

SAVING FOR SUSTAINABILITY? SELF-HELP DEVELOPMENT FOUNDATION, ZIMBABWE

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INTRODUCTION

Self-Help Development Foundation (SHDF) is a large women-targeted savings-based programme which grew out of the Savings Development Movement. In 1996 donor funding enabled a credit component to be added and this has rapidly expanded. The range of training components has also increased. SHDF aims to become a financially sustainable and independent financial institution with a separately-funded training wing.

There have been a number of impact and research studies of SHDF. These studies highlight the range of services which women use to address their various savings and credit needs. They also point to a number of difficult challenges for SHDF in combining financial sustainability, poverty reach and women's empowerment. Achieving financial

sustainability is very difficult in the Zimbabwe context because of the macro-level economic crisis and continuing legal constraints on SHDF's ability to build up a savings base. This means that SHDF has no spare capacity to counter inherent biases in the methodology against reaching the very poor or to increase programme contribution to empowerment.

The studies also highlight the numerous cultural constraints on women's autonomy and control over resources. These compound a difficult economic environment of high inflation and recession to seriously limit women savings capacity and their ability to profitably utilise loans. Project management training has been useful, but limited to a one-off event with insufficient follow-up. Although the Savings Clubs potentially provide a good organizational base for addressing some of the problems women face SHDF has not so far been able to take advantage of these.

SECTION 1: SELF-HELP DEVELOPMENT FOUNDATION: AIMS, OBJECTIVES AND PROGRAMME DESIGN

The objectives of SHDF as stated in its promotional leaflets are to:

- ◆ promote savings mobilization through a stamp system.
- ◆ provide support to the Savings Clubs formed by providing advice and training as well as the required stationery to be used in savings administration.
- ◆ provide accessible credit to Savings Clubs and/or members undertaking viable self-help projects, thereby leading to increased incomes, savings and investment.
- ◆ provide savings clubs\members with a mechanism for interaction, mutual support and training in income generating activities.

SAVINGS CLUBS

The basis of the programme are the self-managed Savings Clubs (SCs) comprising 10 to 30 members generally from the same

locality. Some of these SCs are 35 years old. They are largely autonomous, setting their own savings conditions and depositing savings in formal sector institutions (See Box 1). The main role of SHDF staff is to provide financial management training and advice for setting up the clubs and helping resolve any disputes.



The Savings Clubs originated in the Savings Development Movement started in 1963 started in 1963 by a Catholic priest, Frere Waddelove with the help of Agritex, the government Agricultural Extension Service. Savings Clubs were started as a collective self-help exercise to help mitigate the effects of drought. Groups of (mainly) women farmers pooled resources to order inputs in bulk and take advantage of cheaper transport costs. After Zimbabwean Independence in 1980 the number of Savings Clubs expanded rapidly at over 1,000 per year. Since 1982 SHDF has been supported technically and financially by Konrad Adenauer Foundation (KAF), mainly for training.

By 1998 SHDF had offices in all Provinces of Zimbabwe. There were approximately 7,000 Savings Clubs (SCs) of which 80% were located in rural areas. Membership fluctuated between 100,000 and 125,000 of whom about 93% were women. By September 2000 there were 34 full-time staff involved in savings mobilisation training.

CREDIT PROGRAMME

In 1996 a woman-targeted credit programme was started on a pilot basis in Matabeleland and Mashonaland to extend loans to Savings Clubs. This pilot was funded by KAF and CARE Zimbabwe. Then from 1998 the credit programme was significantly expanded with assistance from CARE-International using

SAVINGS PROGRAMME

Eligibility: A Savings Club is a group of 10 to 30 people who save money together in one bank book. Members usually come from the same locality and share a common bond.

Structure: At the first meeting of the club, members elect a management committee of at least 5 people including a chairperson, a secretary and a treasurer and draw up a constitution which binds all of them in their operations. Members of the committee are responsible for the good conduct of business and the safety of the cash. They decide which new members may join the club

Club Procedures: The club meets weekly at the same time and place, and members must deposit at least the minimum amount chosen by the club. Members who come late or fail to adhere to the rules of the club may in some instances be asked to pay fines. Money collected at the weekly club meeting is banked by the Management Committee in a savings account opened in the name of the club: this can be with a Building Society, Travelling Bank or the Post Office Savings Bank. Since some members are illiterate, SHDF designed a 'Stamps Sytem' with stamps of value ranging from 20c to Z\$5.00.

Savings conditions: Withdrawal conditions vary according to clubs' constitution. Usually, members have to give one week's notice, provide a relevant reason (emergency, investment in project, etc.) and obtain the agreement from the committee.

Savings can be used for any purpose, but are mostly used for meeting school-related expenses, purchasing agricultural inputs, initial funding of income-generating projects. Especially during drought periods savings are also used for household consumption. A member is free to resign if they want but are only entitled to withdraw the outstanding balance in their savings book.

CREDIT PROGRAMME

Eligibility: The credit programme gives loans to Savings Clubs for existing profitable projects of clubs or members who have been saving for at least one year. At any one time only one third of members may receive a loan. If members of the first batch repay well, a second batch of one third of members may apply for loans. SCs and/or members must have a withdrawable savings balance of at least 20% of the loan amount required deposited in SHDF bank account.

Individual applicants must be able to do business budgets and be able to maintain business records or must undergo SHDF training in this.

Purpose of loan: Loans are given to finance already existing income generation activities.

Interest rates Interest is 6% per month on declining balance (flat interest of 2.5% per month). A 2.5% application fee, calculated on the amount of the loan, is levied.

Loan amounts and repayment: In the initial stage only short term loans (12 months) can be given. Loans increase in 4 stages: in 2000 Maximum loan amount was Z\$ 5,000 (US\$ 90) for a first loan, Z\$ 10,000 for a second loan, etc.

Those applying for their 5th loan can access the "special portfolio". The range is between Z\$ 20,000 (US\$ 360) and Z\$ 100,000 (US\$1,800). Repayments are made monthly (capital plus interest) directly to SHDF bank account, or

Loan application procedure: Loan applicants fill in an individual application form available from SHDF offices through the club committees. Loan applications approved by the SC committee are forwarded to the SHDF office. The group is then visited by the SHDF District Credit Assistant and documents are forwarded to the Provincial Credit Officer and SHDF loan committee who make a final decision. If the loan is approved, the SC pays 20% of the loan amount as collateral into the SHDF bank account, receiving 15% dividend on this when they leave the programme. The savings account book is normally handed over to the SHDF credit officer and returned to the borrower after loan repayment if no new loan is sought. Normally the loan is disbursed by cheque from SHDF through the SC to be cashed through the savings account. The SC then signs a loan agreement which specifies the instalment amounts, dates and places of loan repayment among other things. Loan processing takes 2 months maximum for new borrowers.

Loan monitoring: is done by SHDF credit staff with assistance from the SC committee and higher level monitoring by elected Ward and Provincial level committees.

USAID funding and from ADRAI, a Belgian NGO. They have provided technical assistance and training and organizational support to make the transition from NGO to a financial intermediary. In 1999 SHDF received a further loan of Z\$2M from the Social Development Fund of the Government of Zimbabwe's Micro Enterprise Development Programme, and in 2000 a grant of US\$150,000 from the Japanese Embassy.

By December 2000 there were 4,906 active loan clients of whom 91% were women and outstanding balance of US\$279,970.

The credit programme is intended mainly for productive purposes. It is administered by SHDF staff with assistance from SC committees at various levels. Loan conditions are determined by SHDF and the ultimate decision about loan approval and disbursement by SHDF. By September 2000 SHDF had 88 full-time employees of whom 33 were in the credit programme. Following where distances are large at meetings arranged by SHDF the introduction of the credit programme SCs have been federated at Ward, District and Provincial levels.

Donor support for the introduction of the credit programme has also led to an increasing emphasis on measuring performance and financial sustainability. Although performance is good compared to other MFIs in the Zimbabwe context, by 2000 there were a number of emerging problems. Repayment rates in 1998 were 100% but by 2000 had declined to 81%. Due to limited financial information systems it is not possible to give a precise calculation of operational sustainability but by 2000 there was estimated to be only a 36% return on revenue. This low level of financial sustainability is partly because of escalating inflation (70% in 1999 rising to 100% by 2002) which has caused rising costs of items like fuel essential to running the programme.

There were also questions being raised about the degree to which the programme was succeeding in poverty targeting and how the contribution to women's empowerment could be increased.

TRAINING

SHDF also has a training component. Technical skills training was introduced in 1992, credit management training in 1995, project management in 1997, and other training (leadership, etc.) in 1998 (see Table below). These were conducted by Provincial coordinators (full time SHDF employees, 1 per province) and field trainers (contract workers). SHDF also mobilised SC members in order to benefit from AGRITEX and other Community training.

asked to keep diaries of their economic activities. The findings have been published in a series of reports, articles and conference papers: Lacoste et al 2000, Lacoste 2001a,b and Rastopoulos and Lacoste 2001. A second batch of follow-up interviews will be conducted in 2002.

