



Publisher

African Journal of Social Work  
 Afri. j. soc. work  
 © National Association of Social Workers-Zimbabwe/Author(s)  
 ISSN Print 1563-3934  
 ISSN Online 2409-5605

Licensed under a Creative Commons Attribution-Non-commercial 4.0 International License

**Indexed & Accredited with:** African Journals Online (AJOL) | University of Zimbabwe Accredited Journals (UZAJ) | SCOPUS (Elsevier's abstract and citation database) | Directory of Open Access Journals (DOAJ) | Society of African Journal Editors (SAJE) | Asian Digital Library (ADL) | African Social Work Network (ASWNet) | Department of Higher Education and Training (DHET) - South Africa | SJR | CNKI – China | Journal Publishing Practices and Standards (JPPS)

## Savings and credit schemes (SCSs): Towards an informal sector poverty alleviation strategy for Zimbabwe

CHINEKA, Tanatswa Silvanus and MTETWA, Edmos

### ABSTRACT

*Savings and credit schemes (SCSs) have emerged as key components of poverty reduction strategies in developing countries. As such, governments and development partners have employed them as a grassroots approach to economic development within marginalised communities. The authors proffer an ubuntu framework as a conceptual frame to examine the contribution of SCSs towards advancing economic empowerment for poor households within the deleterious macro-economic imperatives obtaining in Zimbabwe. Primary data was collected through in-depth interviews and augmented with an extensive literature review. Ten (10) participants were purposively selected from SCSs operating in the Eastview-Caledonia community, Harare, Zimbabwe. Findings revealed that SCSs were integral to the livelihoods of marginalised households, particularly among the poor and unemployed. Members of such schemes were able to access financial capital to grow and strengthen their businesses and meet the basic health, nutritional and educational needs of their households. Further, SCSs provided social capital to members that enable them to navigate psycho-social stressors they encounter. However, cash shortages, lack of institutional protection as well as gender disparities have tended to stifle the potential of these schemes to thwart the vicious circles of poverty that entrap the poor. The paper therefore concludes that government should provide the necessary policy and legislative support to protect and entrench the interest of SCSs. In addition, SCSs should be considered critical to national development, particularly that relating to social protection for the poor. Further, SCSs should be designed to address the socio-cultural, political together with economic dimensions of the welfare of communities-at-risk.*

**KEY TERMS:** community, savings, credit schemes, grassroots, poverty alleviation, Zimbabwe

### KEY DATES

Received: January 2020  
 Peer reviewed: December 2021  
 Accepted: August 2021  
 Published: December 2021

Funding: None  
 Conflict of Interest: None  
 Permission: None  
 Ethics approval: None

### Author/s details

CHINEKA, Tanatswa Silvanus; MSW: Lecturer, Department of Social Work; Bindura University of Science Education; Contact email: tasilvac@gmail.com; Phone number: +263778238310  
 MTETWA, Edmos; PhD; Senior Lecturer; University of Zimbabwe; Contact email: emthethwanm@gmail.com

Current and previous volumes are available at:

<https://africasocialwork.net/current-and-past-issues/>



### How to reference using ASWNet style:

Chineka, T. S. and Mtetwa, E. (2021). Savings and credit schemes (SCSs): Towards an informal sector poverty alleviation strategy for Zimbabwe. *African Journal of Social Work*, 11(6), 403-411.

## INTRODUCTION

Savings and credit schemes (SCSs) remain a fundamental pillar of grassroots poverty reduction strategy particularly in developing countries. As such, governments and development partners have employed them as a grassroots approach to facilitate economic development within marginalised communities. The ostensible appeal of these schemes lies in that they present informal and grassroots strategies for rallying together resource constrained and vulnerable households for collective socio-economic advancement. In this regard, these community-based schemes have been harnessed by humanitarian and development organisations in their livelihood strengthening and poverty alleviation programming efforts. The efficacy of these schemes in volatile economic environments is a subject of interest to both academics and development practitioners. This is so particularly with respect to Zimbabwe where unemployment, coupled with the ever-deteriorating economic situation constrict the ability of the poor to make ends meet. Using a qualitative approach, this paper examines the efficacy of SCSs in poverty reduction among the poor in Zimbabwe. A synoptic background discussing key literature is provided, followed by the conceptual framework then presentation and analysis of findings. The paper concludes by way of programmatic and policy recommendations.

