Would you spend the money otherwise, if you had easy access?

W: Yes

At what time did you leave the group?

W: They only stayed in the bank for a single week.

What made you leave the group?

H: Because it was demanding a fee. Something like 600 Mk. At the time I had no money. [The translator asks why both of them have dropped out and not only Jonathan, since they may have been able to afford to pay for one member of the VSLA]

W: The main point was the money. [heavy laughter] By that time 600 Mk was a lot of money.

Is 600 Mk a lot of money for you?

H: By that time.

Why was it a lot at that time, what was happening?

W: A lot of illness around. That money was needed in so hurry a situation, so now now we need that information. [The translator still feels they are hiding the information]

What was the purpose of the 600?

H: They were saying they wanted to buy a box.

[...]

What about now, what is your opinion now?

H: Now we can join.

Why have you not done that? I know there is a possibility for you to join?

H: Because this is the first face, we are going to join the second.

[36:20] Do you think the bank is not important, it is silly, and does it not work?

H: It is important.

Did you also think that when you joined?

H: Yes.

Then I don't understand why you did not try at all to stay in the group. Did you try at all to have somebody help you?

H: Yes I managed to pay 300 Mk. But the rest 300 Mk was a problem.

Could you not use your family relations here?

H: I borrowed that money from... [The translator interrupts and asks with an example: I fall sick, I get money to go to the clinic. I come back with medicine, but it does not work. Can I not go somewhere else to get more money for transport? – there is no response besides laughter]

If the husband says it is very important for him to join, then why can he not ask his family?

W: This village bank is very interrelated. So the other member maybe is a mother and a father. They also wanted to subscribe 600 Mk, so this one is lacking 600 Mk. This one is lacking 600 Mk. So they couldn't afford to pay for the other member as well, because they are all within the same locality. So it made so difficult for them to subscribe.

[...]

This group will share in December?

W: They are going maybe to share out this time, but since they are not members they don't know.

Would you think about starting a group on your own if the Vilimo group is a little too close family wise?

H: Ah No.

Why not?

W: They don't know about rules and regulations. How they can come about making a group.

But neither did the Vilimo group, they also heard about it from somewhere else?

H: They will be very isolated. Others would think, they are trying to isolate themselves from the whole of village. They would be just like an island that is not a good idea. That is a very bad idea.

[44:00]*There is a small group of only 5 women working in this village, do you know about it?*

W: Knows about that group.

Would you want to join that group, on your own?

W: On her own she cannot join that group. Just because her husband has so much responsibility on her, so alone she cannot join. [...] He decides for her. She needs to ask him.

So then I can ask the husband, what do you think about your wife joining the group? Is it a bad idea?

H: [It takes a long time for him to respond] First of all I want to see the rules and regulations. If they are tough I cannot allow, but if not tough, then I can allow.

What is tough?

H: There are rules that are very tough.

I don't understand. Can you give an example of a rule that is tough?

H: If you don't come to attend the meeting you have to pay 200 Mk.

So if there are too many fees involved in the group regulations, then you would think it is not a good idea?

H: Yes. [...]

So you are not familiar with the rules and regulations of the group of 5 people, yet?

H: Yes.

But you would say that if the rules were less tough then you would think it was a good idea?

H: Yes. [The translator wants to ask again: Why did both of them withdraw? The translator thinks it is because she is dependent on her husband. She cannot decide on herself. It is the will of somebody else to join]

Would you [W] like to join the group of 5 if your husband allowed you to do so?

W: Yes.

[...]

If you [W] could, would you join the Vilimo group on your own?

W: Yes.

Can I conclude that the husband is not so interest in joining the group, but that the wife is very interested? That is the feeling I get.

W: The husband should answer.

So H, please answer? [No answer]

There is no problem in thinking that village banks is a bad idea to join. And I'm very interested in knowing why it is you think it is a bad idea, if you think so. Because then perhaps something can be done about it. Do you understand my reasoning? I want to know if there are reasons for not liking the bank, because then perhaps things can be done differently. [The translator explains for a long time to asks if the interviewers conclusions are correct, and why]

H: He takes as if this is the pilot phase. He needs to see anyone benefits from it. If he could see that there are some benefits from this VSLA, then the next time he could be part and parcel of the VSL.

Do you think you have you had too little information about the village bank. If you knew more about how it works, would that have helped? Or do you want to see first? [The translator: now we are at the climax - that is why we are laughing].

H: He has got too little information. That's why he couldn't trust some benefits from the VSLA.

[59:00] Were you sharing one time during that first week?

H: No, there was no sharing.

What happened in that week?

W: In the first week there was some kind of sensitization, whereby some who had little knowledgge about that one would try to sensitize the rest that we need to come up documents, at least we need to have rules and regulations. One of the rules, you need come at the meetings on time. You need not to be absent. And also there are certain fees that if someone could not abide by rules then you should pay. [...] And also they were mentioning about that 600 Mk. Maybe that first discussions.

Okay, so that was the formalization of the group, how will we do it... ? Were you part of writing the constitution?

W: Yes.

When you finished that week, was the constitution written?

W: The constitution was written after that.

So you actually had a chance to see, this is the rules and regulations, and then you found out we will not be part of this. We will not be part of this. Is that what happened?

J: Ah no. We did not withdraw because of regulations, but because of lack of money.

But fees were also a part of the regulations... [no response]

[01:00:10] *How did the other group members react when you said we would like to withdraw?*

H: They were complaining why have you come out of this?

So they think it was a bad idea?

H: Yes

Did they give you any reason for why they thought it was a bad idea?

W: the number would be going down.

Were there other reasons?

W: No.

Did they try to persuade you to stay?

H: Yes.

And they understood that the money was the problem?

H: by then we were very poor.

I don't understand why they did not try to help you, if they so badly want you to stay, help you with the money? [Laughter. The translator comments on the upfront procedures of the interviewer]

W: the others could not assist. All were lacking money so it was a difficult situation.

Are there others that think it is too expensive to join a VSL?

H: yes, like [he mentions another person] also did not join because of money. But with lower fees they would consider joining.

Do you trust the other group members?

H: Yes.

Do you think there are any solutions to this problem? [The translator explains extensively]

W: If someone can assist with money that time around and if there will be no sickness. If these problems were not there they would have been part. The group could not have been designed otherwise? No answer. [W leaves the group for a while and returns]

What are the characteristics of people that you would not want in your group?

W: No Crocks

H: If you are not trustworthy.

W: [gives an example] if give money to a person, but this person does not explain how the money is used properly, and has no receipts [to prove what the money has been used for]. No liars. No thieves. No drunkards. You should not love money – then you will borrow too much from the group [and exhaust the capital in the VSLA]

What are good characteristics?

W: It is just the vice versa [of the above] but collaborative ability is also appreciated.

What about HIV-AIDS, disabled people and elders?

W: All can join

Are there any disadvantages by being in a VSLA?

H: No

Can you think of any limitations or improvements?

H/W: They were only shortly in the VSL, so they do not have a proper understanding of the VSL, therefore they have no ideas for improvements.

Did all that would have liked to join also have the opportunity?

W: All were given the opportunity, none were prevented. The most vulnerable also.

Who are the most vulnerable? [the three of them discuss]

W:/H: No money, no food, no [proper] housing.

[Discussion on the traditional authorities influence on VSLAs]

[Final thanks, greetings and questions for the interviewer]

Note

Italic: The interviewer

Normal font: The interviewee

[]: Explanations, passage take out, reformulation of difficult passage.

Observations

Han er meget svær at få i tale. Han skjulte mange informationer, og der var en stemning af at han ikke rigtigt fortalte sandheden. Han var lidt beklemmt med situationen. Men var ellers villig til at blive interviewet og talte meget. Han ville meget nødtigt fortælle om hvorfor han ikke kunne få adgang til Wangawa I. Men bekræftede dog at han var blevet nægtet adgang.

Housing: Brick house, cement floor, grass-thatched, two buildings, no glass windows, no doors between the rooms.

Identification: Identified by a member of Wanangwa because he was refused to enter that group.

Personal Profile

Age: 31

Schooling: form 2

Wife: Yes. She is from beyond Singiliheni.

GVH: Zunguzu

Children: 3: 3 daughters (1-7 years)

Occupation: Farming: gn, soya, mais for home consumption. Tobacco for selling. Keeps: goats, chicken, pigeons all for domestic consumption. Business: selling beer at the local market.

Origin: Home village is Mzimba where his father stayed as he found an estate to run and found his wife in Mzimba. But his family is originally from Kamphenda or rather was rehabilitated from Nyika when it was taken in as a natural reserve in the 1970's. His grandfather had a lot of grinding mills in Kamphenda. Kingston returned to Kamphenda 3 years ago. He has relatives in Kamphenda.

Interview

How did you hear about the VSLs? He knows that you are supposed to save and borrow. In a week you need at least to raise some money to pay for shares. He knows about the VSL from his wives. He used to have 2 wives, but one marriage disbanded. The wife who left was in a VSL and is seemingly still a member, but not staying within this locality/Kamphenda.

Do you want to be a member? He wants to become a member,

So why not join one? He says that at the time he wanted to join, the groups were all full. He (only) wanted to join Wanangwa II – the one with only male. He tried to join September 2011, but it had enough members (15).

Have you asked when you may be able to join? They told him that they are waiting for someone to leave the group, then he may have a chance to join the group.

Do you feel you have been excluded from the Wanangwa group? No.

Do you want to try to join another group in the mean time? If he gets the opportunity with other groups he would like to join. He has not asked other groups to join.

What other groups do you know? He can only remember Wanangwa II. He knows other groups, but cannot remember their names.

How did you get to know about Wan II? From the divorced wife.

(22:00) *But she could not have been a member since the group is only for men?* It was the chair person (Happy) of Wan II who came to ask Kingston if he wanted to join. He was late in responding to the chair person, so someone else had taken the spot in the group. The chair person is his friend.

How did you feel about that? He feels that he might join the group. Because some members do not follow the procedures, like being absent from the meetings, so they are just sending shares. They are not abiding by rules and regulations. So he thinks that perhaps these members will drop sometime, and he can have a chance of joining. He has not been a member of a previous group.

(25:00) *Have you been a member of a VSL previously?* No

Have you been a member of another type of group where you were saving money? No

[...]

(26:20) *Is there anything that would make it difficult for you to join a group, besides that fact that it is already full?* No.

You will always be able to pay into the shares and be on time for the meetings? There are no problems for that one.

[27:10] *What is the caliber of a person that you would like to join a group with?* At least all members need to abide by rules and regulations. That is, the constitution as such. And also members at least should follow whatever they have agreed on a particular meeting. Each member should indulge in business and buy shares each week. Someone who listens to others, and is Good fearing. Trustworthy

Preferences for member, do you want to know the person very well, neighbors, friends etc.? He prefers to have friends in the group. In Wanangwa II around ½ the members are friends of him. The CP is a friend of his.

What about the HIV/AIDS affected, the elders and the disabled? They can join.

Should there be an age limit? Yes, 50 – 55 because you must be able to see the future, have a future, you must have intentions of using the money. With age the IQ, knowledge is going down. Perhaps when you get older you become lazy.

Has anyone been refused to join a group, because of any type of reason? No one had been refused.

As all that would have liked to join a group also been able to? Yes

If you are able to save the money at the end of the day you are able to borrow some money and that will be a boost to your capital. Could you not save on your own? There is a transportation cost if you save in the bank in Rumphu. But if he saves here in Kamphenda, the travelling is easy, he can just go to take out money. Not possible to save in the house, risk of the grass thatched house catching fire.

So what if the box keeper also stays in a house with grass roof? The good thing is that the box is made of iron, so even if it is burnt, there is some kind of security.

Did you hear about the VSL from any of the organizations in the area? Yes he also heard from LISAP and C&S. He has been to some of the mobilization meetings.

Interest in starting a VSL on your own? No.

Why not? (Gija: His wife says that he has a lot of opinions when he is talking to her, usually. But today he is failing to express himself - en masse grinen. Han er ikke glad for at snakke om disse ideer). You need a lot people to start the VSL.

You could not ask your friends then? Since he was late they are already part of groups. Some of the friends, the husband to Esta Nyirongo – he stays in Mzuzu, so how can I start a VSL, when they are in Mzuzu.

Other things he finds difficult in terms of starting a bank? No.

(40:00) *Non-economic advantages?* (Gija: forklarer yderligere og jeg prober: share ideas) Share ideas on how to stay in the homes their livelihoods.

Can you give an example? Learning about keeping your livestock and how to raise money for the shares.

Difficult for others (if not you)? Problem of having capital to buy shares. Sometimes someone borrows and fails to payback. Then the group will come to sophisticate belongings of that

person → this may signal that it is risky to join a group, because your belongings can be taken from you. VSL are not good.

Does this happen? Yes, in his opinion.

How can we solve the problem that some think it is too risky to join? Need for encouragement and sensitization. You need to tell people that the reason for why the things have been taken is because these people have defaulted on their loan and not because VSLs are bad. But you must also let people know that you must pay back your loans and that those whose belongings are being taken may not have used the money for intended purposes. You must sensitize the population more on how the VSLs function.

Has the Wan II been trained? Some have been trained some have not.

Do you see any improvements that could be done to the VSLA? Some contribute 270 Mk/week others contribute 500 Mk/week. There must be some sort of adjustment of the value of a share. Perhaps the value is too high at this time of economic back set. Perhaps there is a need to drop the value of a share a little bit. [Gija poses another question] Maybe there should be an encouragement to stop taking in people's belongings. It should be discouraged, because perhaps you take a blanket which is dirty and therefore cannot be sold again. And you need to sensitize people properly that when you take out money you must also be able to manage paying them back. [Gija poses another question, but does not translate it]

Do many face the problem of not paying back loan because they don't know how to plan/manage their money? Yes it is a problem.

Many do not know how the VSL works? Yes, some do not know how they work.

I have heard that you have tried to enter a group, but that you for some reason could not enter this group? (han snakker udenom, Gija, forklarer en hel masse). He would be very discouraged if he was refused to join a group that he is willing to join. Very discouraged. Is it because it is not true?

I want to verify it. My reasoning is not to judge you in any way I want to know why - the reason, because if there is a problem we want to know what can be done. There is a need of sitting down with those who are leading that group, that they to allow some who are behind, so that they can also be part and parcel of that group. He is talking about it in general terms, not about himself.

So he does not want to confirm or disconfirm? It is true.