- ◆
 - ◆ qualitative exploratory case studies on women's economic strategies and intra-household decision-making for a small
- average of 20 participants. The author in 1998 and 2000. In 1998 these were followed up by interviews by SHDF staff. In 2000 these followed up contrasting Lacoste's sample. 62
- Other sources used are an analysis of SHDF's loan portfolio and survey of 59 members by KAF in 1997 (Marx et al 1997); a survey by CARE-International Zimbabwe of 96 Savings Club members in 1999 (Bohn 1999); a survey by H.Awano for a doctoral dissertation in Nov 1998-Jan 1999 (Awano 1999) and a survey to assess the use and effectiveness of Technical Training by Benedicte.Lacoste commissioned by SHDF and ADRAI³ in 1998 (B.Lacoste 1999).

Year	Number of training sessions (on average 20 participants per session)					Number of participants			
	1991	1992	1993	1994	1995	1996	1997	1998	1999
Savings club Management	55	90	100	158	142	111	122	139	297
Technical Skills	0	10	20	40	89	14	19	26	50
Credit Management	0	0	0	0	0	0	0	0	0
Project Management	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Total	55	100	120	198	231	29	29	317	549

Source: SHDF Internal Memo, SHDF Training Summary for 1999 quoted Raftopoulos and Lacoste 2001

SCs themselves contacted speakers and trainers directly to address some meetings. Between 1996 and 1999 the range and numbers of different types of training almost doubled. This included not only the addition of training in credit management, but also project management training and other types of training like environment, civic education and women's rights. It is expected that training will develop even further as the core business of a separate organizational entity.

SECTION 3: CONTRIBUTION TO WOMEN'S EMPOWERMENT: POTENTIAL AND REALITY

There have been a series of impact studies and evaluations conducted by donors and external researchers²: This paper focuses on findings from two main sources:

- ◆ in-depth research conducted by Jean-Paul.Lacoste for a doctoral thesis. This included a series of structured interviews with 127 interviewees supplemented by anthropological participant observation, Case Studies and review of secondary sources. Women themselves were also

Taken together these studies discuss the following dimensions of impact:

- ◆ Poverty reach
- ◆ Women's use of formal and informal savings and credit
- ◆ Women's economic activities and incomes
- ◆ Women's control over resources and decision-making
- ◆ Women's support networks and collective action to challenge gender inequalities

3.1 POVERTY REACH

As noted above SHDF's mission is to target the rural and urban poor, serving people

who do not have access to formal banking services. The vast majority of members are women (93%) and women form a similar proportion of borrowers (91%). Although there is a concern with maintaining poverty targeting, there is no explicit commitment to reaching the poorest. There is a current concern to retain the generally better off borrowers who take larger loans and make larger savings deposits, contributing to the financial sustainability of the programme.

The extent to which SHDF reaches the poor, and particularly the poorest, is difficult to assess. All the impact assessments note considerable difficulties in assessing poverty levels of SHDF members for a number of reasons:

- ◆ the complex mix of market and non-market activities in the rural areas mean that cash incomes are often only a small proportion of total incomes.
- ◆ there is no clear correlation between ownership of assets like land and poverty levels because ecological conditions and/or lack of capital and/or labour shortage means that large areas of land may not be cultivated.
- ◆ people are often unwilling to state their incomes. In Shona culture there is a tendency to understate incomes because of fear of witchcraft⁴.
- ◆ women are often unable to say the levels of profits from their own income generation because of and the ad hoc and seasonal nature of the many informal activities.
- ◆ women often cannot say the levels of their husbands' income because of gender inequalities in the household.
- ◆ for women, the majority of members, household income bears little relation to income they receive. As discussed in more detail below, husbands are often absent and/or have more than one wife. They retain varying and fluctuating proportions of their own income leaving women to be dependent on subsistence activities and income generation activities or 'projects'.

The general conclusions of the studies were that a significant proportion of members are poor, particularly in the remoter rural areas⁵. However it is also clear that there are also biases against the poorest women inherent in the savings and credit methodology of SHDF and the way in which it operates in practice:

- ◆ Very poor women have difficulty raising the joining fees (Awano 1999)
- ◆ Very poor women have problems saving. Savings clubs never mention a minimum amount to be saved weekly or monthly in their constitutions. However members, and in particular new members, are in practice expected to save a few dollars at each meeting.
- ◆ For 95% of the members, projects are the main source of savings and are also needed to access loans. A survey of non-members found that only 76% are running projects. The 24% who do not have projects are technically excluded from becoming savings club members (Lacoste 2001). Given the importance of projects to women's sense of self-worth and security in the Zimbabwean context it is likely that many of these are women too poor to have the resources to start projects.
- ◆ New members are usually invited to join by old members, and very rarely take the initiative in asking to join. The poorest are less likely to be invited to join (Lacoste 2001).
- ◆ Reaching the very poor would require SHDF to take a much more pro-active role in setting indicators and identifying the poorest women, monitoring groups to assess levels of inclusion and providing the particular services they require.

3.2 IMPACT ON WOMEN'S USE OF OTHER INFORMAL AND FORMAL TYPES SAVINGS AND CREDIT PROVISION

The underlying assumption in microfinance provision is that it will increase women's access to credit and savings. More recently questions have been raised about the degree to which microfinance institutions distort and/or undermine existing informal

provision. For microfinance programmes themselves, understanding the ways in which the services they offer complement other informal and formal provision is important to making their programmes more sustainable (increasing levels of deposits and repayment rates) and improving their services to increase contribution to poverty reduction and/or empowerment.

The studies of SHDF are unusual in focusing on the range of women's savings and credit activities. The Savings Clubs are by no means the only ways in which women save or have access to credit. Lacoste identifies 12 different types of formal and informal arrangements for savings and/or credit: money on hand, secret savings, savings club, personal bank account, joint bank account, collateral, credit to customer or from shop/traders, credit to or from relatives, credit to or from friends, credit from MFIs, ROSCA and life insurance. Many women have very diversified portfolios. One woman interviewed by Lacoste participated in four different ROSCAs, while another had four different bank accounts. Most people have several creditors.

All the studies found that the ability to save was high in the list of positive changes in women's position in recent years mentioned by women to the author. The rapid expansion of Savings Clubs since the 1960s indicates that they certainly must fulfil a role not addressed by these other institutions. All the studies also find that women are juggling a range of different savings provision for different purposes. The relative advantages of SCs compared to other forms of savings are seen to be:

- low transaction costs for rural women compared with banks (both KAF and Lacoste)
- ◆ ability to deposit small amounts, particularly helping savings club members to "get rid" of their cash on hand surplus and inaccessible to husbands and family members (both KAF and Lacoste)
- ◆
- ◆ illiquidity of savings: SCs have low liquidity because of strict rules for withdrawing. Members can usually withdraw once or twice a year for a

specific purpose. In case of emergency, members have to wait until the following meeting, explain the difficulties that they are facing, receive the agreement of other club members and wait again for the treasurer to go and withdraw the required amount at the clubs bank account. This contrasts with the relative liquidity of bank savings for those within short physical distance of branches which means these women are under constant pressure to withdraw bank savings. Most members having both savings in SCs and a personal bank account mentioned liquidity as a major advantage of bank account in times of emergency. ROSCAs were used for saving relatively large amounts for particular purposes. Both Lacoste and the author's own study found that the compulsory nature of SHDF savings was said to be valuable in enabling women to build up a fund which other family members cannot pressure them to access without losing face. SC savings provided funds for economic undertakings against the wishes of some husbands who were reluctant to permit their wives to use household funds for their projects.

Nevertheless, whatever the relative advantages, the levels of savings in the SCs are quite small: only 6% of total financial savings for rural women and 8% for urban women. In the current economic climate (inflation around 70% in 1999 and 2000) any savings represent a net loss of capital compared to savings in kind or prudent reinvestment in projects. Moreover there are inbuilt social mechanisms which limit levels of savings in the Clubs and hence the degree to which the SCs can be used as the prime source of investment for production.

Lacoste's study found that the credit programme **had little impact on the informal borrowing** behaviour of members. Borrowers did not use informal credit significantly less than savers. The only significant difference was that borrowers appeared to borrow more than savers from other Savings Club members. This can be easily explained by SHDF credit methodology as borrowers are co-responsible, they lend and borrow from each other in order to meet the club monthly repayment. The KAF study also found that for most interviewees the loan programme was supplemented by other

sources of borrowing and investment. SHDF loans met only part of investment requirement, 68% of cases filled the gap with business profits, 19% with savings deposits, 6% from family assistance, 3% from ROSCAs and 3% with salary from another job. The CARE study found that borrowers were more likely to have higher levels of lending to clients. This may be making themselves more vulnerable to customer default and was causing problems in turn for repayment levels in SHDF.

Through savings clubs, women have access to different types of training: savings management, technical and project management training at a very low cost (Z\$5/day for SMT, Z\$10/day for TT, Z\$20/day for PM) or even for free (Credit Management Training). In the KAF study about two thirds of the borrowers interviewed had received additional training of various types⁶. Almost half of these courses were organised by SHDF while others were run by churches, schools, various ministries. Most of the women interviewed who had had training had found it useful and many requested more training. In Zhenje some women wanted more discussions on issues like women's rights. In the CARE study 71% of respondents got training before their loan, 88 percent from SHDF, 6% from the church, 4% from a school and Red Cross and 3% from the Zimbabwe Women's Bureau. Other training opportunities to members came from Agritex, AWC, various government ministries, friends, other Savings Clubs and their own Club members. Training in project management constituted 43% of all cited training before loans. Credit management and record keeping each had 18%. 40% technical training in eg soap and lotion making, sewing gardening and computers. Following the loan 16 percent had received loans in tie and dye, credit management, banking project management and record-keeping.