## BACKGROUND

The paper is largely driven by the fact that Zimbabwe has undergone rapid economic deterioration for the past two decades, with the situation reaching crisis levels in 2008. The precipitous fall of the economy receded in 2009 on the heels of a coalition government of three main parties (the Movement for Democratic Change's two formations and the ruling Zimbabwe African Union Patriotic Front (ZANU PF) at the behest of the Southern African Development Community (SADC). However, the situation has since reverted back to previous levels of economic decline. This was largely caused by the fact that the 2013 general elections returned ZANU PF to power ending the life of the coalition government in a widely disputed plebiscite that further cast the socioeconomic environment into disarray. This state of affairs has seen the extension of periods of economic decline thereby driving poor households deeper into chronic poverty. Under such circumstances, poor communities are presented with fewer options other than to organize themselves into groups that seek to build resilience to shocks by pooling financial resources to make ends meet. SCSs, which present one such option, are the primary focus of this study.

According to the Catholic Relief Services (CRS) (2010) the development of SCSs is linked to the desire by communities to build a locally accessible, responsive and effective mechanism to enhance resilience. A case in point is the Zimbabwean experience in which the genesis of SCSs has been linked to the need to respond to housing issues dating back to 1991 (Mudimu et al, 2014). The purposes of SCSs have however since diversified from simply addressing housing needs to encompass other social security needs. The collapse of the formal productive sectors of the economy in Zimbabwe has resulted in the proliferation of a growing informal sector that in turn reduced demand for formal financial services as poor, small-holder farmers reverted to barter trade and saving in physical assets.

Brannen (2010) argues that there are several modes of private saving which have various implications for development. These include home savings and Rotating Savings and Credit Associations (ROSCAs). The majority of community SCSs in use as part of development work efforts fall under formal saving alternatives which are broadly termed Accumulating Savings and Credit Associations (ASCAs). One such scheme, the Village Saving and Credit Associations (VSLA) methodology, was first launched in 1991 by CARE International in Tanzania and has since been replicated across sub-Saharan Africa (Brannen, 2010). This methodology overcomes the main challenges associated with microfinance services in developing countries that include illiteracy, lack of adequate identity documents and possession of collateral.

SCSs are understood in this paper as a form of what has come to be known as non-formal social security (see the Overseas Development Institute, 2017). This is so given that in the majority of cases, poor people who face financial exclusion from mainstream finance institutions such as banks and micro finance entities form them. In this regard, we understand SCSs as grassroots and community-based approaches to poverty alleviation, particularly as mechanisms for addressing social exclusion and improving access to financing services.

It is worth our note at this point that there is no scholarly consensus regarding the exact meaning of community SCSs. The variance in definitions largely stems from the different models and methodologies employed by many in the development sector. It is therefore no surprise to hear of different names referring to these schemes. Such descriptors as self-help groups (SHGs), village savings and credit associations (VSLAs), internal savings and credit (ISAL) inter alia have therefore tended to populate available literature on these schemes. As these schemes are operationalised in the form of community groups, the terms savings groups, savings and lending groups and SCSs shall be taken as synonymous. The term SCSs shall be used in this paper for consistency.

According to the Overseas Development Institute (2017), savings and credit groups comprise 15–20 people, often comprising the poorest in the community, who undertake common social and economic activities. Similarly, AKDN (2010) defines SCSs as self-managed community-based groups that allow members to make

regular savings which accumulate through loans taken out. These savings and earnings are typically distributed after the end of a 6 to 12-month cycle (often referred to as a share-out). Membership in SCSs has grown considerably with about three million people at the end of 2009, mostly in Africa (AKDN, 2010). Women constitute the majority of membership in SCSs (CRS, 2010). Mudimu et al (2014) argue that women in Zimbabwe are the main caretakers within the household. This role and the daily hardships motivate them to join savings schemes.