Will you share with me why? (Jeg forklare igen hvad det er jeg søger at find ud af, og hvorfor jeg så gerne vil forstå hans grunde til refusal. Og det er ham der kan fortælle sandheden.) (Gija: forklarer at vi skal finde både de positive og negative sider når man laver research. Og han siger at måske skulle konen ikke være der, fordi der er ting man ikke kan dele med sin kone. Man har brug for plads, og et frit sind – men konen går ikke). (Kommer med en hel masse bortforklaringer og svarer til sidst ikke på spørgsmålet: hvorfor). Since he was in a polegami, they could go to 3 different VSL, but then they would need to raise a lot of money.

This will be hard. And they will have nothing in the home. So he thought that perhaps the 2 wives could be members, and he would not be a member.

How is the situation different now? There have been small changes but now, still, he has to take full responsibility for the children, even though he has divorced one wife. He must take care of her children.

So can he would be able to join a group? (Jeg forstå ikke hvorfor han fortæller mig dette) This time around he can be a member.

Of which group? He wanted to join Wan II, by the time he wanted to join that group, his former wife had gotten some money from her group and after leaving him, she left with the money she got from the group. So the responsibility was put on him – he must pay back her loan. But now you economic situation is different and you have money to enter the Wan II group.

[Discussion on the traditional authorities influence on participation]

Does family relations have any effect on which group you can join? Yes

How? [Gija explains extensively] If there are problems in the family it can have an effect. If you have a quarrel to home, it could be taken to meetings in the VSL. So it is not good if all family members are in the same VSL.

[Final thanks, greetings and questions for the interviewer]

Note

Italic: The interviewer

Normal font: The interviewee

[]: Explanations, passage take out, reformulation of difficult passage.

Observations

She is very difficult to understand, for the interviewer and I, and she does not seem to understand the questions. The translator thinks she may have problems understanding due to her low educational level. She has no understanding of numbers.

Housing: Brick house, grass-thatched, no glass windows.

Identification: Key Informants

Personal Profile

Age: [unknown] approximately 40

Schooling: standard 3

Husband: Yes. He does piece work and farms

GVH: Zunguzu

Children: 6: 2 daughters, 4 sons [The translator doesn't agree with the age she propose for them]

Occupation: Farming: ground nuts, mais for home consumption. Business: selling beer.

Origin: Beyond Walilo. She is not from Kajunde. She says she has lived in Kajunde for 2 years – probably not correct. But she cannot remember for how long. Some family members live in Kamphenda others stay in other places.

Interview

Have you heard about the VSLAs? At first she says she does not know. But she has heard about it. She has heard that people get money from the bank for the purpose of making business. She has also heard that people also puts money into the banks.

Is it a good idea? Yes.

Would you like to be a member and have you tried to become a member? Yes, but she has never gone to ask to be a member.

Why not asked? She cannot find money to join the VSL.

Why is it hard to find money? [hun forstår ikke hvordan hun skal svare, The translator forklarer mange gange] She has no ways or means to find money.

Do you use all money from selling beer on the household? Yes I buy salt, soap, dresses for children. She gets ex 1000 Mk for selling beer then it is not enough to then also save in the VSL. She doesn't know how much you are supposed to pay into the VSL/week.

You don't know the actual amount, but you don't think you can afford? She says that if she can have enough money then she can join the group. [The translator: the most important thing is that the less education, the less you can explain. She cannot explain how much enough is, despite many attempts from the translator]

Why do you want to join a VSL? [She says she has a problem, but cannot elaborate on the problem, Finally, though she answers] To buy fertilizer, buy dressing, to get better housing, she has no bedding, no food, no balanced diet. [The translator has to ask for every issue] if you come from a poor family you will just eat 'derere', you cannot afford other things. [The translator suggests that someone from the 4th level, would do that]

From where did you hear about the VSL? She heard it from the radio [The translator is not confident that this is possible]

Do you know someone from a VSL? Yes, she has spoken about the VSL with a neighbor. She has heard from someone else about the VSL, but she doesn't know to which group the woman has spoken to belongs. [The translator does not think she keeps updated with what happens around her]

Did you go to any meeting with C&S? [She doesn't seem to regularly attend any information meetings at all held in Kamphenda]

The translator: Is your husband refusing you to go to meetings? No

Improve livelihood if you became a member? Yes.

So if you had enough money you will join a group? Yes.

Have you saved up money in a different type of group? No

[Discussion between The translator and interviewer on her ability to run a business when she fails to understand numbers]

Have other people been unable to join a group, like you? No

[Discussion on the traditional authorities influence on participation]

[The translator and the interviewer discuss: It is also information that she cannot even answer questions. They do not even attend meetings so how can they know about the VSLs]

[Final thanks, greetings and questions for the interviewer]

Note

Italic: The interviewer

Normal font: The interviewee

[]: Explanations, passage take out, reformulation of difficult passage.

Observations

She is very informative and rather open. Answers the questions immediately and she initiates her own narratives that have not been suggested by the interviewer. She has a good relationship with her husband. He is present at some of the meeting, and takes part in the conversation. He speaks English rather well. At some point she asked her husband if she can serve us a coke. It does not seem as if she is intimidated by her husband's presence. The translator notes, after the interview, that she was speaking very openly. There are a number of abruptions during the interview. The translator makes phone calls. The interviewee leaves sometimes to attend to the shop. We are seated in a room behind the shop. The shop is part of the house.

Housing: The house has iron roof, cement floor, no glass windows, it is made of bricks, it has doors inside the house.

Identification: Through key informants

Personal Profile

Age: 26

Schooling: form 2

Husband: Has a business: a grocery store and has a grinding mill

GVH: Zunguzu

Children: 3: 3 daughters (2-7 years)

Occupation: Works in the mill, helps out in the mill. Cooks Mandazi for her support.

Housewife: cleans, cooks. [They have some livestock which could be seen at the back of the house, and most likely also have fields to grow mais]

Origin: Home village is Kamphenda. The family is also staying within the area of Kamphenda.

Interview

Then I would like to discuss with you what you know of the village bank? She is a member of such a bank.

(06:00) *Which bank are you a member of?* They have not established the name of the bank, so they have named it a village bank. The translator: I think they are just meeting casually, for the purpose of maybe doing the village bank.

So when did you start your VSL? They started the VSL last year, they were able to shared they money, this is the second year.

(06:40) *Where did you hear about the VSL?* They heard from a member from Wanangwa. You understand that she [the member] was a members of Wanangwa and now she has joined another group.

(07:30) *Why did you establish your VSL?* If somebody falls sick you can access money though the bank. That is one of the points why they established the bank. Sometimes you are involved in an accident you are able to access funds from the village bank. So that was an advantage of coming up with the VSL. [The husband enters the room] Sometime they have a problem of buying fertilizer, so the money could go to this. Sometimes the money could be used to purchase some tobacco to be sold at the auction floors. [The translator: introduces the interviewer to the husband] There is a chance of saving and borrowing, and there is an interest rate attached to the loans, which is another service they can access.

(12:00) *How do you run the VSL?* [This passage has been comprised because of lengthy discussions due to difficulties of explaining and understanding the procedures] They have a chair man (the leader), secretary (keeps the minutes, if there are visitors she also takes care of them) and treasurer (keeps the money. It seems that this person keeps the pass/note books for the members).

It has 10 only members, and the members are not trained. The shares are 50 Mk. You are supposed, if you can, to buy 5 shares. The social fund is 20 Mk. Last cycle she got 32.000 Mk, the whole group had 150.000 Mk.

(17:30) *Do you feel that you VSL has been running well?* There is no problem. Although they are very few in members, there are no members that are crocks. But the problem they encounter problems, they don't have access to get the pass books, so they are looking for someone who can help them purchase the pass books. [The translator leaves the room to make a phone call. The interviewer, the interviewee and her husband chats. The translator returns. The translator tells her that he can assist them with getting the pass books, in his capacity of being a village agent for C&S. The interviewee also leaves the room and returns].

You were talking about how your VSL is running well, and you said that you have no crocks in your VSL. What are the characteristics of a Crock? She is putting an example: I come to borrow money from her, then today I don't come with that money. I bring the money at awkward times, not as promised.

(28:50) *Are there any other characteristics?* [The translator receives a phone call, and the interviewee leaves and returns] Sometimes you can just look at that person and you can know that this person is a crock.

How? The language itself suggests that this person is a crock.

So the crock is somebody that does not pay back on time, is that the only characteristic of a crock? [She wants him to help her answering]

(32:00) *Is it someone you who lies, is it somebody who you cannot trust?* Yes, someone they don't trust. They moment they (the not trustworthy person) come you cannot afford give them

these biscuits [The interviewee has offered biscuits]. You cannot give him whatever he is requesting.

(34:00) Are there other characteristics that are present in the people in your group?

Someone who can make business, this one can be a member. [...] Sometimes they look at the behavior, whether she is a good mannered person, whether she doesn't practice this theft around. Somebody who is just straight in terms of finances, not doing like in a crock manner.

(34:30) So you joined the group after it was formed? She was the founder of the group. [...]

So are you the Chair Person of the group? No, the secretary [...]

(35:00) You initiated the process of getting people together? She was one of the persons.

So how did you end up in a group of 10 people? How did you find the others? There were some who come forward to the group saying we want to be part and parcel. So they were scrutinizing some of the members if they were good mannered people, then they could say okay you are joining. But if they've got bad manners they could refuse them to join. They are a group of 10, but this time around they will be ending in December, they will be sharing their money. The very same day they are also starting another other circle, and there are so many that would like to join the group. Another group, is very talkative so maybe they will disband, which means that other members [from that group] will seek their [the interviewee's] group. [The translator asks what other group she is talking about] The other group is Tayamba, some of the members will leave that group [...]

(38:00) Why is it bad that it is talkative, what's the problem?

What she is trying to say is that, they couldn't agree on how to share out maybe I can call it the dividend plus whatever they have invested. So there is some sort of misunderstanding to how they could share out the money at the end of the circle. Somebody could actually not understand although they have learned, but with the level of education it gives a lot of tough time among other members who could really understand how sharing is really going on.

So she is saying that because of educational levels, some have a hard time understanding the process? The translator: Yes, with the layers [of education] the understanding could not actually be the same [for every person].

(40:00) So to get back to your group, to make sure I understand. How many where you to start the group? During the first circle they were 15, but as they were proceeding, a lot of drop outs on the way, and only 12 remained. [Someone is calling the interviewee from outside, she leaves and returns]

(43:00) Okay, but I am interested in knowing exactly, you said you were one of the initiators. So was it you as one person who went around and asked others if they wanted to join, or how did it go about? She mentions that at first, after hearing that others were doing the sharing, they took the paper and noting the names down. So she was the one noting down the names. So they were asking: Are you interested? And if the person was interested, they would note down the

name. And after writing down of the names, then a day came were all the members sat down and were discussing about the sharing itself.

(44:00) *So she was the one picking out, who was reliable to join?* Yes, and some dropped out because of conflicts within their marriages. And some of the marriages disbanded and with that some could also drop from the group. So that's why the group could only remained with 12 members at the end of the year.

(45:00) *Did these marriage conflicts have anything to do with the actual VSL?* Yes, sometimes there is a female member, but there are quarrels with the husband, so at the time the others are meeting she's not present.

But I want to ask if the quarrels have something to do with the VSL? With the fact that the woman is a member? Maybe the dropping out itself, this was what we were talking about, but you can fire that question.

(46:00) *Can I ask you about those that dropped out because of marriage conflicts? Was these conflicts because the woman had joined the VSL?* That has nothing to do with the village bank, the real cause was that the woman was married to a man from Kamphenda but she was coming from a different village far away, and the moment they [the husband and wife] were quarreling she left for her home village. That made a decrease in the number of the group. *So they dropped because they were actually moving away?* Yes.

What do you see as the main advantages of being a member of a village bank? It will help decrease the poverty levels.

(47:00) *How does it help decrease the poverty levels?* Since she's able to save that money and borrow somewhere else. For instance at this time she doesn't have money around here. But she can go to the shares and borrow some money and buy the basic necessities that would support on a daily basis.

Are there other advantages, you can think of that are not related to economic advantages? Also if they are keeping the money right away here [in the house] it can be taken by thieves or even if the house burns by fire, that is another advantage to keeping the money in the village bank.

(50:00) *Do you find that it gives you some advantages, just the fact that you are in a group?* Yes. *Can you explain further?* Also they are able to share how they can stay, the welfare of the families, they would also share.

What for example will you be discussing? Sometime in the village bank membership there are some husbands who are drunkards, but others could encourage others that if a husband comes home drunk you could easily castigate the husband. Then another member will say: no you better not do so, you better sit very quietly and afterwards you need to maybe consolidate whatever is there, for the mutual benefit of the family, so in doing so, that means that they will be able to built the family capacity.

Can you think of any disadvantages from being in a village bank? She has not seen any bad things from being in a village bank.

You have no problems coming to the meetings, paying your shares? No, she says it is a very good idea. [The translator leaves for a while and return. We have a small discussion on local beer because the interviewee is drinking it]

(55:00) You find no disadvantages, perhaps you find some limitations? The limitations sometimes is that someone borrows money, but cannot pay back the money in time, the next time that person will be left out, because she has shown bad manner, so they will leave that one out. And some of the members could borrow money, and pay half way down, then swap the rest of the loan to shares. Those people they are also not allowed. [... Explanation to the swapping of shares and credit] *Okay so they will say, the shares I pay will cover my loan?* Yes. So the other group members will say for sure, that next time this member will not join. [The translator leaves for a while to meet someone].

(57:00) Okay, do you think there is anything that could improve your VSL, how it works? She is talking about links to other banks or micro loan institutions that could also improve the livelihood of the VSL.

(58:00) What will be the improvement if you link to banks? What she is saying is that if they have a link to a bank they can borrow enough ...she is saying that this time around she is cooking mandazi, but in the near future perhaps she could start butchery whereby she could invest more in her business. So they would be able to borrow more money from these banks.

Would you need some kind of training to link up with these institutions? There is a need of a training?

What type of training? Business management [...]

I will return a little bit to the participation of your group. Do you have any members that have HIV/AIDS? No

(1:00:00) What is your opinion on including people with HIV/AIDS, maybe elders or disabled? It is so difficult.

It is so difficult, how is it difficult? This time around there are these antiviral drugs around, so you may not easily know when that person can easily [die] and pass away. How can they cover that money which has been forwarded to him or her.

(1:01:30) What about elders or disabled, I don't know how old they are in your group? They will look at the type of disabled. If he is able to carry out some business, I think they could also give a chance to that one. [The translator, asks about the age limit] The age limit is 40 years.

Why have you set this limit? In some business there is a lot of involvement, a lot of moving up and down, so if somebody is beyond that he could not be able to move up and down.

(01:04:00) Do you have both men and women in the group? There are only women.

Have you decided specifically to be only women? No, it was those who were interested. [the husband has entered the room]. *I hope you are not intimidated by your husband?* [laughter].