3.3 CONTRIBUTION TO WOMEN'S ECONOMIC ACTIVITIES AND INCOMES

Particularly in the 1990s women in Zimbabwe have been increasingly assuming more financial responsibility with the household. Women have been largely dependent on micro-enterprise and small livestock production. As indicated in Box 1 above, one

of the four stated aims of SHDF is to 'provide accessible credit to Savings clubs and/or members undertaking viable self-help projects, thereby leading to increased incomes, savings and investment'. The SHDF program has undoubtedly assisted significant numbers of women in expanding and starting income generation activities. The training and organisation of groups has also undoubtedly further contributed to changing the attitudes of men towards women's income earning. Nevertheless women's earnings remain generally very low because of lack of diversification, women's inability to reinvest profits in IGAs and wider constraints in the Zimbabwean economy.

Assessing impact on incomes is notoriously problematic. This is partly so because of similar problems to those noted above for assessing household-level poverty:

SHDF records are unreliable as an indicator of *actual* loan use. Estimates of levels of loan diversion vary significantly between studies but the Lacoste study found a relatively small proportion (20.6%) of borrowers using all of their loans for the purpose mentioned in the application⁷:

Cash incomes are typically sporadic and uncertain, with fluctuating prices of both raw materials and products. As a result women often do not know their incomes. Women frequently change activities because of illness or family circumstances as well as market fluctuations. Lacoste found that only 32% of those interviewed accurately knew the amount of profit they made during a specific period of time, a further 22% knew 'more or less' and as many as 46% admitted they had no idea. Assessing incomes is extremely time-consuming for a large sample, particularly in Cases like Mrs A in Box 4 who are combining multiple activities with different patterns of investment and earning.

Many women are investing in economic activities which combine both market activities and own use (see below). In Lacoste's study 82% of projects combined market and self reliant purposes. In 69% of projects (93% of gardening projects), part of the outputs are used for gifts.

Some women were unwilling to state their incomes for fear of jealousy.

Even reliable evidence of changes in income levels over time cannot be taken as incontrovertible evidence of programme impact. It is unclear how far any increases or decreases in income are due to the programme, how far to seasonal differences in the timing of interviews which alter respondent perceptions of relative poverty, and how far to macro-economic factors. Inflation and recession have also deeply affected the purchasing power not only of members themselves, but also of the lower and middle classes who form the main market for most of their projects.

None of the studies rigorously assesses the actual impact of savings or loans through a detailed tracing through of loan and savings use as a proportion of investment through to incomes over time⁸. Although levels of savings are small, most savings withdrawals were said to be for productive purposes.

Levels of loan amount by contrast are significant relative to incomes⁹. They are explicitly not intended for either new activities or consumption purposes. It does appear that most women control loan use. In contrast to Bangladesh only one out of 66 SHDF borrowers mentioned that she gave her loan to her husband. This does not rule out joint use of loan in household agriculture and one out of four (24.2%) borrowers mentioned that their husbands were asking them to take a loan.

SHDF loans are intended primarily for investment in productive activities in which women are already engaged. However loans are not necessarily used for production. It is also clear from the author's Case Studies that contrary to SHDF's requirement of investment in existing activities, many women are in fact starting new projects with the loan money. In some cases their inexperience leads to serious problems, in others they are successfully able to either begin to be involved in economic activity or to diversify existing activities which they had previously not had the capital to engage in.

Using various types of proxy indicator and despite significant variations in estimates of extent of benefit, all the studies conclude that there have been increases in income for a significant proportion of women since the beginning of their involvement in SHDF loan

program. According to JP Lacoste's study 48% of those interviewed said their incomes were higher than 2 years ago. Repayment survey found that 65.2% said it was easy to repay their loans. 28.4% were able to use their primary purpose as stated in the loan application as the only source for repayment. Qualitative data also indicated a general perception that the loan program has contributed to the difference. Those interviewed gave answers such as:

"Borrowers are more motivated to start new projects, to work harder and to make more money"

"Borrowers dress better, they send their children to school, they eat better and they are able to buy seeds and fertiliser before others"

"During club meetings, borrowers have more to talk about, savers are quieter"

"With good planning, the credit certainly enhances your business" (Lacoste 2001)

In the 1998 and 2000 Mayoux survey and Case Studies all women interviewed (apart from one case where the husband had taken the loan) reported increases in income traced through from loan use. These resulted in either one-off payments on sale of livestock or cross border trade and/or less easily quantifiable increases from contribution to raw materials. However these findings may be biased by the fact that survey interviewers were from SHDF and women may have given false information about loan use as discussed above.

A particularly successful case was Mrs A in Box 4 interviewed by the author from Lacoste's sample. She is combining many different activities and even earning more than her husband. Other women like Mrs B are travelling long distances to earn an income in difficult circumstances. There are also occasional cases of women challenging the traditional division of labour. One woman mentioned to the author but not interviewed in Zhenje had used a loan to purchase an ox, normally only owned by men. The women cited her case with admiration as a rare challenge to dominant gender roles.

CASE 1: MRS A: WOMAN OF MANY TALENTS

Mrs A is a married woman of 44 years of age. Her husband works as a groundsman in Harare. She thanks God that her husband has always been good, even when he was working far away. They have eight children. The oldest son is 28 and living with his father in Harare looking for a job.

She has been a member of SHDF since 1983. She joined when she was very young because her husband was working in Harare and did not always give her enough money. She could not even afford salt and was in great difficulty. She was at that time 'not working but just a housewife sitting at home and waiting for her husband to come and give her money'. When she joined SHDF the Agritex extension worker came and showed them gardening. She started the gardening project which enabled her to save. She saved money for 12 months through saving money from the money her husband gave her for her own consumption. Then she started to buy seeds. She didn't tell him at first. But when she started to earn an income he got a pleasant surprise.

Now she is treasurer and SHDF Ward Representative for the area. She has six projects from which she earns over Z\$95,750 per year:

- 1) poultry which makes Z\$4,700 per month: Z\$56,000 per year
- 2) tailoring which makes about Z\$2,000 per month: Z\$24,000 per year
- 3) goat rearing: one goat sold roughly each month between June and December at Z\$2,000 each: Z\$16,000 per year
- 4) making uniforms for church once a year in August and also by order for the rest of the year: Z\$3,750 per year.
- 5) gardening on half an acre from which she sells some of the produce but she does not know the profit
- 6) has a large orchard from which she sells the fruit but she does not know the levels profit.

Of these it is the tailoring and making uniforms in which she takes most pride. The latter obviously gives her pleasure and status within her church community.

This considerable entrepreneurial flair earns her more than her husband's salary of Z\$60,000 (including lodging). Her husband brings his money home and they discussed together how to spend it. She keeps money to reinvest in her projects because she wants them to grow and expand. For the household last month she gave Z\$10,000 and he gave Z\$5,000 of which Z\$5,200 was spent on school fees. From his salary he

keeps Z\$1,000 for himself and his son for food. Neither of them know how much the other has in their savings account.

She wants to apply for a Z\$50,000 loan from SHDF to invest in her projects. Although she is short of labour in her own projects, she says her unemployed son is not prepared to work in the sort of low paid projects which women do. Men would rather not work at all to preserve their pride. She is planning to teacher daughter to help her and she will employ someone from outside.

CASE 2: MRS B : CROSS-BORDER TRADER

Mrs Ani is a divorced woman of about 38 years old. She lives with her mother and has two children of 9 and 11 years. The divorce was very acrimonious and her husband

didn't let her take anything with her except for her clothes. Normally children stay with their father's family. However she and her children missed each other very much and her husband saw that they were suffering a lot so eventually he agreed that they could stay with her. Her husband is now unemployed and she is totally responsible for their maintenance.

She joined SHDF because she saw some other women members who were very successful. So she was keen to also 'uplift' herself. At that time she was involved in cross-border trade, buying and selling goods in Harare and Zambia. She started in 1997 because her niece had started and got her some orders and told her what to bring. Earnings were good because the currency was strong at that time. She used to go four times a year and earned Z\$3-4,000 each time. Her husband was at that time earning Z\$28,000 a year working in a factory.

She got her first SHDF loan of Z\$ 3000 in 1998. She used part of this to buy clothes to sell in Zambia and also to buy clothes and school fees for the children. She got a second loan of Z\$6,000 which she used to start horticulture. She also bought maize and chickens which she sold to buy clothes. In gardening she earns about Z\$500 a month.

She can't do cross-border trade more often because her children are still young and she has to leave them with her mother. They now have a good network of friends and she goes with a group of women. The women from Zambia also come here and they keep meeting new people. She finds it interesting going to Zambia. At the moment because of the currency devaluation there is not much profit. But she is planning to

go again as soon as she gets another loan. The amount she can sell is only limited by the amount of money she has to invest.