Literature is replete with the roles and functions of SCSs. On this note, SCSs have been found to be an effective household economic strengthening mechanism. For instance, Brannen (2010) has found that participation in these schemes has a positive overall impact on various indicators of household and individual welfare. These include asset expenditure levels, the development of income-generating activities (IGAs), education expenses, access to health services, nutritional levels and quality of housing. Kesanta and Andre (2015) opine that VSLAs, a model for SCSs, integrates methods of taking out loans and savings as a way to alleviate poverty. Thus, the utility of such schemes in development is quite critical given the sustainability of such community-based, low-cost and adaptable models. The United States Agency for International Development (USAID) (2009) argues that the aim of any economic strengthening initiative includes the reduction of household economic vulnerability. Thus, such a portfolio of interventions should inter alia increase the capacity of households to deal with shocks and building resilience. In the context of developing countries where the larger share of the economy is informal, social capital and networks become a vital component of economic strengthening initiatives directed at poor households. Human relationships and social cohesion are therefore understood in this paper as central to the operation of SCSs.

## CONCEPTUAL FRAMEWORK

### An *Ubuntu* framework for SCSs

This study advances a conceptual framework of SCSs based on the Afrocentric concept of *Ubuntu*. *Ubuntu* is understood as an indigenous concept associated with African cultures in which the individual has identity and existence anchored in the community relationships around them. The core tenets of *Ubuntu* revolve around basic values and practices: peaceful co-existence; collective utilisation and sharing of locally available resources; willingness to work together to achieve collective goals (Rankopo and Diraditsile, 2020). Such values and practices are seen as defining interpersonal, intra-/inter-family, inter-group, communal and social relationships as well as the character and identity of a person (Rankopo and Diraditsile, 2020). These values and practices culminate in the framing of a social contract characterised by reciprocity, accountability, respect and responsibility which are mutually reinforcing within and amongst African societies and their members. The concept of spirituality is also advanced here as resonating well within the frame of *Ubuntu*.

In the context of savings groups, such tenets are critical as they relate to prioritizing giving to others first, achieving empowerment by empowering others as well as disapproving of any mode of anti-social, disgraceful, inhumane, and criminal behaviour. Thus, underlying *Ubuntu* is a philosophy underpinned by social justice, equity and equality.

The essence of SCSs within the present discussion relates to poverty alleviation, specifically the provision of financial, social, cultural and political resources to enable individuals, families and communities to afford the basic necessities of life. The use of *Ubuntu* as an indigenous knowledge system, with the attendant values and practices, to inform interventions, is empowering (Mugumbate and Chereni, 2019). Employing *Ubuntu* within the poverty alleviation practice discourse in the Global South presents critical opportunities given that western models of development have failed to facilitate the desired change. Indigenous knowledge systems like *Ubuntu* address the limitations of western models as the latter tend to disempower and diminish the strengths, aspirations and ideals of African communities. *Ubuntu* as a philosophical foundation undergirding the very existence of Savings and Credit Schemes therefore augurs well with strengths-based and resilience paradigms that have gained traction given their potential for addressing the structurally embedded development constraints that face poverty-stricken countries such as Zimbabwe.

The design of SCSs is built around the traditional ideal of pooling resources towards a collective goal of addressing risks and shocks that occur at an individual level. This resonates with the *Ubuntu* related maxims: What happens to the individual happens to the whole group, and whatever happens to the whole group happens to the individual; I am because we are; and since we are, therefore I am (Mbiti, 1969 as cited in Mugumbate and Chereni, 2019). Such a philosophy is deeply embedded in the design of SCSs as demonstrated by the group taking risk on behalf of members through demanding none or minimal collateral for loans given out. The thread of mutual trust, respect and in particular accountability, anchored upon the *Ubuntu* philosophy, define such practices. These approaches to financial risk management can best be conceived as “madness” within western paradigms of economics but find their place within indigenous concepts like *Ubuntu*. The persistent perturbations faced by members of SCSs in Zimbabwe require a robust financial model that is capable of adapting to such consistent vagaries. These adaptations are best conceptualised within the *Ubuntu* framework that considers and respects the

integrity and sanctity of human life beyond the debilitating circumstances individual are prone to find themselves in. Through *Ubuntu*, focus is placed on the group's collective strength that becomes the source of resilience for the individual member, across the economic, social, cultural and political dimensions. Embracing spirituality, a core tenet of *Ubuntu*, as a pinnacle for transcending insurmountable obstacles for the individual member and the group as a whole, provides for the basis of resilience fostered through SCSs.