The issue of crocks is coming in again, so because we men we are crocks, so then there was not any involvement from men. Husband: They decided themselves to make a group, and they didn't tell their husbands. I was not willing to join.

Do you think that all individual that would have liked to join your group was also able to? Yes.

You did not have to say no to anyone? No, each and everyone had access.

What about stranger? I have heard some people talking about strangers, and they don't want to include them. Yes.

(01:07:00) In your opinion what is a stranger? They would refuse a stranger because they come and stay here for only a few months, like you you, you are only here for only 4 weeks, so you borrow some money and then you run to Denmark, then they couldn't allow strangers.

So to you strangers are always someone who stays for a short time? There is somebody who are just married, in her opinion those are also strangers, because they have not known their character, their caliber so they could not be able to take them on board.

Do you know anybody who may have been prevented from joining your group? Yes. Some of the husbands they are refusing to join the groups. Just because they are jealous of their wives, so they couldn't join the group.

So they are jealous in the sense you have told me about, the other time? Yes, of cause, no mention about that one [laughter], just because that may apply to her [the interviewee's] husband also.

But jealous can also mean that you are jealous because you wife can join but the husband cannot? It also applies, it applies both ways, sometimes you just don't wish somebody well, you are just petty jealous, you don't wish others very well. [The translator describes a situation where in the husband is worried because the wife leaves for the meetings at 2 pm and returns at 7 pm, and then the husband will pick up a quarrel]

(01:10:30) What about the most disadvantaged in your area, will you allow them to join? They cannot allow those people.

Why? After borrowing from the group the most vulnerable groups want maybe to take care of all their problems at once, maybe they cannot budget for everything they will just spend the money. So maybe the group will collapse.

(01:11:30) So they do not know how to manage the money, that is the problem? Even they could forget the amount they are supposed to pay in shares, to the group could collapse furthermore.

To you who are the most vulnerable? [the interviewee, the husband and The translator discuss] So she is saying that this person doesn't farm, he's food insecure, also the dressing are rags. He's always a beggar.

[Discussion on the traditional authorities influence on VSLAs]

The actually I have no further questions for you. Thank you very much for your participation.

[Final greetings, thanks and questions for the interviewer]

Interview 17

Transcription

08.01.2012

Interview 26.11.2011

Chazimya Non-member/but member of another group

Note

Italic: The interviewer

Normal font: The interviewee

[]: Explanations, passage take out, reformulation of difficult passage.

Observations

It is generally hard to get straight answers from her, and she seems to be very reluctant to conduct the interview. The interview does not confirm what was said about her from another interviewee. She refuses when asked directly. The interview left a feeling that the interviewee was not completely truthful. The translator suggested that there may be some reason for why she did not answer openly, but cannot say what. He does not think it is due to the husband.

Housing: The house has grass roofing, cement floor, no glass windows – they are made of wood, it is made of bricks, it has no doors inside the house.

Identification: A member of the Chazimya group identified her as prevented from joining the Chazimya group because she claimed that she was too ill, and therefore would have difficulties raising the necessary money. It was therefore her own decision to stay out of the group, even though the group members tried to persuade her to join.

Personal Profile

Age: 55

Schooling: standard 5

Husband: Yes

GVH: Zunguzu

Children: 5: 3 sons, 2 daughters (15-36 years)

Occupation: Farmer: mais, ground nuts, and in the past used to grow tobacco. Some of the surplus is sold to the nearby neighbors.

Origin: Home village is Kamphenda. Her children are in Zambia, Mzuzu and in the Kamphenda area.

Interview

[The translator and the interviewer discuss how to proceed with the interview]

(6:30) *How did you come to know about the village bank?* She heard from Kamphenda, [she mentions a person]. So to her the purpose for her of saving was, if you buy some relish and you

have extra money left, at the end of the day [The interviewee interrupts] so after hearing from C&S, after they came in, it was then they felt that they could start their own village bank.

And that is the bank she is in now, she is talking about? She is in the very same group, she has not... [the understanding is probably that she has not been in any other groups]... she is mentioning of Tayamba as being trained, but her group is not trained.

(9:20) So she is just mentioning Tayamba as an example of a group that is trained? Yes.

What about the first, she said the purpose was...is it about the saving - you buy relish then you have something extra? She was mentioning, that after hearing from Kamphenda they were emphasizing that after your husband gives you money, you have money in the pocket, so you are going maybe to buy relish, e.g. you are going maybe with a 100 Mk you buy relish for 70 Mk, so the left over you need to save. She was inspired by that one. This is a very good idea. Let's start out own village bank.

Have you tried to become a member of another bank? She has never.

So when you heard about it from the person what did she tell you about? I don't know how to ask this? [discussion between interviewer and translator about how to formulate a question to get more information on whether or not she was wanting to become a member of Chazimya, but refused herself because she felt too sick to manage]

I know this person is in a different village bank. Did she ask you if you wanted to become a member of her village bank? They said that the group is already 25, so she cannot join. So she opted for another.

(12:00) Okay, but I think that the Chazimya is only 20 members? [The translator says to the interviewer: But maybe she is talking about the Wanagwa group Ervin first was in Wanangwa. She dropped from Wanangwa to Chazimya. So after hearing this information she opted for another group]

Can you explain to me some of the advantages of being a member of a village bank? The good thing is that you are able save and borrow money and whenever you are in trouble you are able to access that money.

(13:00) Are there any other things you find advantageous? This time around we are close to December, so we are close to the end of the cycle, so we are able to take our shares and start a new cycle and that money we will be able to use for other things.

How long has your VSL been working? This is the second year.

What were the reasons for joining the group? In the first cycle it was trial and error, they wanted to know if it was good or bad. But this time around they have realized that village banks are very good this is why this is their second year running.

(16.00) So was it Ervin Gondwe who explained you how it worked, or how did you know? So she is mentioning about the facilitator [The translator and the interviewee are discussing]

maybe in the first place after identification of the group members, then this one could just hear from her friends around who happened to be members of Wanangwa group and she was narrating the importance of women having economic empowerment, so this one [the interviewee] could appreciate that this is a very good idea, we also need to participate, but by that time this group was already full so she would opt for the group she is in now.

(18:00) And this was also the person you mentioned earlier? So she heard from [the interviewee mentions another name]

So it's another one? [discussion between the interviewer and the translator on who the interviewee is referring to]

Let's go back to the advantages. Are there any non-economic advantages from being in a group? There are not other things.

(21:20) So in your group, you never discuss anything when you are gathered at your weekly meetings? They only discuss the money issues. [The translator asks further into the issue] She says that there are no other things they discuss at the village bank, since they don't stay longer. [The interviewee gets water for The translator]

Maybe we can talk about whether you think there are any difficulties in terms of being in a village bank? No there are not.

(24:00) You always have money to pay shares and time to go to the meetings? Sometimes she is maybe failing to pay out some shares maybe for the period of two weeks, since she doesn't run any business around. So I think you can also pose the questions like where she actually finds money for shares? Sometimes she sells out the mais she's having. The translator: so I said maybe if you are selling that mais that is part and parcel of doing business. So she says ah no! That is maybe the little surplus you have but if you over sell you will also be in trouble. So you do it maybe for the sake of sharing [...] We sell for the sake of getting shares, but we are also conscious that we need not oversell the mais that we are having, cause that can also create a problem at the end of the day.

When you talk about 'we', is your husband also involved, is he... a partner. How can I ask? The husband doesn't assist in anything, so the 'we' is just maybe a sign of respect, she is trying to respect herself.

(29:00) Do you have a social fund in your VSL? She says they have.

Do you think it is useful? The social fund is very important. If a member is sick you take that money and assist her.

(30:00) Have you ever used the social fund? She has not. [The translator asks further] Since they have not attended any training, it is hard, all thought there is the money in the social fund but sometimes it is not used for its intended purpose, sometimes it is not used for its intended purpose. They don't have a proper understanding of how to use it. Maybe it is used for one member but not for other members, to her it is just lack of training, because, to her, if they

could be trained the money could be evenly used. Whoever has a problem they need to go to that member and assist. But sometimes it is uneven [...]

So you think it is being used unfairly? They are unfairly used, rather biased.

Do you yourself have any suggestions to how to avoid it being unfairly used? This question should better be handled by the chair person.

But I'm very interested in your opinion? So I didn't get it right. She's saying that that money from the social fund is not taken, it's just there, they don't use it. [She continues her explanation, The translator makes a sigh and sounds like he finds the explanation hopeless]. When you need access to that money, you also need to borrow and pay back at the end of the day, that's the use of the social fund.

So it's actually just another fund you borrow from? Yes. [The translator asks if there is an interest on the loan] After borrowing there is not interest added to.

But do you have to spend the money on something particular if you borrow it from the social fund? So it is only used for small things, maybe soap, salt, milling, drugs. The duration on [the loan] is one week [...] No interest added to.

Would it be difficult for you to pay back that money in one week if you were to take up a loan, from the social fund? There are some problems attached to it, since it is only one week, she needs to look here and there, so that you can find. Because if you come the following week they will say: where is that money? [...]

Is that why you have never used the social fund? Just because of that she has not had the chance to access that money.

Have you had needed to borrow money for medical uses, or any of these uses you are mentioning? She tried to borrow, but she has not managed to pay back that much.

So she has borrowed? This time she has accessed some of the money.

[Discussion between The translator and interviewer on whether it is really a social fund]

(41:00) *So the loan you taken from the social fund, you have not paid it back?* Yes she has not.

Has that become a problem for you in the village bank? No, but she will pay back. She need to pay back , because if she does not, there will be disagreements between the members.

Have you experienced that other people have not paid back and there have been these disagreements? If you don't pay back they will cut in you shares. They will take some of your shares [...] *Okay so whatever you have saved up that will be taken away?* Yes

(43:00) *Okay maybe we can go a little bit back to how the group was formed. I would like to know how she knew the other members?* She couldn't the members pretty well, because she joined in the middle of the cycle other after had started.

(43:55) *So the other members in the group come from far away?* They are just staying within.

Was it a problem for you that you didn't know the other members? That was not a problem. Since the last year they could share the money pretty well, that problem would have started last year.

So how did you know of this group, if you didn't know any of the other members? She is still insisting that she did not know the members very well, their characters etc. She doesn't want to lie here. But all the same last year she started after the others, and still more they could share the money peacefully. So this time around there is no problems, there is no disagreement or misunderstanding. She's saying that for her she has no problem of knowing the behavior of each and every person.

(47:00) *But I wanted to know how she knew of the group at all, if she does not know any of the group members. Then someone from outside must have told her about it?* There was a members from the group. So she would come to her when they were chatting, we have formulated a group and it is meeting on Sundays. So we are few, so if you are willing to join, you can also come, so that numbers can rise a little bit.

What was your first impression of the group, when you joined one meeting? It was just good group, she could see. [The translator asks further into the characteristics of the group members] You have to respect one another. Trustworthy. There should be love and cooperation among the members.

What about crocks, do you have any crocks in your group? No. You cannot be a crock in a group, then they will attack you left and right.

Ah, so why is it bad to be a crock, describe a crock for me? You are a thief.
So you don't like thieves in your group? No.

(52:30) *Are any other persons you will not want in your group?* There are some members they can refuse from joining.

Who are they? It's the crooks. Somebody who is over clever. Very clever.

Why is that a problem or what does that mean? He tells you this, he tells you this, he may combine a lot of things. At the end of the day he might miss lead the entire of the group.

So he's actually lying? He [the crook] says this, he says that. And the others cannot actually understand what he means. So she is also referring to the scenario where this one borrows the money but does not pay back, so these are some of the people she doesn't want in the group. Some will just dies natural death, they have not borrowed something, but others they have borrowed so much but cannot pay back to the group which is a very bad thing. So therefore she's saying that somebody who's very clever she doesn't want in her group.

Are there any others you would refuse to let join your group? Yes, the crooks. Somebody borrows today, so he says I'll find you tomorrow here. He doesn't come at the time or he just

leave you at the veranda not coming back. They are not trustworthy, not capable of being in the group. So those ones they need to refuse.

What about people with HIV, disabled or elders? Yes she can accept them. All of them.

Do you have an age limit in your group? They have no age limit. They only work on the capacity of a person. Is he able to do business despite age [...]

(58:00) So if somebody does not do business you would not let them into your group? They cannot refuse that one. If she/he can assist himself or herself, and paying out those shares, he/she can join despite being an elder or your HIV/AIDS and the most vulnerable [...]

I need her to explain to me how she views the most vulnerable? Shortages of food. Dressing. Doesn't have a blanket who can keep him warm.

Then I would like for you to ask her, somehow, where she would place herself [within the 4 wealth levels]. She's saying there is not where she can place herself. Because if Good gives you some and you are becoming pompas, he could pull out all of the things [take all things away from you]. So there is nowhere she can place herself.

In you group and in other groups you have come across. Do you think all that have wanted to become a part of a village bank also become that or have they been prevented? She has not heard about that one.

So everybody has had the opportunity? Everybody had at least, was given the opportunity.

(01:00:00) Can you think of any reason for why someone would be prevented from joining a group? She has not heard about that one, someone who had not had an access to the group. But perhaps in most cases all the groups are full, they cannot allow more members. But there are several village banks around that can take who ever wished on board

So you have never heard of any women who have been prevented because their husbands would not allow it? No.

Do you think it is possible to ask her directly, that because she was too ill she did not want to join the [Chazimya] group? She says there is no problem with illness, she says it depends maybe on the type of illness or the age, sometimes you fall very ill, you are admitted and you cannot join.

But do you remember what I am referring to? Yes, I know. Maybe some of what she says is just a pretext for answering you. [...]

[Discussion on the traditional authorities' influence on participation]

[Final questions, thanks and greetings are carried out]

Note

Italic: The interviewer

Normal font: The interviewee

[]: Explanations, passage take out, reformulation of difficult passage.

Observations

She is generally open and informative, but does have some difficulties understand some questions, and the translator must explain further. She also has some problems explaining herself. The general feeling is that she is open and telling the truth.

Housing: The brick house has iron roof, cement floor, no glass windows, it is made of bricks, it doesn't has doors inside the house.

Identification: Key Informants**Personal Profile**

Age: 60

Schooling: standard 4

Husband: Marriage disbanded in 1982

GVH: Chivrunga

Children: 4 (some has passed away): 2 sons, 2 daughters (19-36 years)

Occupation: Farmer: mais, ground nuts. If she has a surplus she sells it around the village. Her sons and daughter are assisting her through sending money.

Origin: Home village is Chivrunga. Her children are in Mzuzu working and the youngest is at school in the Central Region, Nthisi.

Interview

(13:00) *Have you ever been a members of a village bank?* No.