Horticulture is generally more profitable than cross-border trade at the moment. But there is little prospect for expansion. Land is not a problem as there is no land shortage and she has access to as much land as she can cultivate through her father's lineage. The main problem is market saturation in produce like tomatoes because all the women go at once from different villages. She sees this as unavoidable because they would be unable to organise any sort of market association. People are interested in group projects only because they see this is a way of getting grants. Everyone wants to do their own thing. People often do things to help each other but they want to do the accounts and selling separately. Other limitations are money to invest in fencing to make the garden secure the animals, labour shortage because men prefer to work in building construction and women to work on their own land and water shortage because the water table has gone down dramatically in recent years

Her main problem with the SHDF programme is that she wants SHDF to introduce a grace period. She cannot sell produce until the 29th of the month when the labourers in the villages have the cash to pay with. But she has to repay SHDF loans on the 28th. Although SHDF say that this arrangement is in order to discourage selling on credit which has led to repayment problems, she does not sell on credit but has to go to go to sell on the days when money is available.

Her plans are to slowly expand and go stage by stage. Her next loan she wants to apply for Z\$12,000 and invest again in cross-border trade and horticulture.

It is nevertheless clear that not all women had gained. 23% of borrowers in the KAF study made a loss and even for other interviewees actual profits were 27% lower on average than those anticipated by SHDF credit officer or borrower. A considerable number expressed fears of being unable to repay and a sizeable proportion (22%) of interviewees said they had difficulties repaying the first loan instalment. Despite the optimism of the CARE study 14% of new clients and 18% of repeat clients said their income had decreased over the past year¹⁰. In Lacoste's study as many as 31% said their incomes were lower than 2 years ago.

Even where women's incomes have increased, they are generally extremely low and significantly below those of men. Even the incomes of relatively successful women are not high compared with incomes of factory workers or even the daily food requirement of a family¹¹. Most investment has been in 'traditional female skills'. According to SHDF records 50% of loan applications are for commerce-trade, 27% for manufacturing (sewing, tie and dye, bakery, basket making, etc.), 15% for agricultural and livestock projects, 7% for horticulture and 1% for services (mainly hair-dressing) (SHDF, Portfolio Report, December 2000). In his rigorous quantitative study Lacoste notes maximum annual incomes of Z\$13,000 from a knitting project, Z\$9,500 from gardening, Z\$36,000 from poultry and trade and Z\$39,316 from sewing. This compares with a low male (night guard, factory worker, etc.) annual salary around Z\$36,000 and for a teacher os Z\$72,000 to Z\$108,000. Incomes for most women from single activities were significantly lower than the maximum. In Lacoste's study trade and sewing were the most profitable (Z\$7,921 and Z\$10,440). Agricultural projects and poultry were less profitable (Z\$5,175 and Z\$6,344). Five out of the nine types of projects (gardening, crochet, meeting, services and other manufacture) brought in an average annual income of Z\$4,000 or less. All these are lower than average net income from women's salaried employment (Z\$11,844). Although total incomes can be increased through diversification as in the case of Mrs A, the average number of projects was only 1.57 per member.

Obviously all these problems cannot be attributed to the loan. As discussed above the Zimbabwe context for micro-enterprise has deteriorated in many ways in recent years because of macro-economic factors. There are nevertheless gender dimensions which the programme could do more to address.

Women generally have very limited visions of their options for economic activity. Women's activities are termed 'projects' and seen as generating supplementary income, rather than 'businesses'. Comparisons by the author of the applications of women and men in Budiro and Zhenje indicated that men were aspiring to much larger loans in

more lucrative crops and industries than women were. Women said many men remain unemployed rather than taking up economic activities which pay as little as those of women. Many of the training courses and skills are learnt to decrease expenses on items like clothes and soap rather than for market production and/or to decrease expenses of their social obligations at social events at weddings and funerals (B.Lacoste 1998).

A second critical factor is women's marketing strategies. When asked why they choose particular projects rather than others, the prime considerations are skills and access to inputs then anticipated profitability. Rarely do women do any market analysis first. Most sales are at home to other members of the village. Women try to build a social network at the church, Savings Club meetings and when they go to local village stores, talking about their projects and hoping that people will come to buy. The lucky ones are those whose husband is a teacher, pastor or taxi driver. They are in contact with people with money and help their wives sell their products. Other women have to work hard to find a market, walking to other villages, farms or selling along the roads or town markets. This is extremely time-consuming.

A further factor is women's investment strategies. In the CARE study a majority of both first loan recipients (54%) and second loan recipients (63%) used their profits to reinvest in their primary business. However the proportion of loans used for reinvestment compared with uses like buying items for the home decreased with number of loans. This indicates that once women reach a certain stage they are less interested in making their businesses grow. How far this is linked to limited control over incomes, fear of male jealousy and tension in the household is unclear.

The impact of project management training had not been evaluated at the time of writing. However anecdotal evidence from interviews by the author indicated that women found a very useful in helping them realise how little they were earning. Women like Mrs D in Box 7 subsequently raised their prices and joined with other women to fix prices higher. Other women like Mrs E have been unable to follow the advice they got from the course about reinvesting profits and

not spending on consumption because incomes were too low. Those women who were asked were not able to follow up on the training and keep the diaries with which they were issued.

Even if the loan program has been significant in contributing to incomes of some women, it is nevertheless of critical importance to the programme to identify the reasons for declining incomes of a significant minority because of the impact on repayment levels. It is also critical to improving services. In the case of Mrs E for example a strategy to encourage her husband to save from his pension and solving a temporary cash flow problem would have enabled the household to build up assets and then invest a loan in the wife's project. As things are the project is actually making the household poorer through the net outflow of loan interest and the inability to save anything or earn an income. It was estimated by programme staff that roughly 10% of households were having serious problems of this sort.



Case 3: Mrs C: an uphill struggle in saturated markets

Mrs C is a divorced woman whose husband left her in 1998. He

took all the things and only left her and the children with the clothes they were wearing. Finally her brother managed to get her sewing machine back. Gladys does tailoring and making floor mats from the plastic strips out of cold storage machines. Normally she sells mats at Z\$65 per piece and makes nine per month, a total of Z\$585 per month.

Mrs C joined SHDF in 1997. The loans have helped her a lot because now she can get food and pay school fees. But she is still struggling.

With her first loan she went to South Africa and brought back some blankets. The women from SHDF got together and hired a bus through a bus company who arrange the visas and everything. She got Z\$500 which she had to use for school fees because her husband had deserted her. Now they're not going because of the currency devaluation.

Her brother bought her a knitting machine. She used to get \$4000-5000 profit a month for knitting. She used sell on the commercial farms. She could buy in bulk and make whatever she wanted. She gets the cheapest material because they can't pay for any more. Customers are very poor and can't pay for everything all at once and have to pay little by little. People can only buy things on credit. But now the farms are being taken for resettlement and so she is scared to give on

credit there. One person went away without paying when the farm was taken over.

In the urban areas there are too many people with knitting machines so it is very difficult to sell. Nearly everyone has a knitting machine. She advertises through a sign in her house. But she has to wait for orders and then do what the customer wants. Also now it's the warm season so there's not so much demand. When the rains come it will get cooler and there will be more demand for knitted goods. Now people want brightly coloured things and she can't do that on her machine. She makes things like hats, baby sets from leftovers. In the urban area she has to get good material. If she could afford to buy more expensive material she could make more profit because she knows how to make very good clothes. But she could not get a large enough loan. The other problem is competition from second-hand clothes. She doesn't know of any successful sewing project. She just carries on because it's all she can do. She has no alternative.

Now she has decided to start barter trade selling goods in the rural areas in return for maize to sell in the town. Sometimes she does barter trade for groundnuts and makes peanut butter. That makes more profit. With her recent loan she bought wool and made some jerseys and they are selling now. Her mother sometimes takes her things to sell at home in the village.

There was a plan that SHDF would help with marketing and open a shop but they had no marketing woman. The council said they would get them a shop on the Main Street but nothing happened.

There are problems in her savings club because the chairwoman went to Harare before all loans had been repaid. This meant some of the members had to cover the loans of defaulters and the club has split. Now she is looking for another club.

Maybe if God wants it will get better.

CASE 4: Mrs D: attempting to diversify



Lilian is a young married woman of about 24 years of age. When she left school she worked as a domestic servant in Harare earning Z\$350 a month which she spent on her clothes. She

married in 1995 and came to her husband's village and they both started farming. They have two children aged six and three. Her husband works for Harare City Council. He says he earns Z\$3,000-4,000 now. It was better before he was retrenched. He did not get a pension because he was a contract worker. He comes home every two weeks.

She grows food crops like maize for both of them. In order to produce all the household's needs it takes two hectares of land. They have more than this but they are not used to farming so they can't cope with any more. She quite likes farming but finds it quite hard.

She joined SHDF a year ago in order to save. It was difficult to save in the house. She started doing projects because she saw that women who started them were

benefiting. Her husband also thought it was a good idea.

1) She started selling paraffin about two years ago when there was a problem with paraffin supply in the village. Her husband brings paraffin from Harare in a plastic container. He has contacts and so he does not have to queue. People come to buy from the house. She gets Z\$500 from 20 litres of paraffin a week so she gets Z\$2-3,000 a month.