The *Ubuntu* Framework for SCSs advanced in the present discussion understands such grassroots financing options as hinged on a social contract by members based on the values and principles of *Ubuntu*. The authors closely identify the present framework with the *Ubuntu* social justice framework advanced by Rankopo, Osei-Hwedie and Modie-Moroka (2007). The latter is premised on five basic elements that resonate perfectly with SCSs: reciprocity and sharing; respect and empowerment; equitable distribution of resources; promotion of social justice and inspiring economic progress. In this light, SCSs are underpinned by reciprocity as members provide mutual support, sharing financial gains and losses with the hope that one day each member will be in need and they will receive help. Further, empowering each other earns mutual respect for the group members and resources pooled are equitably distributed and social justice promoted. As argued by Rankopo, Osei-Hwedie and Modie-Moroka (2007), *Ubuntu* (presently as a guiding philosophy for SCSs) should inspire economic development.

Similarly, the authors closely identify the present *Ubuntu* Framework for Savings and Credit Associations with Mupedziswa, Rankopo and Mwansa's (2019) discussion of *Ubuntu* as a pan-African philosophical framework for social work. In their discussion, the philosophy of *Ubuntu* is understood as promoting teamwork and collaboration, anchored on a deep sense of belonging to a group (family or community) and seeks to promote the worth and dignity of all human beings, with an emphasis on self-respect (Mugumbate and Chereni, 2020). In addition, *Ubuntu* is conceptualised as premised on the notion that everyone must contribute towards community initiatives and aspirations and thus national development (Mupedziswa, Rankopo and Mwansa, 2019). In the context of Savings and Credit Associations, these principles provide the impetus for enhancing group cohesiveness and group support, active participation of all members in the group through harnessing their energies and knowledge towards group, community and national development efforts.

## METHODOLOGY

The study methodology was informed by a qualitative approach in which 10 in-depth interviews were carried out. Participants were purposively drawn from SCSs that use the Village Savings and Lending Association (VSLA) model and operate in the Eastview-Caledonia community. These operate under the auspices of a local community-based organisation through which their consent was sought. Eastview-Caledonia is a resettlement area at the eastern periphery of the capital Harare. The settlement is inhabited mostly by the lower income families who fail to meet the cost of rentals in various residential areas of Harare. This community has attracted the attention of a number of development partners who have encouraged numerous self-help ventures to ameliorate the plight of the poor. The authors held in-depth interviews with ten members of VSLA groups with the intention of: (1) determining the economic and livelihood benefits of SCSs, (2) identifying the challenges faced by SCSs and (3) considering any measures that can strengthen the efficacy of SCSs in fighting poverty. These interviews were in turn corroborated with a documentary analysis of key literature. The discussion of findings is therefore presented concurrently with an analysis of scholarly arguments on the efficacy of these schemes.

## FINDINGS

The focus of the study was on determining the economic and livelihood benefits accruing to members of SCSs and their households. In addition, the authors were interested in identifying any challenges that were faced by members in their economic activities related to SCSs as well as in the management/operation of the SCSs. Further, it was necessary to consider any measures of a programmatic and policy nature that would strengthen the capacity of SCSs to tackle the vicious circles of poverty that entrap vulnerable households in Zimbabwe. All the participants were members of savings groups that use the Village Savings and Lending Association (VSLA) model. The VSLA model is understood by Kesanta and Andre (2015) as a vehicle for poverty reduction for the economically disadvantaged.