What do you know about the village bank? She cannot know about the village bank, since she is not a member.

But do you have any idea. Have you heard about how it works? She has just heard that this is where they save money.

What else do they do with the money? She only knows that after saving that money they will share that money.

Do you know how often they share? [...] I just want to know if she has a feeling of how often they share? She cannot know, she is not a member.

Do you know how other the village bank meet? Once a week.

So have you heard what happens during these meetings? She doesn't know anything.

Would you like to be a member of a village bank? This time around no.

Why? It is very difficult, she cannot find the money.

Do you know how much money you need to pay to access? She just heard that they are contributing 250 Mk every week.

Are you will not be able to raise that money on your own? Sometimes this week around she can find the money, but not always.

Are there other reasons for why you don't want to join? There are no other reasons,.

Which bank would you like to join? This time around she doesn't know which bank she wants to belong to: Also she wants so see how the group are progressing.

Where did you hear about the village banks, how did you hear about it? She just heard from some of the members.

From this village? Yes.

How many members are there in the village bank that you have heard about? She heard from two members, from Vilimo.

Do you know the members from the Vilimo group well? No. I think the character itself she may not know. She may know the names but not the character. [...]

So the members from this village bank, they live in the village here? All are staying within this locality.

Are you related to anyone in the group? Yes.

How many of the members are you related to? All who are members. [The translator asks further] As they live here they are relatives.

Then I have to ask. If you are related to all the members of the group, how come you don't know them? All [most] of them that are coming here she knows them very well. But some who are coming from outside the village she doesn't know. All the same, she just hears that they are meeting here the membership actually she doesn't know how many they are, because she is an outsider.

(24:00) So do you think there are any advantages of joining a village bank? Those who are members [claim] there are advantages, but she cannot understand [know] the goodness of being a member. But she just hears there is a good thing.

So you are not sure why this group finds it good to be a village bank? They could find there are lots of things happening. Some cannot buy some shares. Some, their economy doesn't improve at and don't have a mass of money at the end of the day. Some would even drop out because they cannot afford to find money. So she could feel that it is not important.

So she sees that people have difficulties contributing to the shares? Some don't have money so they could come maybe to her: can I borrow some money? So why be a member? Maybe they have got the very same sufferings as her, so she could not see why it is an advantage to be a member.

(27:00) Have you heard the members talk about why they find it advantageous being a member? She has heard it is very important being a member. When you have some problems you are able to use that money.

But she does not see that there are actually any advantages? She could see that there are advantages from being a member, But to her, since she has problems to contribute 250 every week. She cannot join the village bank.

So there are two reasons for why she doesn't want to join. First of all she is not sure that it actually works. And, secondly, she does not have the money. Can you ask her? Those are the two reasons.

Have you asked any of the members why they have joined? She has never asked that one. [she continues talking] Other members requested her if she could be a member of the group, but she couldn't because she could not find 250 every week. And also after getting something from the village bank in the end they would come and sophisticate her belongings, so therefore she thinks: I don't want to be part of the village bank.

So if she gets a loan of the village bank, she's afraid she will sophisticate some of her belongings? Yes.

(31:00) So she is afraid she could not pay back the money she gets from the village bank? She could fail to maybe pay back the loan. Also she stays here, her marriage disbanded, and she may need assistance from the husband, so that when she borrows the money, if she had her husband around at least they could assist one another what type business they could run.

So she finds it hard to manage the economy? Yes. It is hard to manage the economy and in terms of budget the money. They need assistance from someone else. May be if you only rely on your own chaps and daughters they've got their own families, you cannot depend much on them. [...] It brings a lot of headache to them.

(33:00) So she could not ask her children for help? No what she is says is. Her own children have their own plan for their own families and have their own plans. So for her to depend on them, it couldn't work. You know like the son or the daughter, they live in Mzuzu, so even if you can borrow some money, the budgeting will be on your own. So if they don't come to your rescue you find that you have already spent the whole amount. So planning or budgeting will be a very difficult situation for her.

(34:00) *Okay I would like to ask directly. Is it difficult for you to manage your own money?*

The money she finds with her own income, she can manage. But the money in the village bank, you will have a larger amount. Also the money she's finding is so little, she could not manage to bank it [...] She cannot manage to pay out the shares. [repetition and further explanation of the first sentences]. So to budget and plan it that can be difficult for her. [...] So the actually paying back to her is a problem to her.

(36:30) *So it is hard to manage large amounts of money? Yes.*

You talked about that maybe you were afraid that your belongings would be sophisticated. Do you have any experience or heard about it happening? She has not experienced that. But she has noticed that around all the friends, they have got that same experiences. So she's afraid that that may also involve herself.

(38:00) *Okay, so her friends have experienced having belongs sophisticated. From the village bank here?* They are just starting now, but maybe she is just narrating her experiences from the microloans, there was microloans here, and others have sold the whole of the mais which they will use for their home consumption, because they borrow money for business. They couldn't afford to pay back the interests. And then they have sold mais that they would have used for their own consumption and sell all of the mais.

So this is another institution? Maybe she was thinking of these institutions.

(39:00) *I would like to hear it from her. Did she actually say this?* No that is my explanation.

So can we ask her? She doesn't want to explain where she heard about it, but on further explanation she says that if you are entering into a village bank you have to have livestock so that if they want to sophisticate something they can easily sophisticate those [the livestock].¹ But if you don't have livestock maybe they will sophisticate you belongings. [...] Yes she is talking about a village bank, but she doesn't want to mention what village bank.

(41:00) *So if we can return to the village bank that is here in Chivrunga [...] I want to know if she feels intimidated by the relatives [that are members of a village bank she wants to join]?* No, for her she has not been intimidated by her relatives. But there was encouragement from the members for her to join the group. So her opinion, she's very afraid that at the end of the day they might sophisticate her own belongings. Maybe if the economy grows maybe she will be part and parcel of the group.

[...]

If she was to join a VSL, what are the caliber of the people [she would like to join in a group with]? [The translator explains a lot. He mentions that the tumbuka language can be hard to use, and so some people fail to express themselves] (46:40). So he should be trustworthy, somebody who is not a thief. Somebody who is not fond of women. Somebody who is polite. Somebody who has very little but can easily share with others. You are not stingy.

(48:50) *What do you feel about strangers, would you let them into your group?* [The translator must explain further again] she cannot accept strangers. He's not constant, he's so movable. He

comes, you accept that one after some times he leaves. [...] He or she will not pay money into the [VSLA] [...]

The members that you would join into group with, do you want to know them well? The need to know that one petty well.

What about the most vulnerable in a community? Like me, I'm the most vulnerable, I don't find any coin, so can you accept such kind of people in the group [The translator laughs a lot] Also she is explaining if you are most vulnerable you don't have money. So how can you enter such kind of money.

(52:00) What if you were assisted to begin with, assisted to start paying into the shares and at a later stage when you had more money, you would pay back? You can be a member, if someone starts paying you. [...] Assisted in paying out some shares in the first place [...]. *Would that help you, if you were assisted to enter a group?* They can start maybe paying but for continuing you cannot continue, so then you have a problem.

So it will not help her, because she believes she will not be able to pay back at any point? Yes.

So even if you had the opportunity to start a small business, where you could generate money, you still don't think you will be able to pay back? She can afford to have a small business, but mobility is a problem to her because sometimes she falls sick, so this gives problems.

So the problem for her is actually, that it's hard for her to run a business? No actually running, but sometimes she falls sick and it [the business] needs a lot of mobility. To her it can also be a problem.

Have you heard about the social fund? No.

[The interviewer explains about the social fund]

What about people with HIV, those who are disable or elders. Would you let them into a group? She cannot accept those ones as they are vulnerable, as such means and ways of finding the money to them is also a problem. So she cannot accept them.

(57:00) Have you met other people in the same situation as you that are not able to enter a village bank? She has not ever met those people.

So you think that all those that have actually wanted to be a member of a village bank have also been able to, except for you? She would not be able to know about that status.

Can you think of any reason for someone to be prevented from joining a village bank? She cannot know. She just knows that whoever is failing to pay share that one could be thrown out of the VSL.

You have not heard about women who have been prevented by their husband from joining? She has not heard about that one.

(01:00:00) *Then I have just one final question. Have you been in a different group where you have saved money?* She has not. [The translator inquires further]

[Final thanks, greetings and questions for the interviewer]

Interview 19

Transcription 08.01.2012

Interview 25.11.2011

Vilimo Non-member

Note

Italic: The interviewer

Normal font: The interviewee

[]: Explanations, passage take out, reformulation of difficult passage.

Observations

She is generally open and informative. She understands the questions relatively easy and also understands some of my English. She speaks a lot of her illness. She does not seem to hide anything. She very straight forward.

Housing: The brick house has iron roof, no glass windows. She lives with her daughter who's marriage has disbanded and her son has built the house for her.

Identification: Key Informants

Personal Profile

Age: 65. She asks her daughter of her age

Schooling: none

Husband: Passed away in the early 1980's. He was also a farmer

GVH: Chivrunga

Children: 6: 2 sons, 4 daughters (The oldest is also an elder, but she cannot remember the age of her children)

Occupation: Farmer: mais. She sells some of it, sometimes to the Agricultural Development & Marketing Cooperation (Governmental organisation). She is an old lady, she cannot farm as she used to, so she cannot find enough money, since she's aging. She's always sick [she has problems with her legs]

Origin: Home village is Chivrunga. Her family is also around here. She lives with one daughter, some live in the area, some live in Rumphi, one lives in the Vipi Highlands.

Interview

(08:30) *First of all are you a member [of a village bank]? No.*

Can you tell me what you know of the village bank? To her the understanding of a village bank you have to contribute, my understanding is that she is mentioning shares. She mentioned about the social fund [The translator's interpretation]. And to her, because of her age, she fails to be a member just because she is very old. She cannot find [money for] shares to contribute.

[...]

(10:45) *Would you like to be a member of a village bank?* She wishes to be a member, but she doesn't have any money.

Do you know someone who is a member of a village bank? Yes, she knows.

Is it from the bank here in Chivrunga? She knows someone from Chivrunga, from Vilimo.

So have you asked if you could join their village bank? She couldn't ask to become a member, because she has no money, she couldn't dare to ask.

(12:15) *Do you know how much money you need to contribute?* She understands each share is 50 Mk, and the social fund is 20 Mk.

And it is hard for her to find 50 Mk and 20 Mk? Where can she get these 50 Mk, and this time around she is solely depending on mais. And if you sell all the main you have no food to live on.

(14:00) *Is this the only reason why you cannot join the VSL?* Yes.

Could you imagine that the group could help you start contributing and then afterwards you could perhaps pay back some of the money? No, she cannot afford to pay back the money [...]

So she is afraid that she could not even pay back the money? Yes.

(15:20) *What do you see as the advantages of joining a group?* She says that there is an advantage because by the end of a cycle you can get some money with which you can buy the basic commodities: soap, fertilizer and the others. That you will also use for your mutual interest in the home.

Are there other advantages? She might not know all those things, with the little knowledge she has [of the VSLA].

(17:00) *Can you think of any disadvantages?* There are no disadvantages.

Then can you think of anything that would make it possible for you to join a group? She has a will, but the major problem is the finances. But she has got the will [...].

(18:20) *But if you were then offered by the group, offered some way to start a small business, or to start planting some more mais, so you could sell more. [...] You still would not think it is possible for you to join a group. Even if you had the opportunity to boost your personal capital?* She can be given all that chances, but she can be sick, and maybe she goes like standing, when she is wanting to go [she cannot move, physically]. So that makes it very difficult and awkward situation.

(20:00) *So because she is sick, she can't work anymore?* Yes.

So actually, you see no opportunities for you to enter a bank? She doesn't have that opportunity. She's still insisting she cannot find any coin around. And it will need a lot of

involvement, moving up and down. So to her it's very hard. Even if she's given that opportunity.

Have you ever been a member of another type or group, where you were saving? In the past she used to be a member of these agricultural clubs, where they were farming hybrid maize. After that they were selling, but as she is aging she is no longer involved.

Is it a SACCO? No it was a promotion of food security [explanation of these clubs].

But you have not been part of an informal savings group? She has never done that. But somebody who has not money, most of them [people] will just run away from you, if you have nothing to contribute with.

(24:00) *Because all the groups I have spoken to, they are willing to include even those that do not have money, but then they are willing to help them try to start getting some money.* She cannot know about this, because she was not approached, [...] nobody has asked that [...] Money is always a problem, even though they want to give you that money they cannot [afford it].

So it is her opinion that they cannot? Yes. But if it were the government, they could try to assist, but we local people cannot do that, just because they are also chasing the very same Kwacha.

[...]

So if you have no money at all, does your daughter support you? No she doesn't.

(27:30) *Do you only support yourself then? Or does she have any other dependents?* [She tells The translator to explain, as he knows about her family relations] She has got the son here, who is the acting village headman, and she has got two daughters who come sometimes, and one has built this house. So sometimes they provide materials in kind. He can send money for soap, money for milling, sending bags of maize. The other one is not working, she stays here. And her son, the village head, after selling tobacco, he can come with some money for her daily upkeep [discussion on who is the village head]. So sometimes she is assisted by her daughters, by materials in kind [...].

(30:00) *So what she does here with the maize, is only for her. And the surplus, if she sells, is for herself?* Yes.

Do you think your children would be willing or able to help you enter a village bank? No.

Are they also lacking funds? Sometimes they may not much into consideration of helping her enter the village bank.

Has your daughter who stays in the village, tried to enter a village bank? Yes, she is a member of the village bank. Not Vilimo, but the group of 5 members [...] There is a very small village bank of 5. [Discussion on the 5 member village bank between The translator and the interviewer] This group was maybe refused by the other group [Vilimo]. Sometimes it is also

because of the calibre, can there be a proper cooperation let me just go extend to the other end. Just because of that character others are running from the bigger one going to the other.

(33:00) *Have you tried to become a member of that small group, that your daughter is a member of?* She needs to have money first.

But she will not ask at all? She doesn't have any finances.

Perhaps I can discuss with you, if you where to join in a group, what is the caliber of the people would want in the group? [The interviewee explains the answer several times]
Somebody who has god love, who doesn't gossip.

(36:00) *What about the trust?* The trustworthy can also be involved.

How would you feel about including strangers into you group? If there are few members in the group, she could also allow strangers in the group.

What is a stranger to you? If he's a stranger he's not living in the village, he's coming from far away.

(37:20) *So if you had enough members in a group then you would not accept strangers?* Yes.

To you how many members is enough? It depends of the limit of the group, if the group agree at 20 it should be 20.

What about the most vulnerable and disadvantaged, would you let them enter? If they can contribute to the group, then they could allow them to enter the group.