2) She started making peanut butter eight months ago. Income varies month to month. Last month she made 5 litres which took about 5 hours for four and only got Z\$300 profit. She operates a credit system where she gives the peanut butter at beginning of the month and collects the money at the end. She sells at a nearby school but sometimes she has to struggle and sell far away.

3) Horticulture: she does some produce for sale earning about 180Z\$ a month.

They help each other with money. The groundnuts and roundnuts are hers to use either for the household or to sell. She is saving \$50 a week. Her husband is also saving money and gives her money for her son and pays the school fees. Her husband usually gets groceries, but if they run out she spends from her own money. She keeps her own money to buy whatever she needs when her husband is away. She can also buy things for herself.

She did project management training. Now she fixes the price of peanut butter depending on the cost. She was charging Z\$40 now she has increased the price to Z\$50. Four women are producing peanut butter in the village they have all got together and agreed a price. She explained to her clients and they understood. Some of them stopped for a month but now they're buying again. She will keep on increasing the price if there is a demand.

Sometimes she has time to do more work. She could do more trading and also selling clothes. But she doesn't have enough money. Her husband doesn't want her to take a loan because he's worried she won't be able to repay. It's very difficult nowadays because more money is needed for transport. They could improve by plowing maize for food but they need more money for fertiliser. They would need Z\$5000 loan for a year but there's nowhere to get a loan. They can't borrow from relatives. Her husband saved for lobola and has just a little bit more to pay.

Their club wants to start a tie and dye project as a group project with a bigger loan. They applied for an SHDF loan. They chose tie and dye because the inputs are cheap. But they really want employment and not projects. She wants SHDF to set up some proper employment.



CASE 5: MRS E: A Case of Loan Dependence

Mrs E is a married woman of about 40 years of age. Her husband has been ill since 1996. He is not getting any treatment because it is too expensive. He is getting a monthly allowance of Z\$3,000 from the paints factory in Harare where he worked

and is waiting to get a lump sum pension. Her husband had two wives at that time. One was a cousin and they got on quite well and used to live together. Later on the other wife joined her husband in Harare because she was doing hawking and trade. Then the other wife left without telling her why and left her two children with her husband. She herself stayed in the village with her husband coming once a week and she went once a month to Harare to get groceries. She prefers staying here in the village because she felt safe. Her husband was contributing and visiting her regularly. She is responsible for all the farming.

She joined the SHDF Savings Club in 1983 because she thought it would be good to save money for school fees and fertilisers. At that time she relied mainly on what her husband gave her for the savings contributions. They were reasonably well off and they could buy better fertiliser and send the children to school. She also earned some income from knitting baby sets. Her husband gave her something to start the project with and then she invested the profits. She sold the knitting and bought the wool when she went to Harare. People came and gave orders at her husband's accommodation. She never thought of co-operating with her co-wife because they each had their own activities. Some time she had more orders than she could supply because there was a shortage of wool. Her husband could not help that much because the family was too large.

Her husband earned Z\$2,000 at that time and she made three baby sets a month from which she earned Z\$500. Her husband took responsibility for most expenditure and gave her about Z\$600 a month. She would just supplement his income from her project. She cannot remember how she divided up her income. It was too little and was a headache to think about.

She got her first loan of Z\$1,500 in 1998 to invest in a project. From this she spent Z\$800 on school fees. Despite taking the money for the existing knitting project she used the remaining amount to start trading because she thought she could make more money. But she made a loss. Before the loan she was given training in business and savings and credit, but found it difficult to follow. The training was good but the women were inexperienced. Sometimes things don't go according to plan. The second and third loans were for Z\$2,000. With the fourth loan of Z\$2,000 she bought a goat. She wanted to use her fifth loan of Z\$2000 to start a poultry project but they had a bad harvest and so she used the money to buy maize.

Before the loan her husband paid for all the children's school fees but now they have split the responsibility. She pays for the primary school in the village and he pays for the secondary school. She repays the loan from her husband's income. Neither of them want to be very open about their savings. She thinks that the loan makes them more disciplined in saving. Her husband would not have enough discipline to save on his own.

The highest loan in her group is Z\$ 3000 but this is too much for her to repay. It is not worth taking a larger loan because there is not enough profit in the projects she can run. There are a lot of training opportunities in skills through SHDF but she can't go because she has to pay. She went to the five-day project management training. This helped her realise that she was not doing well in her project and that she shouldn't spend the profits on the household. Now she has this knowledge but she still doesn't have enough money to follow the rule. She has no plans for herself because her

husband's illness is holding her back. The main problem is money.

She is the Ward Representative and spends 4 hours a week unpaid on SHDF work. She thinks that women here are 'very down' because they are not able to invest properly in the projects. It is only through credit that they are able to advance. Some of the men are very oppressive and do not let the women go anywhere without their permission. In most cases after going out and selling men take the money by force and the women is forced to give the money or to give full account of it. Husbands all want to know what is in their wives' bank balance but do not want to account for what they do with their own money. They have never tried to borrow from the bank because they don't have knowledge do that. There are no money lenders and it is only teachers and salaried people who can get credit from stores.

She thinks it is best to have clubs of women only. The few men who borrowed from their Club did not repay. Also when men are involved they want to dominate. So their Club has stopped admitting men members.

3.4 IMPACT ON INTRAHOUSEHOLD RELATIONS

It is assumed in much of the literature that increasing women's incomes translates unproblematically into increased contribution to household budgets and thence to increases in women's control over economic assets and decision-making. There is no explicit aim on the part of SHDF for women's empowerment. However it is clear from interviews with the women themselves, that 'upliftment of women' is a prime aim of many of the members. This is also echoed in the content of many of the training courses. For many women their own increased economic independence is a clearly expressed and critical part of this 'upliftment'.

None of the studies have systematically assessed the impact of savings and credit on intra-household relations.¹² They have looked at the general extent of women's contribution to household budgets, women's role in decision-making and the constraints which intra-household relations place on women's economic activity. Although such data cannot be seen as evidence of programme impact as such, the findings call into question many of the assumptions underlying impact assessments at the household level. They also call into question assumptions about the inevitably beneficial impact for women of their increased role in production.

Women's contribution to the household budget

It is clear from all the impact studies that the model of joint household income bears little relation to reality in Zimbabwe. There is a general feeling that, in Shona society, most husbands and wives run parallel lives. This is largely by necessity because men often have to migrate for work leaving women behind in the rural areas.

Women's contribution to the household budget has undoubtedly increased in recent years. The SHDF programme has contributed directly to this trend. As noted above, savings and loans are often used directly for household subsistence and school fees as noted above. Where women's incomes have increased these are also spent on the household.

None of the studies systematically track the relative contributions of husbands and wives to the household budget. The CARE and Lacoste studies use the concept of 'main income earner'. In the CARE study, out of the 50% of women who were married and living together as many as 42% the woman was said to be the main income earner. The study notes that even where men are identified as the main earner they may not necessarily always be the main contributor to the household budget.

Households differ markedly in the ways in which incomes from husbands and wives are allocated depending on factors like where the husband works, how much he earns, number of households for which he is responsible and also the general nature of the relationship between husbands and wives. Interviews by the author and SHDF staff with a very limited sample in a rural area in 1998 and 2000 found that:

In all households of married couples both spouses contributed some money to a household pool from which some consumption expenses were met. The relative balance of contribution varied between households. In a few cases like that of Mrs A all household expenses appear to be jointly discussed. But in her case she contributes far more to the household budget. In other cases in rural areas the wife receives a fixed allowance from which she meets the expenses for herself, her children

and any other dependents. It is from this budget that many women have begun saving through decreasing their own consumption levels.

Women have traditionally had rights to keep and control income from their own work and from sale of certain crops. All women interviewed by SHDF in 1998 said they controlled the income they earned from the income financed by the loan. However the boundary between women's own personal expenses and use for household needs is rather blurred. In Lacoste's study analysis of 'women's budgets' found that food constituted 33%, house expenses (utilities, clothes and items like soap) 22%, investment in projects 22%, rent in urban areas 11% and education 7%. It is however unclear whether these budgets are from women's own income or include husband's contribution over which the wife has control¹³.

In most cases men's higher income means that they contribute more to the household. Those working in urban areas have high expenses of their own. But they also keep considerably more for themselves either in savings or for luxury expenses¹⁴. In interviews in 1998 men's expenditure on things like drink amounted to a significant proportion of household income in some cases.

One trend appears to be that with the availability of women's loans, savings and incomes for school fees these are now being increasingly met by women whereas previously they were met by men. It is also clear that women are under considerable pressure to give most of their income to the household as in the cases of Mrs G and Mrs H in Box 8. Women interviewed by the author in both rural and urban areas said that now men expected women to have their own income and use this for household needs. They said that nowadays if women were not able to make significant contributions to the household then this was likely to cause serious tensions.

It is unclear from the data what effect this increased contribution by women is having on men's contribution. Whether it is leaving men's contribution unchanged, or even increased due to improved optimism about the family's future, but allocated to different

household needs, or enabling men to keep more of their own income. In some cases, where relations are good, men are helping women with their projects. However many women suspect this is used for increased spending on women in town and alcohol. Mrs G was in one of only two households in the community where men did not drink. In extreme cases like that of Mrs H, women have very little access to husband's earnings and he may also attempt to squander her earnings on drink.