### *The economic benefits of SCSs*

Findings revealed that saving schemes provided the means by which the poor acquired basic commodities as well as capacitating/improving their business ventures. Participants indicated that their scheme operated on a cash basis. This mode of operation helped to create opportunities in a cash constrained economic environment. Understood through *Ubuntu*, this reflects the ingenuity of local communities in pooling resources to overcome structural constraints. In the words of Chiedza, one of the participants:

*These SCSs have helped those of us who are into cross-border trade with cash required for most of our economic activities. Remember that cash is hard to access in Zimbabwe, particularly from banks and other formal channels.*

Participants were able to draw out cash from the group as a loan. This cash could in turn be reallocated to other household ventures that needed hard cash. The electronic/mobile money that the household accrued from other income flows (for example, wages) could then be used for several entrepreneurial activities where non-cash transactions were possible. As most participants were into cross-border trade, buying and selling different wares to the public. As such, participants revealed that cash was used to buy foreign currency needed to procure goods from neighbouring countries such as South Africa, Botswana and Mozambique for sale. In addition, as the informal sector is ridden with numerous vicissitudes, access to reliable information becomes a key asset. The use of technological advances (social media, television, radio, newspapers) amongst SCSs is an evident source of information for business opportunities. The different business ventures undertaken by group members were quite varied and adjust to demand and supply time-related variances. Such business ventures as flea markets, tuck-shops, among other ventures remain paramount to the livelihoods of the poor. The capital required for financing these activities, as well as for resuscitating ailing businesses could be accessed from the SCSs. The group thus is informed by the *Ubuntu* philosophy in which what affects one member affects the entire group. The assistance rendered to individuals is under the mutual understanding that one day each of the members will need financial assistance, which they will receive from the group. As shared by Karen, one of the participants:

*I carry out different businesses depending on the season and market. I sometimes do different things at the same time. If I think of something new, I can always come to the group to get a loan and try it out.*

Understood within the *Ubuntu* framework for SCSs advanced by the authors, such access to financial capital provided through resource pooling by local communities, remains pivotal to the economic endeavours of poor households. Therefore, SCSs remain a source of livelihood in the face of economic shocks. They help participants build resilience to economic recession by enabling members to obtain scarce cash for recapitalizing their business ventures. These aspects of SCSs resonate well with the *Ubuntu* philosophy, particularly as discussed in the *Ubuntu* social justice framework advanced by Rankopo, Osei-Hwedie and Modie-Moroka (2007). The basic elements of reciprocity and sharing, empowerment and inspiring of economic progress are well reflected in these practices.

### ***The impact of SCSs on household livelihoods***

The study results showed that household resilience to economic challenges is strengthened by participation in SCSs. Members are able to plan, adapt to changes, and cope with shocks when they happen. Savings and Credit Schemes thus enhance resilience and promote social justice, key pillars in the *Ubuntu framework*. This has been corroborated by Haworth et al (2016). In this light, Makanaka further remarked that:

*Since I joined the group, I have always been in business because if something fails, I can come to the group to take a loan and start something else. Sometimes customers don't pay in time and I need to go and replenish my stock. I will come to the group to take a loan then repay when my customers have paid. So even my family does not run out of food and I don't fall behind in paying school fees.*

As such, through saving regularly and obtaining access to loans, group members can accumulate assets and improve their financial security, which helps reduce their overall vulnerability. Group members can use the money taken as loans to meet needs, such as school fees, health, business, construction, or purchasing household assets. Using savings or taking out loans in response to crises can help people to maintain their livelihoods or recover from economic adversities brought forth by unprecedented decline in the overall human welfare.

Findings also revealed that SCSs help group members procure basic commodities and distribute them among themselves either at every meeting or at the end of the cycle. SCSs therefore helped group members secure commodities that, due to their poverty and squalor could not otherwise purchase on their own. These improvements in the dietary and nutritional needs of households are quite significant as a poverty alleviation indicator. This resonates with the Hashemi et al's (1996 in Brennon, 2010) benchmarks that requires for empowerment initiatives to improve the ability of vulnerable households to make small and large purchases. As such, SCSs are understood as efficacious economic empowerment schemes, a feature resonating well with the principles of sharing and reciprocity, as well as empowerment, contained in the *Ubuntu framework*.