To you, who are the most vulnerable, can you describe them? Like she is [She laughs].

Can you describe you to me? Somebody who doesn't farm, doesn't have enough food. Sometimes you don't have finances. The dressing also, she's dressed in rags. Like her.
[Chatting about her clothing]

What about housing? I have heard that others are explaining that the most vulnerable don't have any housing. But I see you have a house? The house doesn't matter to her. It happens sometimes your husband has built the house, and he dies, then you are just staying in a very beautiful house. So even if you could consider that this one is better off, she is not.

(42:00) *When her husband died, did things become more difficult after he died?* That time when the husband was around things was a bit better off. But this time when she has to up-bring these chaps, life is a little tougher.

How long ago did you hear about the village bank? It's 3 years ago.

And you heard about it from people in this village or you heard about it at a meeting? She heard when she paid a visit to Rumphu, people where talking about these village banks. [...]

Do you find that there are many that would have liked to join the village bank, but could not, or was prevented or that did not have the opportunity? There are some that have the same will but they are not members. They are willing but they are incapacitated to join [...] due to lack of money.

Are there any other reasons, as to why people could be prevented from joining a bank that does not have anything to do with money? She cannot understand better that one, because she is not a member of a village bank. She's doesn't actually understand.

So I will ask directly, do you think some women are prevented by their husbands from joining? Sometimes you cannot know petty well what somebody is thinking on but her suggestion, some can be jealous because it involves money and maybe there can be some thinking about the wife how she moves. But she's saying that this is a very good thing the village bank.

So the moving about is the fact that the husband doesn't know where the wife is going? Yes. He doesn't know, she's coming late and that.

When you talk about the others that have had the willingness to join but have not been able to are they also elders? Even younger ones too. This time around money is so scarce.

So it's not a lot of elders? Even we [The translator and his generation] our age, we have not joined just because of finances.

Do you think that elders are more vulnerable than youngers? Yes. Even elders they differ some are better off, but some are vulnerable because they fall sick every now and then. And it makes a very difficult situation for them to move about looking for the greener pastures. To engage themselves in business.

Can you think of any solutions to this problem? She doesn't have answers she wasn't me to help her.

So you do not have any suggestions to how you would be able to enter a group? She will just ask so that maybe you can assist.

I forgot to ask you about people with HIV, disabled. How do you feel about them entering a group? Some who are HIV positive, and who are physically fit, maybe they can easily join, but others who are not, they cannot.

[Final Thank, greetings and questions for the interviewer]

Note

Italic: The interviewer

Normal font: The interviewee

[]: Explanations, passage take out, reformulation of difficult passage.

Observations

The interviewee answers in rather brief phrases. She finds it difficult to understand the questions, and provides answers that are not always connected to the questions. The translator translates much more than is being said. He adds onto the answers. The translator also finds it difficult to understand her answers. The interview was stopped before intended due to difficulties of communicating the questions and getting understandable answers.

Housing: Clay house, clay floors, no glass windows

Identification: Key Informant

Personal Profile

Age: ca. 40 (age unknown)

Schooling: None

Husband: Husband passed away

GVH: Jumbo

Children: 4 (some has passed away): 2 sons, 2 daughters (19-36 years)

Occupation: Piece work (making ridges in fields for other farmers)

Origin: Home village is Jumbo.

Interview

(01.15) *Have you heard about the village banks?* She has not heard about village banks [...]

What about the Chiligrano [form of ROSCA]? No, she has not heard about that one.

[...] *Maybe we should try to explain what the village bank is.* Yes [The translator explains]
She has heard about that women gather for the purpose of lending [saving] and borrowing.
Maybe the language itself was so hard that she couldn't understand.

(02:40) *What has she heard about this?* She has just heard about herself is attending as shares, she has little idea, since she can't go that side, she has nothing to do with that one. So most of the time she does not go to wherever they are producing the shares.

She does not go in the areas....? She doesn't go where the people are assembling themselves, for the sharing [...].

(04:00) *You visit the Jumbo village, sometimes?* She often doesn't go to Jumbo, although her father is there, she doesn't often go that side.

So what you have heard about this VSLA, is it good, is it bad? She saying she has nothing at all, in terms of money, she has nothing. So she doesn't have the idea of going that side, so she just stays at home. She has nothing to do with those shares.

(05:00) Would you like to have anything to do with those shares? Sometimes she wishes to join these shares.

So what makes it difficult for you to join? She doesn't have the means [money]

Is that the only reason? There is nowhere of getting money for the shares, since her husband passed away some time [...]

(06: 30) [Discussion between the Translator and interviewer on how to move forward]

(07:00)[...] I want to know if there is anything that has not to do with money that makes it difficult for her to. Maybe, is it too far away to go to meet a group in Jumbo? It is just so near.

Can you remember what this group is called? She just remember the names themselves [of the group members] not the name of the group.

Have you asked if you could join the group? She was refused to enter in to the group, because they were saying: she hasn't money for paying out shares, so she couldn't join the group. And also she was asking for assistance, how could the members assist her? Since she is upbringing orphans and other vulnerable children [her own children], so she was seeking for assistance. But they couldn't assist [...]. She was asking for them to realize the money for her to join the group. But she was refused. They need no one who has no money, she cannot join the group.

(09:00) Was there other reasons besides the money, for you to not join? She wanted to join the group, but since she has no money, then she cannot enter the group. And also they were saying that she is keeping the orphans, and where will she get the money? And in return she said, despite I am upbringing orphans, I can have some ways how I can repay the loan.

[The translator asks the interviewee if they could allow her in to the group. What means and ways would she go through so at least she could find money for buying shares and paying back the loans"].

[The interviewee responds] She's trying to explain that if she was given an opportunity, she would maybe buy beans or buy sugar to sell. So I asked her further, since you don't have capital, where would you realize that capital. She said, "No I don't know where I can realize that capital". So I think maybe, she thinks that if I join that group, there is already some money so I would go there and borrow then use for the business and pay back. So I think that is the mentality she has.

(12:30) So it's mainly borrowing? She might think that if you are starting a VSL there is already money somewhere, so if she's allowed into that one, she borrows the money she can probably do the business. But the top op capital she doesn't have.

So her understanding is actually that there is already money, and then you can borrow it? That is my own understanding although the way she tries to express her views [...] it is hard to understand.

It would be quite important to know if she understands what the VSL is actually about [...] Maybe we can try to understand her. Like, what do you think happens in the group? If she can try to explain. When they meet, what do they do? Actually, she doesn't know anything [...] when someone tells them this is the sharing day, when we are supposed to buy some shares. But actually she don't know anything, what is taking place there.

(14:30) So, do you know what a share is? Share is money.

So you think that when they go to buy shares, they go to get money? When they are going for shares the actual process that is happening there is they are able to pay some moneys and after they borrow some moneys [...] She has an idea but she's failing maybe to express herself. Maybe she is not comfortable maybe. Maybe I can ask once again, that she should feel very free, her tempers are too high [...]. She has completely no idea on that one. An idea of the whole process that is happening there, she doesn't mentally has no any idea of that one. So I don't know how we can go about.

But is it true that she said that she understands that they pay something and then they can borrow something? Yes. That one she mentioned. Because then she has some understanding of it. Yes, but physically, maybe, I don't know what term can I use. Sometimes she is ale to explain herself, sometimes she hides the information. Actually, I fail to understand.

(17:30) Did you tell her that she could speak freely? Yes, I mentioned pretty well. Okay I'll try to do some different questions.

(18:00) [...] Would her livelihood change, would it be better if she entered? She's saying that one of her daughters [a person sitting close to us corrects The translator and says: son] her son is in the VSL, so she feels that maybe also her livelihood will change [The translator asks further about the son] She knows that her son goes for shares, but she knows actually what is happening. I think she has no information on that one. Despite her son is in ... she doesn't know what is transpiring within the process of buying and sharing.

(19:00) Is that the group you also wanted to join? Yes.

So did you son try to help you to enter? No.

Why do you think he did not help you? Just because that one is an orphan so maybe, he could seek just for his livelihood, he cold maybe find some ways in order to be member of the group.

(20:40) Did she expect that her son would help her to enter the group? Perhaps not with capital, but for the group to accept her. She thought maybe that her son could come forward and assist, so that maybe the other members can accept her in the group, but that couldn't materialist at the end of the day. [The translator translates one word into the previous sentence]

Okay, then I will try to ask again. Why did he not do that? She never asked him about this.

(21:46) *Does this son live close to your home?* He's staying in this house [the house we are sitting next to]

[Discussion on how to proceed with the interview between The translator and interviewer]

(23:00) *Why was she not accepted to the group?* In the first instance she paid 500 Mk and in the second place she paid 200 Mk, but still they could refuse her to be part and parcel of the group.

Why did she pay these amounts? [The translator gives extensive explanations] I'm failing to get hold of whatever explanation, just because I was trying to find out. They contributed maybe 500 in her case and 200 Mk total of 700. Mk So I was trying to find out what was the purpose of this money, so we [...] find out what is the purpose is, but she fails to explain what it the purpose of this money. So I don't know how can we go about.

(27:00) *Who told her to pay this money?* [The translator asks the small group of people who sits just next to and someone answers] The thing is this one didn't join the actual share, she was only assisting her son. That was an interesting, each member needs to contribute 500 Mk for a start and that 500 Mk is not enough, they need to add another 200 Mk. Totaling to 700 Mk, but it was not herself who was the member of the sharing [the group].

(29:00) *Aha so it was to assist her son?* Yes. So the best would be to meet the son, for the discussion to go ahead [...] It's simply too difficult for her to express herself? Yes [Discussion between The translator and Interviewer on how to proceed and the challenges of illiterate people of joining a VSLA]

(31:00) *Can I ask you, have you gone to school?* No.

[Discussion on the interview situation and the usefulness of looking at the most disadvantaged and the most illiterate people]

[Final thanks, greetings and questions for the interviewer]

Note

Italic: The interviewer

Normal font: The interviewee

[]: Explanations, passage take out, reformulation of difficult passage.

Observations

The interviewer is very open and willing to answer. He speaks on his own initiative and not only upon my answers. His English is rather good, so most of the interview is conducted in English, which however, does pose some difficulties of understanding one another. He's very positive towards the VSLA's, he may think he gets something out of the interview.

Housing: Brick house, cement floor, no glass windows. Doors inside the house as well as in the entrance.

Identification: Key Informant

Personal Profile

Age: 32

Schooling: form 4

Wife: yes

GVH: Jumbo

Children: 1: 1 daughter (2 years)

Occupation: Farmer: tobacco (sold at the auction floors), mais and ground nuts (for home consumption)

Origin: Jumbo is his home village, and his family is also staying around.

Interview

(06:20) *So do you know about the VSLs?* I just heard about it. Just because, I have not joined.

Where did you hear about it? C&S.

How did you hear about it though C&S? He heard from the facilitator, he was organising a meeting at Singiliheni primary school.

How did you find the information that he gave you? Was it interesting, was it not interesting?
He was touched by the information, rather interested about the information.

So you would like to join a group? Yes.

Why have you not joined one? The problem was money. Because they said we are about to organise a group, you have to contribute money for the group 400 each person. So at that time I haven't money that's why I doesn't join the group.

How long time ago was this? Almost 4 months ago.

Have you asked again. Do you have money now? The problem is that the number of people has already reached it [limit].

(09:40) Would you consider starting a group on your own? Yes. [...] no problem.

(10:30) The people that you would join in a group with, what type of people would that be? It would be men and women. No problem.

Are there any other characteristics? [...] Should they be your friends, family or very helpful? They must follow the rules of the group. They should attend meetings. [The following has been reformulated] When we discuss when to meet, and a person can meet on the agreed day, then he can join. Just because to follow the rules of the group.

(12:00) What rules would you set up for this group? Or what is important. Yes, to follow that rules, but what kind of people would follow the rules? Those people should not be thieves. They must have discipline. They must have unity [to think as a whole]. They must have obedience. They must have transparency and accountability.

Are there other things. Is there an age limit? Yes, should be 30 and below.

Why? Just because the old ones they cannot more now and then, now and then. It very difficult, They may become tired.

(14:00) So you feel they wouldn't come to the meetings? Yes. Just because they are now in old age.

So if you are above 30 then you are old? Yes, I'm old enough.

But actually, I see that you are 32 you cannot even join your own group [laughter]? That one is a mistake somehow. I can say 40 years [and] below.
Okay, then it makes a little more sense.

Is there a lower age? 18 years.

(15:20) What is special about 18 years? Just because those people they have got plans to do with their lives. May be they plan to continue courses, maybe education. So maybe they can get money to use for doing their hobbies.
[...]

(16:40) What advantage do you see form joining a group? We can share ideas. Those ideas can help one another to be developed.

What ideas are these? Contribute money, that money we leave for one person to use that money. That one person can be developed.

(18:00) What is your idea of the VSL, How do you understand the VSL? How it works. You say that you get money and leave it with one person. Is that your understanding of how a VSL works? No. [The translator asks for further explanation] They contribute money. After contributing they share that money in percentage. That money each person uses it for his business or her business.

Do you view it as a way of saving money or a way of borrowing money? It is mainly for borrowing.

Is that why you would like to join the VSL? Yes.

(20:00) So would you say that this is an advantage for you, that you are able to borrow money? Yes, because if I am able to borrow can help my problems in my family.

So what are the problems that will be solved by having access to this money? Buying soap, buying slat [...] buying drugs. Buying the groceries Using for education, paying for school fees.

You also talked about sharing ideas. What kind of ideas are these? Maybe in our group. A certain person can be sick, We can take that money to assist your friends in our group, so that he should be treated.

Okay so you can also take money from the group and help sick people? Yes.

Would that be a loan or would that something that you give to the person? No, that is not credit, just for gift. Because that is a problem, so where can he take money?

(22:00) I'm very interested in the ideas you are talking about. Because to me this still have to do with money. The ideas that you will be sharing, what kind of ideas is it you will be sharing. Is it how to farm...? Each person should pay 20 Mk, 20 Mk, 20 MK, to make 100 Mk we can give a sick person so that he should be treated.

(23:00) Okay, let me return a little bit to... you said that it was hard for you to join the group, because it was hard for you to contribute the 400 Mk. Why could you not at the time contribute the 400 Mk? At that time was a time, I was not selling even a single bill of tobacco, even a single tin of mais so that is why I failed to join that group.

Is there anything that could have helped you in that situation? Could you have changed that situation somehow, that you were out of money? Nothing. Nothing.

Which group did you want to join? Can you remember the name? I don't know. I just know that it is a C&S group. But the real name I don't know.

(24:50) Was it is Kamphenda? It was in Singiliheni at the school.

It's the group that meet at the school? Yes.