Significantly men interviewed by the author in 1998 explicitly said they valued women's contribution to the household because this freed them from some of their responsibility. As one old man explained to the author 'It is good now women have their own savings because men are irresponsible and women are the backbone of the family'. When asked whether it would not be better to make men responsible also both he and the women present laughed and said this was unlikely.

Women's ability to contribute to the household in the absence of changes in other dimensions of gender inequality, may merely be absolving men of responsibility for household expenditure, with negative consequences for household cohesion. Again these trends are not only important in terms of gender impact, but also for programme sustainability. Where women are unable to set up projects because they are expected to use loans for household expenses and are therefore dependent on men for repayment, repayment levels are dangerously subject to the fluctuations in relations between husbands and wives. When husbands become unemployed and/or household tensions increase then women have great difficulties repaying loans.



CASE 5: Mrs F age 30, married and she attended Junior school. They are one of the better-off households in the community. Her husband was a teacher earning Z\$3,000 and is now an accountant earning Z\$7,000 per month. He has 3 acres of land in his name and they have TV.

She joined the Savings Club in 1986 and is currently the Secretary. She decided to join with the full support of her husband. She has taken two loans one \$2000 for poultry and \$3000 for trading. She also has two pigs. She earns Z\$200 a month and since the loan has been able to work throughout the year. Despite these activities she describes herself as a 'housewife' who 'does nothing' and questions about her daily routine are mainly answered with details about housework and cultivation. She normally has a balance of about Z\$100 with SHDF, Z\$700 in the bank and Z\$400 contribution to ROSCAs. She does not know how much savings her husband has, but he knows about her account. Of her income she keeps Z\$100 for herself and puts Z\$100 into the household budget. She also purchased an asbestos roof for the house with her income. This compares with her husband who from his monthly salary keeps Z\$300, gives her Z\$300 and gives the remaining amount to the household budget. Neither husband nor wife drink alcohol.

She feels very insecure in her relationship and does not know what her husband does when he goes to Harare. She has also faced continual resistance from her father-in-law to her earning an income and becoming more financially independent. She is a member of the Zimbabwe Women's Bureau. She sees increased financial independence as the most important advance for women in recent years and (reflecting her own experience) opposition by fathers-in-law as the most significant obstacle. The group meetings which she found most interesting were cooking and singing and would like them to do some sport like netball.

CASE 6: MRS G has been a saver for four years. She started to save a little money so that at the end of the year she could buy fertilisers. She saves Z\$10-20 per week. SHDF is different from the Post Office because for the Post Office she needs more money for transport. She doesn't know the interest rate in the Post Office. She was contributing to a burial society but then the savings went up from Z\$50 to Z\$100. SHDF is better because there's no fixed amount and she can just save what she has.

She is doing poultry with indigenous chickens. They don't need so much inputs. She can sell to three chickens are month and makes Z\$300. Poultry could be more profitable but she has no money. She works at the resettlement area cultivating vegetables for which she gets vegetables to sell and makes \$100 working 8-10 hours one day a week. She can't do more than this because it's a long way away and she has to walk there.

'The law' ie her husband won't allow her to take a loan. He is very strict. He works a long way away in Kariba and a sometimes away for four months at a time. He is worried about her not making enough profit and that SHDF will come and take things away to call in

the loan. He is also worried about what would happen if he died and she could not repay. If he refuses there's nothing she can do. If the researchers had talked to him while they were doing research he would have listened to them. Now it is only her word. She is also worried about not being able to repay loan because of the burden of school fees. If the project doesn't succeed then she will have more of a burden. Now she is paying the fees from goats and chickens.

Her husband only brings groceries because he says he has to spend so much money on transport. He is working for fridge repair. She doesn't know what he earns. Even if she asks he says 'why do you need to know? I've bought you groceries'. He will promise to bring school fees and then not bring. It's very difficult to get any information. School fees are a man's responsibility, but most of the time it is the woman who pays. Currently she is the only wife but she doesn't know what's going on where he works. There isn't enough money for her to go there. Even when she got married she did know how much he was earning. It's impossible to find out because he asked why she wants to know.

Now she is looking forward to the rains because she can start farming. She has made up her mind to ask her husband again. She will use the loan for poultry project. She wants Z\$1500 and expects Z\$1000 profit per batch every three months. If it goes well then she would expand.

CASE 7: Mrs H age 23, married with two children who both go to school. She herself was only educated to Form 3 and her husband to O'level. Her husband owns 1 acre of land on which they grow vegetables which they both go to sell in Harare and earn about Z\$700 a month. This year the rains were bad so they did not grow enough to keep any back for their own consumption. Her husband also has occasional work in a pottery factory where earnings are Z\$800 a month. He keeps all the money and she has to ask him for money for food and other household needs. He drinks every day, spending Z\$100 a month and is very violent towards her. She cannot leave him because she would have to leave the children and anyway it is too difficult for a woman on her own.

She started to go to meetings of the savings Club three years ago. Her husband did not want her to join the Savings Club but she managed to get support from her husband's mother who was also a member. She saves money secretly from the money her husband gives her for food and tells her husband that her sisters give it to her. She got a loan of Z\$1,000 but her husband found out and took it from her so she could not repay. She is hoping for another loan which she would keep secret from her husband to do trade in second-hand clothes. She would say her sister gave her the money. The training which she found most useful was the 'education for life.'

Changes in household decision-making

It is generally assumed that women's increased contribution to the household, even if it leads to male diversion of income, will still lead to greater levels of gender

equality and increased women's role in decision-making. A number of women (8 out of 11) interviewed by SHDF in 1998 mentioned women's increased 'financial independence' as one of the major significant changes in women's status in recent years, and also a major contribution of the programme. This was also reflected in the interviews by the author in 2000. The CARE study asked women whether they thought their role in decision-making had increased. 61% said there had been an increase since SC membership and particularly since the loan. Many were satisfied with their new powers, saying they were now 'clever'.

It is however clear that the 'financial independence' women valued was very limited. Women certainly valued the right to have their own bank account was also highly valued¹⁵. In Lacoste's study 75% of women with joint bank accounts also have a personal bank account. The high average balances in these accounts (Z\$4,125 (US\$108) in rural areas and Z\$5,000 (US\$131) in urban areas) indicates that these were richer households. By comparison according to the women interviewed by ADRAI, 64% of husbands living in rural areas hold a personal bank account, with an estimated balance of Z\$7,453 (US\$196), much higher than that of women in Lacoste's study. In urban areas, 94% of the husbands are known to have a personal bank account, but the balance is estimated at Z\$3,812 (US\$100), lower than that reported for women in Lacoste's study. Although these data should be handled carefully, as personal bank accounts are in most cases a taboo issue within couples, it is most likely that real figures particularly for urban men are much higher. Significantly individual bank accounts were favoured over joint ones by both women and men. Although there has been an increase in personal bank accounts for both men and women, very few households in Lacoste's sample opted for joint accounts: only 6% in rural areas and 13% in urban areas. Personal bank accounts are however not only a sign of women's increasing financial independence, but also of high levels of mistrust between spouses. Focus group discussions highlighted many reasons why joint bank accounts are so unpopular. An obvious practical reason is that both signatures are required for withdrawal and

husbands are often away from home making them unsuitable emergency purposes ie the

	SHDF/Mayoux	Lacoste
Decision about loan use		24% of husbands asked their wife to take a loan, but only 2% of married borrowers had to give the loan amount to their husband
Own bank account	In Zhenje 7 of the women interviewed also had their own bank accounts, at least some of these accounts had been set up through encouragement of SHDF staff.	57% of borrowers have their own bank account, compared to 43% of savers
Savings patterns	In Zhenje five of those interviewed were also members of separate ROSCAs.	Average bank savings of borrowers: Z\$1,406 Average bank savings of savers: Z\$442
Knowledge of husband's savings		31% of women (no significant difference between borrowers and savers) know the balance on their husband BA
Control over income	2 men and 3 women gave all their income to a household pool, 4 women and 2 men gave most of their income to the household. 4 women compared with 2 men gave no money directly to their spouse. In 4 cases all decisions about household consumption expenditure are made by women and in 1 case by both spouses ¹⁶	50% of rural women are MIE, compared to 25% of urban women In rural areas, borrowers are more likely to be MIE, and contribute significantly more to household expenses.
Who decides:		
Choosing crops in my field		Me: 32% Both: 40% Husband: 28%
Buying kitchen utensils		Me: 84% Both: 12% Hus: 4%
Buying clothes		Me: 48% Both: 38% Hus: 14%
Taking loan		Me: 44% Both: 34% Hus: 22%
Family planning		Me: 27% Both: 53% Hus: 20%
House improvement		Me: 18% Both: 51% Hus: 31%

principle purpose of women's own bank accounts. However the other reasons given related to fears of increased conflict and violence within the household. On the one hand women feared pressures to spend on the husband's priorities. On the other hand women felt that they would not be able to spend money on what they valued¹⁷. In view of these potential conflicts of priorities there was a fear of tensions within households if one partner withdrew less than they contributed. While women could also take that as an advantage, most of them would not dare to do so without their husbands' agreement, while husbands would not hesitate to help themselves. Joint bank accounts are disadvantageous to women in cases of widowhood. Indeed, it is very likely that the family of the husband will consider those savings as belonging to the husband, and that the wife will have no choice but to give up her right on them.