Participants further testified that SCSs served to breed a sense of community among group members. In an urban environment, this brought a shared culture and vision about life, a concept resonating within the *Ubuntu* philosophy. They therefore provided social capital and a sense of community among members (Overseas Development Institute, 2017). As community-led ventures, SCSs tend to foster mutually supportive relationships

(Haworth et al, 2016). They do this through collective decision-making, determining rules transparently, and promoting accountability in taking loans, all of which are achieved through regular face-to-face meetings. Accumulation of savings and record-keeping establishes the credibility of the group as a whole, and of individual members (Overseas Development Institute, 2017). Taking loans displays ‘acting in good faith’ and repaying them demonstrates members’ ‘reliability’. On this note, one participant, Tinokunda, remarked thus:

*These schemes help us understand each other from a social point of view. I have learned how to live in peace and harmony with others.*

In this regard, these schemes provide social capital identified as a key resource in the *Ubuntu* framework, and contingent for the improvement of household economic outcomes. In addition, regular meetings provided a platform for members to make savings contributions at the same time strengthening the relational dynamics of the group. Participants stressed that SCSs did not only serve economic functions but emotional ones. They acted as a form of therapeutic groups, providing members with space to share their economic tribulations and personal problems including matrimonial stressors.

### **Challenges facing SCSs**

Despite the fact that SCSs play a vital role in enhancing the participation of the poor in the national economic life of Zimbabwe, the prevailing macro-economic challenges continue to stifle progress in this sector. On this note, participants cited cash shortages as the major challenge. The differentiated purchasing power for mobile money/plastic money/cash, created an uneven operating ground. The additional costs of operation induced place a burden on the business potential and capacity of the group members. This has seen the members with reduced sales and profits. These macroeconomic imperatives are understood as impeding social justice as they increase the vulnerability of these groups.

Correspondingly, the other challenge posed by cash shortages was the non-compliance by creditors. Customers may use the unavailability of cash as an excuse for not owning up on money or other commodities borrowed from the scheme on account of liquidity challenges. Such practices clearly take advantage of the web of integrity and trust that prevail within the culture of Savings and Credit Associations as the latter subscribe to the *Ubuntu* philosophy. This ultimately compelled customers to use other forms of payment such as mobile money transfers or bank transfers even though such commodities were purchased in cash. Cash shortages coupled with dwindling foreign currency on the open market have triggered differential pricing among various economic players, particularly wholesalers and retailers who get their foreign exchange from the “black market”. Customers using hard cash therefore demanded a lower price reflecting this different purchasing power. Regrettably, government does not formally recognize these price differences, treating the practice as illegal and criminal thereby driving it underground. This state of affairs has resulted in multiple price models, with those using scarce cash enjoying lower prices than those using mobile or plastic money.

Participants lamented that mobile money dealers always held cash that they offer at exorbitant interest. The interest rate varies across the transaction models. These models range from bond coins/cash as well as local and foreign currency. Surprisingly, in spite of the prevailing cash shortages, mobile money dealers never ran out of cash. However, mobile money dealers were in the habit of charging between 20 and 30% commission on anyone intending to cash out. More so, another participant questioned the ready supply of cash at mobile money outlets, particularly in an environment where formal sources of cash such as banks do not have adequate cash. Participants therefore cited corruption as an obstacle that militated against their pursuit to lead a genuine livelihood.

Gender disparities were cited as yet another stuck obstacle against the success of women (who remained the majority of participants in these schemes) given that formal financial institutions demanded collateral security including micro finance institutions for that matter. In concurrence, Ellis et al (2007 in Brennon, 2010) argue that women’s access to formal sources of credit was restricted because they often lack collateral, the primary source of which is land. Requirements as the need to produce proof of a regular income such as a pay slip literally close out most women who, on account of low educational attainment coupled with subordinate roles in marriages could not access either collateral security or proof of regular income. To exacerbate the already precarious situation, participants (8 out of 10 who were women) cited the need for a guarantor as a barrier against their quest for upwards social mobility. One participant emphatically argued that this requirement tended to place the women at the mercy of their husbands who in turn would determine the use to which the loan is put. This departs from the core tenets of *Ubuntu* that call for social justice and respect for human dignity.