Is there any other thing besides money that could make it difficult for you to join a group? Is there anyone who could prevent you from joining it, or you would not have the time? No one prevented me from joining. The only problem at that time was money.

And there is nothing else that could prevent you? Actually during that time when the facilitator, came to introduce the system of group. Passed almost one week, the place our first meeting was. We haven't heard where they meet. But we have just heard that they have made a group. So we feel, why they are making that group outside, without saying us. Why? I myself thought, oh maybe there is segregation somehow somewhere.

(26:40) So actually the group did not inform everybody about forming? They just said they have formed without announcing it.

How did you feel about this? I was so 'tempersise' [I sympathised with the fact that our...] to see our friends joining group, I myself to be out of group.

You felt bad about this? No.
Oh you sympathised? Yes.

So you thought it was okay to form the group without asking you? Yes, it was not okay so I haven't anywhere to say to them. Sometimes I can disturb them. So that it why I leave them.

(28:00) I'm not sure I understand [...] Maybe they have already joined. So If I go ask them, it means maybe I am disturbing them. That's why I leave them. They must continue that group rather than to talk with them.

Why don't you want to disturb them? Maybe they can take me as a stupid person.

In what sense stupid? I can say, please join me in that group? They say, oh we should join you in the group. We have already filled up, so where we can keep you? That's why you leave.

So you didn't even ask them if you could join. You just said there's a group they have formed okay? They say we have already filled [...] we need only 25 people.

Is this group still 25 people? Yes.

Is that okay with your? It was not okay

What do you think should be done about it?

[The interview moves to a different place due to the sun]

(31:00) You felt it was not okay that they said no, we are enough people, you didn't like that? [...] Just because everything has got limits. The limit was 25 people. So it was very difficult.

So you understand why they refused. But then what was your feeling when you had found out that the group had formed without involving you? I admitted that one [...] I allow them that they must continue, even though it was without me.

(33:00) So it was okay that this group formed without asking you if you wanted to join? Yes.

You did not feel excluded from it? Yes I have that thought, [that] they you have left me out.

How could we have changed that process? Do you think something could have been done differently so that you would not have been excluded? Yes.

What could have been done? I thought that maybe if C&S could continue to come here, they must have to advise us to make another group. So that group I should be included.

But the group that has gathered I think I know which group you want to join. That group has not had any training. So they are in the same situation as you. No problem I can join.[...]

[Interviewer tries to explain that the Fukafuka group did not have any training and came together on their own] That group, we can make that group [referring to creating new group] We can make a group.

Would it be hard for you to make a group? No problem we can make a group.

Who would you ask to join a group, if you where to start a group? Women and men.

So it be easy to gather a group? No problem, we can make it.

How would you start it, what would you do? What's the first thing you would do? [...]How would you find there people? Okay for example tomorrow we will be in church. I will say anyone who want to be in group. Tomorrow afternoon, we have got football at our grounds there, I am going to announce there. It's where I can find people who are interested in joining a group.

Do you want to know the people very well? Yes.

What about if you have strangers in your village[...]? How do you understand a stranger? A person who we cannot study his habits, his character. We cannot join him the group. Maybe he is a thief. First of al we should have to study him/her. After all we can let him join.

Do you have any strangers in your area? [...] A stranger cannot take almost four days or four 1 week he can go back. That one is a stranger. But if someone spend almost one year he is not a stranger.

What about the most vulnerable people in your area. Would you also let them in your group? Yes, we can allow them, just because we need to change every person each person must have to change. Anyone who is a poor we should help include that person.

(41:40) So if you find a very disadvantaged person, who can for instance not pay the 400 Mk to enter the group. How can we help him? First of all I can our friends, those who have got 400 Mk. We should help him to gather that money, after all you can also introduce ourselves to

take money to help one person who haven't even one coin. So he should be joining that group [...]

(43:00) *Do you know if that has happened in the group you wanted to join. Was anybody helped to join the group?* No.

Do you think someone else than you, who was not able to join this group, that you also wanted to join, because of other reasons that are not economic. That has nothing to do with the 400 Mk [...]?

Can you think of any reason why someone would not be able to join? Yes.

What would this be, what reason can you think of? Education, just because she hasn't known the importance of group. So why to make a group? Even if you explain to them, they don't get the point. They are just taking that thing [the VSLA] to be a waste.

So they have to be able to understand the concept of the group is important? Yes.

Do you know of anyone who would be in this situation? Yes.

(45:30) *Are there many of [these people] here in your area?* Yes.

(46:00) *Are there any other things you can think of, besides education. I am also thinking of time to go to the meetings, if you are in a field far far away?* He is not considering the distance at all.
[...]

Because I have experienced at the meetings I have attended, that many times, we did not have all the members at the meeting. What could be a reason for not going to a meeting? Okay the problem is, here in Malawi, most people after all the meeting they need a green pasture. What does it mean? For example, you yourself have come here we are discussing now, after it all they want to get something, because we are poor. The problem is poverty. So everyone if he goes somewhere, he needs to get something. So if that meeting he's not getting anything the first time, second time he will not go there. The problem is attimidation. [extensive explanation of the issues of attimidation, probably intimidation]

To understand you right. You say that within this group, some people may favour certain members of the group. Could that be a relation to who could borrow money. Would you say that that is an issue? Because I want to relate it to the village bank. It is okay for you to have a loan, but not for you. Am I understanding you correctly? Yes.

(51:00) *But this meeting you say they will be going to, I don't think I understand that? You have seen that many people they are not attending meetings. So the problem I myself have observed that, [The translator explains further] Subordination?* No. To myself I have observed that the way we make your group. In that group, there is a certain problem [...] We can continue a group, may be the benefit will go to. The benefit will go to 4-5 people instead of 25 people. Some people will say why? [...The translator asks further] After making some profit, after all, if I can get this I can get enough and not share it.

So does it have something to do with who has the most power? Because who can join take all the profit? Yes you can say that [...] Because, if you continue saying that, they can think of you as a disturbance. That is a problem.

[A visitor interrupts the interview for a little while]

(57:00) I understood what you were saying before, and I understand your reason why saying it. But I would like to know if you are in this group, and one person decides that I will take all the shares for myself. How can this person do this? [The translator suggest that we find out if the interviewee understands the system of the VSLA, to understand how one can monopolize the capital in the VSLA. He does not think it is possible]

(01:00:40) How do you understand how the VSL works, Do you know what happens in the meetings? I just heard that they contribute shares, money.

And what happens then? They pay fees and that fees they use for materials, they buy books. For using to keep the money.

(01:01:30) But how do the people of the group get access to the money in the group? I have just heard, because I have not joined a group. I will just explain what I heard. If they can agree each person should bring 200 Mk, every Thursday [...] That money they put together and they lock the box until the next week Thursday each bring 200 Mk. They keep that money together. So they have got a secretary each day write the information of that meeting. And the amount of money that is kept in that box. So if they have reached that now the money we have shared is enough. They come together and they share that money.

How do they know how much money [each person can get]? I heard that if a person paid 500 Mk will get 10% of it that is 600 Mk.

[...]

I'm interested in knowing, in this system where you have a secretary that keeps records of everything. Do you still think there is a risk that one person will take everything? [...] There can be a risk, because in that group there are educated people and uneducated people. Some people they don't know percent, how to calculate the amount that they have. So it means that before sharing that money, they need a certain workshop or school. So that you should know that if you have paid that money, you should get that [much]. [The translator explains our purpose, as the interviewee is afraid he has answered a wrong answer].

(01:05:40) Do you think somebody would be discouraged from joining group because they think, no, my money will not be safe in the group? [...] It may happen because [he takes a long time answering] I've already explained. [He repeats the percentage argument] My friend get more I get little, because you don't understand the percentage. So they need civic education before sharing the money. [...]

(01:07:36) Before joining a group, and you think (you are poorly educated) you would like to join this group, but you are afraid that someone will cheat you. Is that a problem? That problem they cannot know, but after they join [and get] their benefit that is when they will be discouraged [because they have contributed different amounts but can't understand the math behind the sharing]

(01:09:00) *Can you imagine any disadvantages of being in a group?* Yes. Because in a group there are certain people, they have got a certain problem in their minds. You know that many people join in a group are married. So [if you are supposed to get] off from the meeting at 4 o'clock they will be off at 6 o'clock, so it means they will be home [late]. There will be some problem. The husband will talk to his wife.

What would he think? He will think that she is meeting a certain person, that she is applying her to him.

So a husband will tell his wife, that she cannot go to the group? Yes, because you come late from the group.

Is it only if she comes late? Yes

So if she comes back [in time] it's no problem? Yes, it's no problem.

[...]

But what if the meeting is longer than usual? She says, were where discussing and discussing and we had some problems. Will it still be a problem? No, problem, but 7 o'clock [...] in meeting, shares at 7 o'clock, ah no!

What if the group decides that the meeting should be at 6 o'clock? That would never happen.

Would any husband say no complete to his wife joining the VSLA, does that happen? Rarely happens.

(01:13: 10) *So would you say in a situation where we have the woman who comes late. Is it the woman's problem or is it the husband's problem? Or is it her fault, maybe I should say. I can think of many reasons for why a person would come late from a meeting. But how would you view it?*

Let me explain. That problem can happen almost 3 times 4 times. But if that problem only happens 1 time or 2 times, no problem. Because discussion can take 1 hour maybe 2 hours.

So coming late sometimes can be acceptable? Yes.

(01:14:10) *We have discussed by with some that the husbands were jealous Are there any other disadvantages that you can think of?* No.

Is there anything that you can think of in terms of when the facilitator came an introduced the VSLA. Is there anything he could have done differently or better, so that you would have understood more, or had better opportunity to create a group [...] improvements? Yes. The facilitator should come here to make another meeting, so if he can allow us to make another group. That group we are going to make, so we can allow that group to be in [C&S].

Does C&S provide anything when they create a group? It is very difficult to explain because I have not attended any of their groups, but the meeting I attended [...]

(17:00) [Discussion on why the interviewee wants a representative from C&S to organise a VSLA. It is important to be affiliated with/ linked to an organisation for recognition from an organisation, to be object of more development initiatives/project. To have assistance from an organisation]

(26:00) *Who do you think the most vulnerable people are?* They have got no food, no shoes, dressing poor, no bicycle, not a good house, no good plates, [doing piece work, you get paid a tin of mais, then you go to someone else to exchange the tin of main for something eatable]

(29:00) *Do you think someone like this could join a village bank?* Yes.

Would you have to help them to join? Yes.

And you will trust one of those people? Yes I will trust them.

Have you ever saved in any other way in a group? No.

[Discussion on the chief's influence on VSLA participation]

But can he choose who can be members? No, himself he cannot.

[Final thanks, greetings and questions for the interviewer]

Note*Italic:* The interviewer

Normal font: The interviewee

[]: Explanations, passage take out, reformulation of difficult passage.

Observations

The interviewee is very open and willing to answer. She speaks on her own initiative and not only upon my questions. She is very positive of the VSLAs. She is related somehow to The translator. She sees herself as among the most vulnerable.

Housing: Brick house, cement floor, no glass windows. Doors inside the house as well as in the entrance. Borehole just next to the house.

Identification: Another Non-member

Personal Profile

Age: 66

Schooling: standard 5

Husband: Passed away

GVH: Mtakwa

Children: 4: 3 Sons, 1 daughter (only 1 son is still alive: 1 was working in the hospital, 1 was a teacher, 1 was married to a soldier: they passed away perhaps due to HIV and the like)

Occupation: Farmer: Mais, ground nuts (for domestic consumption), tobacco (sold at auction floors). Business: Brews local beer for selling

Origin: Mtakwa is her home village, the rest of her family is also staying around. She lives with her son and grandson. Her son works with department of game reserve and wildlife and also farms.

Interview

(06:50) *What do you know of the village bank?* Members contribute the money they are saving, afterward the members borrow from the village bank, and they can start some businesses.

To you what is the main purpose of the VSL, is it saving or borrowing? The main purpose is borrowing and saving.

(08:00) *What did you hear about the VSL?* She cannot remember

But you heard it from some of your family, your friends? Some relatives.

So you have not been to a meeting where some have been talking about the VSLAs?

Sometimes she happens to go to the village bank, but herself and [Int.24], they have not yet joined the village banks, but they could maybe be able to just contribute the money on their

own. [...] They are in a membership of 5, where each members contributes 500 Mk. After contribution they keep that amount and the other round they will continue 500 Mk, which will total to 5000 Mk. So the first two members will borrow from that same amount and at a later states the next borrows and the next borrows. That is some sort of Chiryano [...]

(10:30) Where would they keep the money? They have nominated one member who is the treasurer. They have just made a very small box, where they are keeping that amount.

Is it a metal box? It made out of wood, and they put a lock. The key is kept by someone else than the box keeper. [...] The money is a problem therefore they decided to be a group of just five.
[...]

(12:30) Why are they only 5 members? The tried to invite other members, but they were not willing to join because they could not find the money.

Have you thought about lowering the limit of 500 Mk, so that you can contribute less than 500? They could think of putting 500 Mk, in the future they are thinking of depositing more, depending on where they can find money. But they decided that this time around they suggest that the amount should be 500 Mk [...].May extend the amount to 1000 Mk.

How often do they meet? Every 2 weeks.

I'm thinking if other people find it hard to contribute 500 Mk every second week maybe there's an option that you can lower that amount? They put a suggestion that maybe a member can contribute 150 Mk. But no individuals have come forward. The tobacco prices are very low. That lady [Int.20] they tried to look at her status of economy, she could afford paying maybe 100 Mk. In the near future we can assist you so that you can borrow some money from this within this small village bank, but she couldn't afford doing this. So they actually tried to lower it a little bit.[...] But she couldn't manage to raise up to 200 Mk.

I didn't really get it you said you had lowered it to 150, but no one had an interest in this because of the tobacco? They lowered a little bit but some members couldn't find 150, the reason is because of the dwindling tobacco prices. [...] They couldn't even find 150 Mk.

[Discussion of the low and decreasing tobacco prices and its effect on membership of VSLAs. Individuals find it hard to find money to contribute every week. A few years ago the situation was very different, because of the high tobacco prices]

(20:00) [The interviewee brings in a cup of the local beverage]

(22:00) Do you want to become a member of a village bank? Yes.

What prevented you from joining? They were prevented because they were presented with a larger sum of money for each member to contribute for them to join. Each member should contribute 2000 Mk. She had a problem, some of the grand sons they wanted school fees: 2 are in form 4 and one in form 2, and that collided with when that 2000 should be paid to the village bank and the other to school fees, so she couldn't afford to do that [...]