The degree to which increased incomes and savings led to any significant shift in economic decision-making in the household was very variable. Lacoste's study collected information about role in different types of decision: choice of crops on the woman's field, buying kitchen utensils, buying clothes, family planning and house improvement. As can be seen there is considerable variation between different types of decision. It is also again unclear how far independent decision-making on certain issues is a sign of women's independence or of tensions within the household which make joint decisions difficult or simply because men are not there. Nevertheless for a significant number of women men take all the decisions even in what are generally accepted as women's spheres. The women are extremely vulnerable, as in the Cases of Mrs G and Mrs H in Box 8.

A particularly telling index of inequality in decision-making within households is gender disparities in rights to knowledge about each other's financial affairs. Women had no accepted right to know about men's financial affairs in the way men expected to know about those of women¹⁸. In many households women did not know how much their husbands earned or kept for themselves, and this included even very educated women. Many women like Mrs G and Mrs H would never dare press their husbands to find out how much they earned. Lacoste's study

found that in rural areas, only 33% of the wives had an idea of the balance on their husbands' bank accounts, and the figure is only slightly higher in town (42%). In comparison, 80% of the husbands know the balance on their wives' accounts. Husbands are not expected to divulge the amounts they save, while women are. Although 75% of women interviewed thought they should know the balance on their husbands' accounts, few of them would dare to raise the issue for fear of conflict (Lacoste 2001).

The inability of women to translate increased contribution to household expenditure into a greater control over economic decision-making is partly because of the high and increasing levels of insecurity within relationships.

Marriage from a woman's standpoint is a fragile contract. In the CARE survey only 50% of women were married and living together. In Lacoste's study 38% of husbands had been married before, and another 8% were married to a second or a third wife. 52% of husbands had children from another relationship. Lacoste's research combined interviews, informal discussions with villagers and people from the same neighbourhood to assess the quality of husband/wife relations. The data indicated that 30% of women have tense relationships with their husbands and, among them, 17% have extremely tense relationships involving beating, marital rape and/or other types of harassment. Even where relations were not so bad, they are rarely very close. To the question "Do you have confidants and, if yes, who are they?", only 10 out of the 103 married women (10%) named their husbands. There is no significant difference between rural and urban areas (Lacoste 2001). A particular source of insecurity are traditional norms of inheritance following divorce and widowhood. A wife has no accepted rights in her husband's property in either case, even any right to keep children from the marriage (See Mrs B).

The degree to which SHDF has improved or worsened the situation is difficult to tell. Many husbands were first reluctant to let their wives take a loan from SHDF. As heads of household, they still feel responsible in case of repayment problems and they were afraid to take such a risk. Husbands do indeed help their wives with repayment

problems. 52% of the borrowers who have faced such situations were helped by their husbands compared with 15% by their co-guarantors in the Club. As the family reputation is at stake, husbands are under great pressure to help. This may in some cases increase tensions between husbands and wives. Over time however the attitudes of husbands towards the savings and credit programme has changed. Husbands are now in general very supportive of their wife's income earning and savings and credit activities¹⁹. Women also greatly value their new role.

In the context of the insecurity and mistrust which characterise many marital relationships however, the pressure on women to earn an income is in some senses a double-edged sword. As discussed above women are expected now to contribute to the household and men may put pressure on them to do so and also withdraw some of their incomes. There may be little change in other key dimensions of gender inequality.

3.5 WOMEN'S ACCESS TO SUPPORT NETWORKS AND COLLECTIVE ACTION TO CHALLENGE GENDER RELATIONS.

The degree to which women's increased work burden will translate into increased equality rather than increasing household instability will depend very much on the levels of support women can receive from other women in changing their personal situations. It will also depend on the degree to which changing gender roles are accompanied by support for women to obtain their legal rights. The Zimbabwean government has had a stated commitment to gender equality since Independence in 1980.²⁰ In 1981 a Ministry of Community Development and Women's Affairs (MCDWA) was set up to 'facilitate the involvement of women in national development through the removal of all legal, cultural and socio-economic barriers that hinder the full participation of women. In 1997 daughters and wives were granted equal inheritance rights. However women continue to be seriously discriminated against.

SHDF has as a stated aim 'to provide savings clubs\members with a mechanism for interaction, mutual support and training in income generating activities'. Savings clubs are mostly composed of relatives and friends.

Friendships between women are very important in Shona society. Firstly, friends are expected to provide assistance in times of trouble. In rural and urban areas, many married men are working and living far away from their homes, and their wives cannot count on them in times of emergency. She can neither rely on her family of origin, whose members are often living in other areas, and she can be reluctant to call for help from her in-laws. Friends are therefore extremely helpful in coping with small but urgent financial needs. Secondly, as in most societies, they can also be called upon in most important moments in life, in order to bring moral and financial support. Friends are especially important when someone dies, as every Shona expects as many people as possible to attend his or her funeral. Finally, friends may be very helpful in order to clinch an investment opportunity and informal assistance and training from relatives and friends is widespread. 51% of Lacoste's sample had received such training. (Lacoste 2001).

It was obvious that the Savings Clubs have extended existing friendship networks to provide a valuable social network for personal support. In the case of 'Mrs H' the savings programme in particular has given a vital source of support and means of securing control over limited income in coping with a violent relationship. The Clubs also provided a basis for various forms of economic collaboration. The KAF survey found that members of a savings club get together before a cropping season and decide on their requirements for seed, fertiliser, insecticide etc. which are ordered in bulk and paid for in cash. Members thus get the benefit of discounts and bulk delivery. Correct use of the package of instructions together with the necessary inputs usually results in large increases in agricultural production. 20% of those interviewed gave this as their main reason for joining. Women mentioned financial assistance from other members and provision of free labour on farms in times of sickness as particular benefits of the Savings Clubs compared with other savings institutions like banks. Both the CARE and Lacoste studies study note that women said they get ideas from other SC members, teach each other technical skills and share information on market opportunities (B.Lacoste 1998).

Nevertheless, there were also clear limits to co-operation. Firstly in at least some Clubs it is probable that committee members are getting the bulk of the loans in the 'democratic system'. The KAF survey suspected that committee members might be using the weight and influence of their posts to get priority in loan disbursement. 58% of those interviewed (ie all borrowers in SCs studied) held committee posts or were Ward/district SC representatives. The degree to which loan disbursement favoured the better-off was also unclear. Those who had received most loans were office-holders or their relatives. However SC members who had not received loans were said not to have applied because they had no project and some very poor women had however had loans or were going to be given them. Only one member (male) had been refused because he did not have sufficient collateral and they did not trust him. These potential inequalities on the programme do however require greater investigation.

Among the 27 clubs surveyed in Lacoste's study, 16 of them (59%) were facing savings problems, 5 complained about poor leadership from the chairperson, 5 about mismanagement of funds, one about division between members and 13 were not saving at all. Poor leadership took several forms. Lack of democracy is common, and easily explained by the socio-cultural context as, especially in rural areas, people fear each other and avoid open conflict²¹. As a consequence, most of the clubs do not hold formal elections and only change committee members when they move or die. In one of the clubs, the chairperson is an old widow. In private, everyone complains about her lack of motivation and her relationship with others, but during meetings, no one dares to openly confront her as she is thought to be a witch. In other savings clubs, committee members have taken advantage of their position and abused club money. Among the 8 clubs who face leadership and/or mismanagement problems, 7 have stopped saving. 6 other clubs have stopped saving but apparently with no other reason than lack of motivation.

The impact of the credit programme is unclear. Of the 7 (26%) clubs facing credit related problems, 5 were already facing savings related problems, which put into

question the credit programme procedure to select the best clubs. Surprisingly, there has been no problem of mismanagement of funds²², though there is much more money at stake than in the savings mobilisation programme. The loan program has also contributed to a rapid expansion of the Savings Clubs and revival of some clubs which had become dormant. Ward and district representatives are overwhelmed by applications to form new clubs, and the demand for training grows dramatically. On the negative side there have been some conflicts of interest between savers and borrowers²³ and accusations of unfairness in loan distribution²⁴. Most new clubs are "credit driven" and are not as much interested in saving and socializing as old clubs. As noted above borrowers are co-responsible, they lend and borrow from each other in order to meet the club monthly repayment. It is however difficult to tell if this is a positive or a negative outcome of the programme. For some clubs, it might reinforce solidarity and trust between members. But for others, it may increase tension and trigger conflicts.

What is clear is that the considerable sense of solidarity and enthusiasm generated by the Savings Club movement and loan program which is evident from both interviews and many group meetings, is not built on to its full potential into a movement for change. For some women like Mrs I in Box 10 the clubs, together with links to women's organizations, have indeed provided access to political structures outside the village. However other women said their husbands were reluctant to let them meet other women in case they would get 'ideas' which would jeopardize their position in the household.

Although in the Zimbabwe context it is difficult to directly challenge the existing social system, even without significantly increasing programme costs there are ways in which positive female role models and women's constitutional rights could be more directly promoted for a wider proportion of members through the Savings Clubs:

There could be more focused attempts to network between women and between groups around gender-based issues as they arise.