Similarly, another participant, Makanaka, revealed that the assets required for collateral were usually registered in the names of the husbands. This state of affairs found support in literature, with numerous scholars citing gender disparities as inherent blockings against women’s economic empowerment. According to Brannen (2010) despite the economic contributions that women bring into the household, access to economic opportunities, continue to be markedly different for men and women. Ellis et al (2007 p4, in Brennon, 2010) also highlight that

despite women's high economic participation rate, men account for the majority of workers in formal employment. Such inequities in formal employment motivate women to rely on microenterprises as a means of income generation.

On another related note, men are said to welcome income that the women make though their choice of spending is 'poor' (beer, braai). Mafria, one of the participants, submitted that:

*My husband is happy that I am in a group as I am able to meet some of the costs at home. I even lend him money when he has not received his wages but he usually spends it enjoying with his friends. If he comes to ask for more, I sometimes don't give him.*

Women thus take the opportunity granted by financial freedom to settle disputes in the home as income power gives them a voice. This can at times help to even the ground for decision making in the home, though such an outcome was far from universal but depends on relations between spouses. Men were cited as 'dictating' the types of income generation activities their wives engaged in. According to Fletschner & Kelner (2011, p12) spouse influence has impact on success of SCSs: When spouses have similar goals and priorities, it seems reasonable to expect that women would have the support of their husbands to gain access to financial resources. Spouses that agree with each other are likely to pool their resources. However, and contrary to what is assumed in most development interventions, spouses can disagree and they often do as family dynamics can be complex.

The study also revealed that access to markets remained a challenge to most members of self-help schemes. Although they are a productive entity, SCSs are grassroots based. As such, their productive technologies remain less sophisticated to compete with other players for the same market share. Such activities as buying and selling, cross-border trading and vending had no match for the more formal and capital-intensive enterprises against which they compete. Coupled with the low education of members of these schemes, access to the market for different commodities was cited as a challenge. Therefore, participants identified market linkages as a viable intervention strategy. On this note, participants encouraged both government and development partners to seriously consider helping these grassroots schemes with market linkages.

### ***Programmatic and policy recommendations***

Participants proposed a number of interventions to ameliorate their economic plight. First and foremost, participants cited access to loans at reduced interest rates as a critical step towards promoting their SCSs. However, they lamented the prohibitive cost of finance on the money market as obstacles standing in their way towards self-empowerment. It was emphasized that SCSs will never be viable when measured against conventional economic forces of supply and demand because the principal goal is not to make profit.

SCSs are a safety net designed to provide members with basic financial and material assistance to alleviate extreme poverty and deprivation, particularly as understood within the social justice and empowerment traditions advanced by *Ubuntu*. Weighing in on the same issue, the Catholic Relief Services (CRS) (2010, p2) observed that the thrust of SCSs' methodology is to provide basic financial management skills that allow members to manage their own minimal resources. It is therefore such a motivation that led members to believe that special loan facilities should be designed that take into account the principal objectives of these schemes. Weighing in on the same issue, participant implored government to set aside a certain portion of social security funds towards self-help schemes. The other remedy cited by participants was the need for both government and development partners to provide members of these schemes with necessary entrepreneurial skills. This, argued participants, would enable them to produce goods of acceptable quality that would equally compete on the market. At the same time, appropriate skills would enable members of these groups to make better financial plans and business decisions that are commensurate with prevailing economic imperatives.

Participants raised a number of policy issues. to enable SCSs to operate optimally. The active role of government in regulating economic activities was cited as a critical step towards economic stabilization and the equalization of opportunities. Given the economic environment within which these schemes operate in Zimbabwe, the behaviour of mobile money operators as well as other financial institutions that fleece informal traders of their hard-earned cash raised questions the extent to which "the hidden hand of the market could convert private interests into wealth of nations". Government should therefore put in place economic stabilization policies that curtail black market activities to even up the economic playing field.