There 2000 Mk fee, what was that meant for? The 2000 was for shares. She didn't make any further inquiries she just heard when they started that it was 2000. [The translator gives his explanation to what the 2000 was used for]

(25:20) Do you remember the name of the VSL you wanted to join? She cannot remember.

When did it start, do you remember? Something like last year September [2010]

Have you tried to join the bank since? No.

Why have you not attempted? Some things related to finance.

So there is still a fee of entering of 2000? Still more you need raise 2000 after that you need to raise weekly shares.

That is not at all possible for you at this time? This time around, she can join, but since she doesn't she cannot afford to raise that much.

So what about the money that you pay into your own little saving group, could you use that money to join the village bank? They have not yet discussed with the village bank, if they can join.

So you don't know if there is actually access to the village bank? They can have access, if they can raise some money.

Do you know how many members this village bank has? 15. The group had much willingness that she became a member, since she was the members of a COMSIP (community savings investment promotion/program) like the SACCO. So she was also a member of COMSIP [...]

So you were actually encouraged to join the VSL? Other members would like to have her as part and parcel of the VSL, knowing that she was also a treasurer for that COMSIP, opting that if this one would join, she would also be a box keeper for that village bank.

But nobody has then suggested other ways of including you. So that they for instance aided you with those first 2000 Mk? Other members insisted that they could assist her with some money, but she was afraid, because that time around she was supposed to pay the school fees for these 3 chaps, and she was thinking where would I get some money to pay back this group [...]

Are there any other reasons for you not joining the VSL? No.

Can you think of any reasons that others might face that makes the unable to join a VSL? Other members fail to join because they are drunkards. They drink too much.

Anything else? Other are very lazy, they don't farm, they are not hard workers.
So they would not be able to find the money.

What about women, could other women find any obstacles to joining? Others would fail to join because of the situation of drunkardness. You might find that a wife can be a member, she goes to the village bank and borrows some money, her husband drinks too much, and he will grab the whole amount and spent it in drinking joints. These are the reasons she knows.

But no one has been prevented as such by somebody else to join? No. But those who are in the banks, have got the will at least each and everyone should join. But with these reasons some are being prevented by their own, but there is a will form the members who are in the VSLA.

(35:00) So the maybe we can turn to your opinion of who should be a member of a village bank. What is the caliber of such persons? You should love one another, and you need to be trustworthy, you should not use the money that others have contributed for unintended purposes,

(36:30) Are there any age limit? She should be around 16, 18 he or she is a matured person.

[The interviewer confirms the details of the previous question with the interviewee]

(37:40) How would you feel about joining a VSL that have people that have HIV, that are disabled, are very, very disadvantaged in some way? She has a will that all those can be inclusive in a village bank.

And if we talk about the most disadvantaged, how would you describe them? [The translator gives examples and explains] He doesn't wasn't to take his chaps to school, to attend education. There is free primary school from standard 1-8, but he never sends his chap to school. She is saying that with the way that someone appears you could foresee if one is very vulnerable.

(40:00) Does that have to do with the clothing? Also with the dressing you can foresee that a person is very vulnerable. This time around there is the fertilizer program around but he cannot even afford to find 500 Mk around for this subsidy program (which the government has initiated).

Do you think it would be possible for a person like that to become a member of a village bank? It's very essential for that one to join a village bank. Because you need to sit down with him/her to assist means and ways how he can become a member and how he can find money. [...] *(42:30)* This is a very new concept in our community here, and also people may think, sometimes we may assist this one around but he will not manage to pay back that amount. And to him that will also be a problem, [...] There is so many calibers of a human being, and so they may think negative of you, and so they could not assist you to have an amount of money.

[Repetition of a previous question]

(44:40) So this new concept, I'm still interesting in that part, though. [...] Previously, people would be more reluctant to assist? She was explaining like this. To her people are willing to assist even those who are financially handicapped. But you may foresee, this is a new concept for this one, the most vulnerable, how can she or he understand. Those most vulnerable, your

understanding varies, the most vulnerable their understanding is very little. The first thing is you may want civic education after that he needs to follow within the very same lines.

So it's new to those they would actually like to include. You would like to educate them? To groom them, so at least the standards are the same. You need to at least groom that one to a certain level, so that you can understand one another.

(46:30) So have the group you wanted to join, have they assisted others in entering? No. She is mentioning the tobacco. Many of us solely depend on tobacco and maybe you get some money from the VSLA, and after that you are going to by some tobacco, have some bills and send them to the auction floors [but coming from the caution floors you may return with no money] so you will think where will I get the money to pay back the whole of this. [The translator explains the economics of the auction floors] *(49:00)* She has got 2 [grand] kids they failed their exams, so they need to repeat, but she can hardly find money to send her 2 kids back to school.

(50:00) Then I would like to talk about the advantages you find by joining a village bank? The advantage of this village bank is that after selling, they would be able to go to the village bank and borrow some money. They can buy some of the things for domestic use, e.g. salt.

So that is what you see at the main advantage? Yes. If you are a member of a village bank, there are many around, whenever you have a problem, you can kneel down. "Can you help me with the school fees for my own children?". Then they could always come forward to your rescue to pay school fees, which is also an advantage. [...] Those problems can be sorted out.

This is aside from borrowing money? Yes, this is an assistance to pay school fees. She is also reminding about social fund which can be used for these things.

(51:50) What is your experience of the social fund, what is the use of it, what have you heard? The most usage of that social fund, your son or whoever is sick, they can borrow some money, they can take money to funerals. Or to buy the cover that covers the dead body, you can also use the social fund.

(53:10) Are there any other advantages? That's the only. Those are the major thing

What about non-economic advantages? In terms of transport. If you have a bank [in Rumphi] you need to travel from here to Rumphi. But this time, there are village banks in our locality, we just go to the village bank, with no transport.

What about the fact that you are in a group. Does that give you advantages? It is also very important.

Can you explain to me why? They are able to some problems in the group. If she has a problem she goes to the other members and explains to them. In so doing they could share some experience and challenges in the group.

(56:00) *What kind of problems and challenges?* They would discuss about that they need to love one another. They should be time-conscious, and if you are absent you are supposed to pay a fee. They need to work together as one.

Are these the problems that they discuss? There are problems. We are going towards the end of the cycle, one of the members falls sick, she's unable to pay back the loan. If there is cooperation among the members some can contribute little, little within the group. So they can pay back the loan that the other is owing the group. And sometimes there are some that are troublesome, and you need to sit down and sort out the problems.

Are theses some of the things that you have discussed in your little savings group? Yes

(59:00) *Can you think of any disadvantages of being a member of a village bank?* There are none.

Can you think of limitations of improvements? She doesn't know anything [...]

Do you know of any individual who have wanted to join a village bank, but was prevented from it, or maybe lost out on the opportunity? There was no one who has been refused. Only the money is a problem. Several groups consisted of 25, so each and every body had the opportunity of choosing which group he/she would join.

(01:01:00) [Discussion on the formation of the groups in the area, as to whether they have been trained or not]

[Discussion on the influence of the chief on participation in VSLAs]

[Final thanks, greetings and questions for the interviewer]

Note

Italic: The interviewer

Normal font: The interviewee

[]: Explanations, passage take out, reformulation of difficult passage.

Observations

The interviewer is very open and willing to answer. She does not seem to hide information, but speaks very freely. She initiates by telling about her negative experiences with another organizations attempt to start VSLAs.

Housing: Clay house, no glass windows. Grass-thatched house. Rather small house.

Identification: A member of the Fukafuka group. She was identified because she was not allowed in to the Fukafuka group.

Personal Profile

Age: 24

Schooling: -

Husband: Yes. Farmer.

GVH: Jumbo

Children: 3: 2 sons, 1 daughter (2-5 years)

Occupation: Farmer: Mais, Ground nuts, soya (sells some of it), Tobacco (sold at auction floors). Business: selling mandazi and small fish.

Origin: Jumbo is her home village, her family also stays around the Jumbo area and some live in the Kamphenda area.

Interview

(02:00) [The interviewee initiates with an extensive story about previous initiatives from LISAP to start VSLAs. She was a previous member of one of the groups, Chilicano. A person from Kamphenda was a village agent (The translator was co-facilitating). The interviewee was the secretary of her group. In December they were sharing. 3 members owed money and could not pay back in time. They agreed to wait a little bit, for them to be able to pay back. They wanted to buy facilitator for the money shared out. They agreed to share the money which was in the group at the moment. But the village agent come and asked for money: 1000 Mk. The village agent was claiming that the village officer had sent him to collect the 1000 Mk. The group contacted the village officer who said he had never send the village agent to collect that money. Then the group disbanded, since they didn't know where the money, they were giving to the village agent was going. It was misused by the village agent. He was taking the money in the pretext of the village officer. And then the group disbanded].

(09:30) *First of all I would like to know why you joined this VSLA?* She joined that group, because she had problems within the family.

What type of problems were these? Sometimes it takes a little longer to sell your tobacco bill. You take them to Mzuzu. But if you are a member of a village bank, you have a little money you bank it at the village bank. After wards you can borrow and get assisted with some of the problems.

The problems you experiences in your family [...] can you explain? The food is not a problem. The most outstanding problem is where you can find the money for milling. And this time you need to buy the relish you cannot go to the garden.

Were there other problems? Sometimes a chap falls sick, the distance to the hospital is very far, you need money for transport or to buy the pain killers around.

(12:40) So then you joined Chiplicano to help you with these problems? Yes

To you what is most important, that you are able to save money or borrow money? The most important is both saving and borrowing. Since after saving you are able to borrow, which you can use for business, and help you sort out some of the problems in the family.

So what are the advantages of the village bank? At home they are able to eat a balanced diet, and life is easier when you are part of a village bank.

(14:20) Does it become easier because you have access to money? Yes.

When you first joined the VSL, how did you know about the VSL in the first place? She knew it though the village agent.

(15:40)How did you form the group? The first groups started in Kamphenda, and they would hear [in her area] that the VSLAs are around, amongst the group [the interviewee's] one went to that site [Kamphenda]. We also need to have such a group in our area. So 10 members were the first to gathered to come up with that group. The first day the facilitator came around and explained to the first 10 members, then an additional 15 showed interest the next meeting, to form up Chipirikano [and they became a group of 25].

So did you know the other members of this VSL well before joining? Yes.

(18:30)How did you know the others? Before that they knew each other pretty well. Some members from this group had a group in Kamphenda before. And were borrowing some moneys from another lending institution in town. So they knew their habits, how they were repaying loans. So they also considered that these could be part of the group.

So the group in Kamphenda that they were a part of, was is also a VSL? Not it was another lending institution. [...] It was a certain bank from Rumphi, one of these micro lending institutions. They could open an account in Rumphi and deposit their money in their account, withdrawing money and making businesses, and paying back weekly or monthly.

It was as a group they had an account with the institution? Yes.

Were you part of this group? No.

Are some of the members still members of this institution in Rumphi? No, that group also disbanded, some were defaulters. This group was a micro lending group.

(23:00) Okay, so she is part of the first 10 member group who initiated the VSL, and the 15 were members of the micro lending institution. Yes. [Explanation of the MFI and how the group was formed] ...the rest 15 came at later stage and they were scrutinized through that they were members of a micro lending. Maybe through their history that they would pay back loans, they said there are trustworthy.

(24:30) These other 15 members, were they from this area? Yes.

The members of this 25 member VSL, are you relatives, friends...? Some are friends some are just relatives.

Were you both men and female? Yes

Can you remember how many men and how many women? One man.

Was that a choice from your side that you chose to not have too many men? Most of the men could not understand the importance of being a VSL.

(26:30) Why don't they understand this? Most of we, men, we are a little a bit difficult in understanding and some could even refuse their wives to join the village bank [...]

Why did they refuse their wives to join? Men couldn't understand. Maybe I can put this way – they had very little knowledge.

What were they afraid of? They could not afford every week to find money to buy shares.

So the husbands would pay the shares? They say they cannot afford to find this much every week.

Was that the only reason why they refused their women to join? Yes.

(29:00) I'm asking because I've heard that some men become jealous if their women leave the house? The jealousy issues are there. Sometimes men are afraid that women could take advantage of the village banks, she could say I went to the village bank. She borrows 10.000, but in actual sense she mentions [to the husband that she has] borrowed 12.000 so the 2000 could come from another man out there. Some men could refuse their women to go to the village bank. [Reformulated: The women will go to the village bank and borrow some money, but also get additional money from a male acquaintance. Then they would tell their husband that they have taken up a loan of the total of the borrowed sum and the money they have gotten elsewhere]

What are are you preferences for other group members, what caliber, what characteristics?
Good manners.

Can she give examples? Should not be pompous, needs not to be hooliganism [...] like she could be going with other men. Like you can find them in bars. [the translator adds: "Like I myself I have got a wife, but I'm going with other wives"]. [...]

Are there other things? No to be gossiping. Not a thief. Trustworthy person. That's all.

Was these the criteria for your membership in your VSLA? Yes.

Okay then we can get back to why you left the group. Firstly, when did you leave? 15 February 2011.

(34:00) So you had gone through your whole circle. Was this your first circle? They were about to enter the other new year. [...] they were completing the first circle, and they were entering into the 2nd year. [...]

And you were told... did the village agent have to be there at your sharing? In a normal situation, the village agent was surprised to be there. But seeing the character of him they would just be sharing without his knowledge.

So the story that you told me, when did it take place? There was an issues were by the village agent asked the group. He wanted to purchase the pass books and money for the lock. And this group submitted at least 1050 Mk for the pass books, and gave that much to the village agent, and she could squander the whole amount. When the senior facilitator came to the village and brought the books, he wanted the money. They said that they had already submitted this much to the village agent. But he forced these people, so that they could contributed another amount. When they tried to inquire from the village agent, he said he was going to repay the money. But up to now he couldn't pay the amount to the members. This was the first time.

(39:00) So when it came to the sharing? [Reformulated: The village agent would demand money form the group. The village agent was engaged to handle the affairs in the village, but LISAP was supposed to give him a symbolic amount from the senior facilitator. But he took advantage of the groups not knowing the procedures, so he demanded 3800 Mk for his assistance. He would later demand 500 Mk for linking the group to OIBM as the LISAP was phasing out. The group would then understand that he was cheating them. And he stopped coming to the meetings. So when they came to the sharing he was no longer involved with the group. They were also trying to find out from the senior facilitator what was going on, who told the group that the village agent was not supposed to get money from the groups. He was also a member of 3 village banks at the same time. So he would try to borrow money from several groups and as he could not pay back these groups he was abusing his authority as a village agent with LISAP. All the LISAP group have disbanded now].

(47:00) Do you think that the reason for why the LISAP groups have dissolved is due to this village agent? There was lack o f leadership, from the village agent.