The songs which are sung focus only on the success of the loan program and the importance of loan repayment. They could, as in some programmes in India, also focus on social issues and social change.

There could also be much more strategic linking with women's organizations in Zimbabwe.

SHDF could be much more vocal in raising gender issues in advocacy for a like ZAMFI the Zimbabwean Micro-finance Network..

BOX 10: OPPORTUNITIES FOR NETWORKING

Mrs I age 60, married. Her household is one of the richest in the community. They have 7 acres of land, 2 of which are in her name and on which she grows crops for the family and for sale. Her husband is retired with a pension and has 6 oxen and 6 pigs and they have TV.

She decided to join the Club and faced no opposition from her husband. She has been very active in the management of the Club, being secretary in 1996 and chair woman in 1998. She used 3 loans totalling Z\$4,500 to establish a piggery and poultry and at the time of interview had 2 pigs and 30 hens. She earns about Z\$600 a month from which she controls the income, putting most into the household pool and keeping some for herself. She is responsible for most of the household expenses and bought a wardrobe with the proceeds from one of the loans. She normally has a savings balance of Z\$300 with SHDF, Z\$1,000 in the bank and Z\$800 with ROSCA. Despite her training and responsibility, and the fact that her husband knows her financial affairs and savings balance, she does not know how much her husband earns, what he spends it on or the amount of his savings. But she knows he spends about Z\$30 per week on alcohol.

She is also SHDF Ward representative and active in other women's and church organisations including Zimbabwe Women's Bureau, Zimbabwe Farmers Union, ZIMRIGHTS and Zimbabwe Women's Finance Trust. She has also received training in sewing, leadership and has a certificate as Advanced Master Farmer. She values the sharing of ideas at Club meetings. She sees women's knowledge of their rights and role as the most important change in recent years and sees 'spouse oppression' as the most serious problem.

3: CHALLENGES FOR THE FUTURE

Thus the programme has undoubtedly made some contribution to increasing women's incomes which women themselves by and large control, and to providing a forum for training and networking. However there are clearly a number of challenges for the future to increase the programme benefits for women, and to ensure that benefits reach a larger number of women. These challenges are by no means unique to SHDF:

how can micro-finance programmes better assist women to increase their incomes and diversify the activities in which they are involved? This is not only important for women themselves, but also for repayment rates and hence for program financial sustainability.

how far can or should programmes intervene in existing relationships within groups to ensure fairness and equity? What types of group formation and regulation are required? In particular, can this be done through self-selecting groups or is there a need for close targeting? Can this be done cost-effectively without incurring huge administrative costs, or are such costs inevitable if poverty reach is to be ensured?

how can micro-finance programmes move beyond helping women cope better within existing limitations of gender inequality to being capable of really challenging these inequalities? This is particularly in the context of increasing expectations and pressures on women to earn an income which has been partly fuelled by the microfinance programme.

can contribution to empowerment be increased within the current goals of financial sustainability? If so how? Or is there a need for some modification of financial sustainability requirements? What is the best form for integration of the training and savings and credit in view of the evidence of limited impact of one-off training and failure of many women to complete things like project notebooks and diaries after training.

How can savings be increased and how might savings facilities need to be altered. Studies indicated a number of constraints on savings expansion. Firstly there are macro level factors like inflation which decreases the value of savings and problems of mismanagement of savings in clubs. Secondly there are social factors which decrease the incentive to save in the Clubs. Some of the purposes for which they are used like fertiliser and school fees should be shared between husband and wife. If the wife increases her savings in this account it may make them more vulnerable to predation from husbands. Unlike bank accounts, this type of savings is not

confidential and exposes women to risks like jealousy social pressures or even witchcraft. There is pressure for members to remain equal in contribution, rather than saving exceptional amounts. Finally benefits received are the same no matter what the level of saving.

Although the project management training had clearly been valuable it is clear that a one-off course no matter how good, was insufficient to enable women to significantly increase incomes. There is a need for much more ongoing mentoring, possibly through setting up more focused discussion groups within the Savings Clubs.

There are no quick fixes for impact assessment. The challenge is to build on existing assessments to develop a cumulative process of learning between programme clients, programmes and researchers²⁵.

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ENDNOTES

- 1
- 2 Details of the different methodologies used and the implications for differences in findings are discussed in more details in Mayoux 2002.
- 3 ADRAI has now changed its name to 'Louvain Development'
- 4 This is reflected in a proverb 'jeema newadya', we cry with those who are satisfied ie rich and poor cry together about the hardships of life.
- 5 The CARE study concluded that 79% borrowers were very poor according to the food poverty line, 9% were poor and 12% non-poor. However in all the studies these conclusions are based on asking women whether or not their incomes exceed their food requirements, are more or less sufficient or are less than food requirements. In view of 4 above, this data must be treated with caution.
- 6 57% had received technical skills training, 19% had joined savings club management courses, 7% attended courses related to community work and 17% had other types of training.
- 7 57.1% said that they used their loans only partly for the original purpose and 22.2% admitted that they used the amounts fully for other purposes. In terms of amounts, only half of the amount disbursed by SHDF had been used for the projects mentioned in the application. The other half had been used for other projects (22.8%) and for other uses (26.8%), mostly education, daily expenses, agriculture, buying assets and re-lending.
- 8 This will be done in Lacoste's study after the second batch of interviews, comparing a whole range of assets of borrowers, savers and non members in 1999 and in 2002.
- 9 In 1998 the initial loan amounts of Z\$3,000 were the equivalent of about one month's salary for a teacher rising to the equivalent of 4 month's salary (fourth loan) and not therefore negligible.
- 10 There is a serious discrepancy between Bohn's optimistic 96% who had increased incomes and the reporting of 32% with declining incomes. This indicates a serious methodological shortcoming in the methodology used.
- 11 As rough points of reference for incomes: in 1998 the study in Zhenje a male factory worker in a Harare pottery factory earned Z\$800 per month and a male teacher in Harare earned Z\$3,000 per month. A crèche in Budiriro made Z\$2000 a month profit and women in Budiriro earned Z\$600-700 a month from handicrafts. A poor family of four spent about Z\$200 per month on food over and above their own production and Z\$200 per year on clothes – but men could spend Z\$100 a month and more on drink! It was however clear that both earnings and expenditure varied considerably between urban, peri-urban and rural areas. !!!In 2000
- 12 This is however an important issue of Lacoste's forthcoming 2002 study.
- 13 The CARE study notes that determining the level of decision-making in the household for money earned in the member's business was difficult. It was not clear whether the members understood that what they did with the money from their own businesses was being addressed separately from money considered to be the 'households'.
- 14 This is the case for all the women interviewees. Interestingly the two married men interviewed both reported their wives keeping more of their own money than they did and saw themselves as jointly responsible for food expenditure. It is unclear how far this was actual difference between households and how far reflective of different perceptions of responsibilities.
- 15 "As long as I did not have a business, my husband would not allow me to open an account. "Where will you get the money to put in that account", he asks, "You will steal it from me".
- 16 Figures do not necessarily add up to total numbers interviewed because of multiple responses.
- 17 One woman interviewed said: " If a man wants to withdraw for beer, that embarrasses us: either we accept and that means that we formally agree with his attitude; or we refuse, and we can be beaten". Another woman said that, if she had saved on a joint bank account, she would not have been able to buy a scotchcart and to dig a well at home, as her husband did not consider these investments as a priority (Lacoste 2001).
- 18 In only one case did a woman know the amount of savings her husbands had although in all cases husbands were said to know the amounts of their wife's savings.

¹⁹ One man says: "Before, women were like broilers in a cage, waiting to be fed. Now they are engaged in projects, bringing money and gaining independence" (Bohn 1999). "Many husbands were very against credit at the beginning but after a few months, their wives managed to convince them to take very small loans. They saw that they were making good profits and that it enhanced the family. Now the same husbands often come to thank me and SHDF for the programme" (Lacoste 2001).

²⁰ ' The principle of equality between men and women is basic to the political philosophy of our government. It is the object of our government to create such an environment to make these objectives possible. ' Robert Mugabe (1982 quoted in Batezat et al 1986).

²¹ This fear explains why intimidation has been so effective during June 2000 legislative election.

²² In the default and arrears survey, mismanagement by a chairperson or a ward representative was mentioned by 8% of the defaulters

²³ This occurred in two clubs: in the first one, borrowers want to increase the individual saving minimum balance to Z\$ 600, in order to open an account with a commercial bank, which would facilitate disbursement and repayments, but savers do not want to save so much. In the other, the chairperson is not interested in the credit programme and refuses to sign loan agreement forms, as she fears she could be held responsible in case of no repayment. This is a common misunderstanding. In reality, only borrowers from a same group co-guarantee each other.

²⁴ In two other clubs, new members complain that application forms are not distributed fairly by old members. In still another club, young members with good projects feel frustrated at having to pay for old women with no profitable projects, and are in the process of forming a new group. Finally, the last club has been hijacked by a new chairperson who decides personally who should receive a loan and who shouldn't.

²⁵ This is discussed in more detail in the author's paper on microfinance impact assessment on this website.