Was he in contact with all the groups? Yes. There were two village agents [and the one the village agent (which took money) was responsible for have seemingly all disbanded]

How many groups did he cover? I don't really know [but at least 5].

[Reformulated: The group has gotten no compensation. There was a meeting with the senior facilitator and the village agent and the group, to finalize the LISAP program. The village agent was there for the opening prayer, he left on presumption of coming back, but never returned. The group has not tried to take him to court. The group dissolved some months after this last meeting with LISAP. The economy had gotten down, so the group dissolved. They wanted to come back together later but it has not happened. The translator thinks that the way their trust was misused may have had an effect on their trust in starting a group again].

(55:30) *So why have you not started up the group yet?* They also agree that maybe they are starting around April but there was a hail storm, that has destroyed the tobacco leaves, which has also made things worse.

Would you still like to resume the VSL again? Yes, very much.

Are you still facing economic problems so that it is hard for you to resume? Yes.

Are there any other things that would make it difficult for you to start a group besides the economic problems? No.

(57:40) *So the reasons that the members could not pay back the loans, was because the harvest of tobacco did not go so well?* Yes. Some of the members had the tobacco problem. But one member, her daughter fell sick and was admitted for hospital, so they spent part of the money to buy things at the hospital.

Did your group have social fund? Yes

(59:00) *So did they spend some of that money to help this member?* Also this village agent would come around and misuse his power, and get the money from the social fund. So there was very little in the pocket in the social fund, to assist the members. So part of the money was taken to assist that sick child. But that was not enough. [The translator asks further] Sometimes [the village agent] he would just come with force: “that I want this amount from the social fund”, with no explanation how he would use this amount.

But then if he could not explain why he needed the money and how he would use the money, how come you gave him the money? He had much of power and much authority. After sharing they were supposed to take the money in the box, then he was asking: “can you maybe exclude this money?” I have been sent by the senior facilitator, [he would say that the senior facilitator had phoned him] just now, that he [the senior facilitator] wanted the money. Also they didn’t know this senior facilitator, so they had a believe that perhaps the village agent was sent by this [the senior facilitator], but that was just a pretext [...] They were also afraid that if [they didn’t] pay this money he would finish this group [...]

[01:03:50] *Does the village agent enjoy a lot of respect, since they obeyed him?* They were given him respect [...]

Do you have a fear that if you start a group again, someone else will come to claim money from your group? No.

Do you know about the groups that C&S has started? Yes.

Would you like to be associated with C&S? Yes

So C&S enjoys a good reputation with you? Yes.

(01:07:00) So you are not afraid that if you should affiliate yourself with C&S someone else would come and take your money? This time they are got a vast knowledge, and they know what is going on, and they cannot simply give out money.

Can you see any disadvantages from being in a VSL? [...] They are also fearing that if they are referring to a person like me [The translator] he could also uses some tricks, so that he can get some money.

How do you think that this can be prevented? There is a need to look into what type of leaders should we chose, but we don't actually foresee that this is a good leader. So we need to look for the good qualities in these leaders [village agents].

How can we assure that we chose the good leaders? In the first place, the one you need to locate as a village agent should come from within that area and also she was talking about the village agent as he is a member of a church, He could also mess up things as a church elder, so they only trusted that because he was elected with LISAP maybe he has changed. That couldn't work the way they were thinking of. [Reformulated: all the members of the VSLAs also need to agree on the person to be a village agent. To assure that the leader has the right qualities].

(01:12:30) So if we return to your group and why people could not pay back the loans, is there any solution to this problem, that you can come up with? [Reformulated: She suggests that the village agent must encourage the group to go to the defaulters to sophisticate the belonging of the member, so that that money is paid back the money. This will be a solution. She knows this procedure form another group].

(01:15: 00) Have you yourself been in a situation where you could not pay back your loan? No.

Do you think there are other ways of helping people that cannot pay back loans? The solution is that you go to the court or the police and to arrest them.

(01:16:10) You see no reason to try to help these people that may have difficulties by suggesting other ways of getting money, perhaps their business, perhaps with business skills, if that's the problem? The only problem is that this person has squandered the whole amount, so where will he get the money to run his business.

So actually the people that could not pay back the money, you feel that they were misusing the money? Yes.

(01:17:20) So it's not because they were unfortunate with their business, it was their own fault? Those people after squandering the money, they were solely depended on the sails of

tobacco. So after the hail stones that destroyed their crops they had no were to get money. But [the others] they would borrow the money and run their business and be able to deposit something to their banks or payback the money till they have paid back the whole of the amount. But the others they couldn't. [...] So, they are not misfortuned.

[...]

I can talk to you about who you would accept into a new group? This time around, they are experienced, they will know [who can be members]. They will be looking at, their first priority, who ever could not pay back the loan will not be included in the group. They will exclude those people,

(01:22:00) What about people with HIV or elders, what is your view on these people? The elderly, they would not allow them to be part of the group. The disabled the disability varies. An example, there is a disabled woman around, she is able to walk properly. But there are some [for whom] it is very hard to move. So for them it is very hard [...] they cannot actually make business. Then it will be more difficult to allow them into the group. Also with the status of HIV, there are some that are able to do business, they could also allow that one to enter the group. But some, now and then they fall sick [...] so they are not able to carry out business. [...]

Do you have a lower age limit, by which people can enter? 50 years [is upper limit] 18 [is the lower].

(01:25:40) Why 18? He is mature enough. He can have [make] decisions. [...]

What about male and female participation? Would you put limits to how many men and women can enter? No, they have got no limitations.

What about the most vulnerable, the most disadvantaged, would you let them into your group? They are looking at someone who is poor. But if he can manage to do business we could allow that one to join the group.

(01:27:20) Can you describe those that are most vulnerable? In a year doesn't have food. In Malawi when we are talking about vulnerability we are talking about food and some sort of cash [...] You don't have cash.

Is there anything else? To her these are the two major things.

(01:29:20) [Discussion on the traditional authorities influence on participation]

[Final thanks, greetings and questions for the interviewer]

Interview 24

Transcription
17.01.2012
Interview 17.11.2011
Fukafuka Non-Member

Note

Italic: The interviewer

Normal font: The interviewee

[]: Explanations, passage take out, reformulation of difficult passage.

Observations

The interviewee is very open and willing to answer.

Housing: Clay house, no glass windows. Grass-thatched house

Identification: Key informants

Personal Profile

Age: 53

Schooling: -

Husband: Yes. A very kind man.

GVH: Jumbo

Children: 7: 2 sons, 5 daughters (9-27 years)

Occupation: Farmer: Mais, Ground nuts, millet. Business: selling pottery at the Saturday market in Kamphenda.

Origin: Jumbo is her home village, her family also stays around the Jumbo area and some live in the Kamphenda area.

Interview

(05:10) So first of all, I should probably ask you if you know about the village banks? Yes.

How do you know about them? To save the money in Rumphu, it's a distance. At first the 5 ladies sat down and established that is its very important if there are village banks around lets establish one

Is she a member of a village bank? No.

From where did you learn about the village bank? It was not actually like a village bank. It was like a Chiryerano [ROSCA]

Okay so you are a member of this Chiryerano? Yes

How long have you been doing this Chiryerano? 5 years.

(08:00) And they are 5 members? At first they were 5, this time around they are 10.

Then I will have to ask again, Do you know about the VSLAs? They have heard about that one.

Have you heard about them In Jumbo, or in Kamphenda...? Kamphenda.

From whom did you hear it from? From a village agent she is referring to the LISAP organisation]

Do you know any person who is a member of a VSL? Yes she knows some members.

Which village bank are they members of? She has forgotten the name.

Would you yourself like to join a village bank? Yes. Very much.

Why would you like to be a member? The allocation of the village bank is just within our locality. We don't have to travel to Rumphi. We don't have that problem around.

(11:00) So what is the difference between you Chiryerano and your village bank? With Chiryerano you just collect the whole amount, maybe its 200 Mk, then you hand over the whole amount to one person that week. The village bank they can save and borrow some money, which is an advantage to them. In the Chiryerano system there is no saving system [...]

What other advantages do you think there are? The other thing is that when you save you earn an interest on that one, at least some thing is added on top of whatever you save.

(13:00) Can you think of any advantages that are not financial? In a group is where somebody are able to share ideas with his friends. How she could manage her own family. But if you are in a single file [alone] you could not learn.

When you say manage your family what do you mean [...]? The husband is a drunkard, he comes from the [joint] you need to at least welcome him in a manner so that you would not cause conflict. So in the group they are able to share some of their experiences. If the husband is a drunkard at least if he is coming around, you need to have an approach so that you do not pick up a conflict.[for example] To hug him, [to say] here is the water, I have cooked a nice relish. You take some nsima and feed him with that, so that you will not create conflict [...]

(17:00) Is there anything else you can think of that could be an advantage for you? Sometimes you may find in a group, there is a chap that goes to the school regularly, but maybe that son fails to go to the school, because there are other things [like] there is shortage of salt, of soap [probably means that he has to spent time buying it or raising money to buy it]. Sometimes you discourage the son: can you first go and make some ridges [before you go to school]. So then your friends could tell you that this is not a good thing: Can you please let the chap first go to

school, then go make ridges afterwards. It also empowers you and the boy is able to go to school.

(18:50) Do you think your life would change if you entered a village bank? Yes, it would change much.

How would it change? If you save a little bit, at the end of the circle you are able to raise, maybe not enough, but at least a portion of money, to use to buy some of the basic needs, that you are not able to buy without saving.

Is it difficult to save alone? It is difficult

Why is it difficult? Because as a single you could just spend the money you have. In the group you save so you could borrow [...] from that.

So the important for you is to be able to borrow money? No.

So what is important? It's better to borrow and save.

[Reformulated: It is difficult for her to save money at home. You just spent the money you have. But the money is secure in the box]

(21:30) Why are you not in a VSL? She was busy with other things.

You missed the opportunity? Yes.

Was it because you didn't go to a meeting or how come you missed that opportunity, you did not hear about it? She heard about that one. But she was busy in the hospital, with someone in the hospital. So it was difficult to join while she was away.

So you were somewhere else? Yes. [she had taken her daughter in law at the hospital]

So when you came back the group had already started? Yes.

Which group was this? She cannot remember.

Is it a long time ago? Not long time ago. [The first meeting of the group was August 21, 2011]

So because you were not at this meeting you could not join? Yes. [...]

Did you try to join the group after the meeting? Yes, she tried to go that site.

Why did they not let you in? They have accepted that maybe after your problems [with sick relatives] have been sorted out, you could maybe come to us.

So have you sorted out these problems, or are you still facing them? This time they are a little bit less.

So would you try again now? Yes tomorrow they are meeting, she would try maybe to go.

Was the only reason for not joining that you missed the opportunity, or are there other things that make it difficult for you? That was the only problem.

Would it be possible for you to both have your Chiryerano as well as join the VSL? No.

(28:00) So if you would join the VSL you would stop the Chiryerano? Yes.

Can you think of anything that would make it difficult for you to be within a group, financial, non-financial? No, there is no difficult situation.

If you were in a VSL, what would your preference be for the other members? When she is joining the group she does not need friends or relatives in the group, what she needs is how they can combine the group, how they can work.

(31:00) How would you describe that you 'are able to work in the group'/how the group works? [Someone passes by, small talks and leaves] If you involve a lot of your neighbors, your friends, your relatives, you might find that things are not working the way you are thinking that it might be working. All the same you need to have people who have a good will or also well behaved. And all of them you can accept them.

Can you give examples of good behavior? The person that is good behaved, somebody who's cheerful. Somebody who is not biased.

Perhaps you can try to describe a person who is well behaved to me? Not found of gossiping he's not a thief. He is so open, when somebody does wrong to him, he confronts the person with it. So direct. He can explain himself so well. [...] And he is able to tell somebody this is wrong.

So if you join a group you would like other members to have these qualities? Yes.

The group that you wanted to join, do you feel that the members have these qualities? Yes.

What do you think about people in the group that have HIV or are disabled or are very young perhaps? Yes. They should be part of the group.

Have you been to any mobilization meetings, where they discussed the VSLAs properly? No

So you heard about the VSL through your relatives and friends? Yes.
[...]

(40:00) Do you think that all that would have wanted to join a VSL, like you, have also had the opportunity or possibility? Since she was not present, she couldn't talk for others.

So you haven't heard about others who have talked about joining a VSL, but missed the opportunity or in some way was prevented from it? No.

Could you think of any reason for somebody not being able to, like someone preventing you from joining a VSL? No.

Now I'm thinking your Chiryerano, there is none of the other members form this group, that would like to join a group? There are some.

What is there reason from not joining, do you know? Some are thinking they cannot find money for share contribution every week.

Would you let me speak to one of these? Yes.

*Would you give us a name? [She reveals a name].
[...]*

In your Chiryerano are you women and men? Women only.

Why is this? Men are troublesome.

Can you explain this further to me? Maybe this time around they could contribute to the female members, when it comes to his turn they can give him as much as they [have collected], but in the third week, you may find he could not contribute the sum to others, he will stop contributing [...] Men could not be part of the Chiryerano.

So the VSL you want to join will only be with women? Yes.

Wold you think that it is okay for the most vulnerable, most disadvantaged to join the VSL you are in? Yes. She would also accept these ones.

How would you describe the most vulnerable? He fails ways to find resources [...]

What do you mean by resources? Is it money, is it land, is it clothes? Lack of food, no means of finding clothes. The house in most times is not a problem. These are the major things[...].

Do you think it is possible for those most vulnerable to join a VSL? Sometimes there is a need of sitting down with him/her as assist how he can go about finding means or money that can make him able to join the VSLA.

(50:00) If you have a hard time for you to find any resources, maybe it is also hard for you to find money to buy shares? In the first place someone is very poor and have shown interest in joining the VSL, they would call for a meeting with him or her, what is the major problem. If the group is convinced that these are the major problems and that he can be helped with some capital, They will say: we are giving you so much. The first week or second week the whole group will contribute something for the shares for 3 weeks, while the person is doing some business with that capital. Where in the 4th week he will be starting to pay shares. [...]

(52:00) Have you heard about any VSLs that use this way of helping people? She has done this before [...] in the Chiryerano.

Is it often used with Chiryeranos? Not often

Have you had good experiences with this in your Chiryerano? Yes. [The translator explains that this procedure is also done in his wife's Chiryerano]

(56:00) In your opinion, who makes the decisions in a village? The community.

Who has the most power? The Chief.

Would you say that the chief could have influence on who can become a member of a VSL?
He has powers.

How would he influence? He doesn't have a direct link, but he can advise that this one has a bad manner. So for your own sake can you exclude [this person].

So he advises on the character of a person? Yes.
[Final thanks, greetings and questions for the interviewer].