Over and above all, efforts should be made to level the playing field by reducing gender disparities that have tended to put women at a disadvantage. This could be done through the creation of financial institutions that extend soft loans to women. For instance, the creation of a women's bank could go a long way in alleviating the economic plight of women. It is imperative that these efforts be anchored on the core values and principles of the *Ubuntu* Framework for Savings and Credit Associations advanced in the present study. In light of these submissions by the participants, it is concluded that:

- SCSs are a viable, low-cost and adaptable strategy for providing financial services to the poor.
- SCSs improve household livelihoods by smoothening consumption, improving nutrition and meeting the educational and health costs of poor households.
- The capacity of poor households to recover from economic and psycho-social shocks is enhanced through participation in SCSs.
- By improving the financial standing of women, SCSs have the potential to redress gender disparities within households.
- SCSs are an informal safety net that is however compromised by a lack of institutional standing in the way of legislative and policy supporting infrastructure.

## CONCLUSION

This paper has examined the challenges and opportunities of community SCSs within the context of a constrained economy. The authors have presented the *Ubuntu* Framework for SCSs as a critical conceptual lens for these grassroots strategies. Evidence presented points towards a great potential for these schemes to alleviate poverty and reduce economic vulnerability among the poor in Zimbabwe. Note should however be taken not to misconstrue SCSs as purely economic ventures propelled purely by economic motives. Rather, they should be viewed as a form of grassroots social security endeavour deserving structural support from both government and development partners. Therefore, it is imperative that legislative and policy frameworks be developed that encapsulates such schemes within the national development agenda. In particular, government should provide the necessary policy and legislative support to protect and entrench the interest of SCSs. Further, SCSs should be considered critical to national development, particularly that relating to social protection for the poor. Further, SCSs should be designed to address the socio-cultural, political together with economic dimensions of the welfare of communities-at-risk.

## REFERENCES

- Brannen, C., (2010). An Impact study of the village savings and loan association (VSLA) program in Zanzibar, Tanzania. Middletown. Wesleyan University Press
- Aga Khan Development Network (AKDN), (2010). Community savings: a basic building block in the work of urban poor federations. www.akdn.org (Accessed on 28 June 2019)
- Fletschner, D and Kenny, L., (2011). Rural Women Access to Financial Services, Credit, Savings and Insurance. ESA Working Paper No. 11-07. *Agricultural Development Economics Division the Food and Agriculture Organization of the United Nations* www.fao.org/economic/esa (Accessed on 29 June 2019)
- Grigoli, F., Herman, A and Schmidt-Hebbel, K., (2015). Saving in Latin America and the Caribbean: Performance and policies. *International Monetary Fund Working Paper*, Western Hemisphere Department
- Haworth, A., Frandon-Martinez, C., Fayolle, V. and Wilkinson, E., (2016). *Banking on resilience: building capacities through financial service inclusion*. London: BRACED Knowledge Manager.
- Kesanta, J and Andre, B., (2015). Impact of Women Empowered through Community SCSs on the Wellbeing of their Families: A Study from Mgubwe, Tanzania. *Interdisciplinary Journal of Best Practices in Global Development. Southern Adventist University, 1(1)*, 4.
- Manirampa, E., (2014). The impact of the internal savings and Credit (ISAL) programme on the livelihoods of rural entrepreneurs. A case study of the Zimunya project in Mutare, Zimbabwe. *a research project submitted to Africa University in partial fulfilment of the Masters of Business Administration degree in the Faculty of Management and Administration*. Mutare, Africa University
- Mugumbate, J. R. and Chereni, A. (2020). Now, the theory of Ubuntu has its space in Social Work. *African Journal of Social Work, Vol 10 (1)*
- Mugumbate, J. R. and Chereni, A. (2019). Using African ubuntu theory in Social Work with children in Zimbabwe. *African Journal of Social Work, Vol 9 (1)*
- Rankopo, J. M. and Diraditsile, K., (2020). The interface between Botho and Social Work practice in Botswana: Towards Afrocentric models. *African Journal of Social Work, Vol 10 (1)*.
- Ritchie, A., (2007). *Community-based financial organizations: a solution to access in remote rural areas? Agriculture and rural development*. Washington, DC The International Bank for Reconstruction and Development/The World Bank,
- Sogani, R., (2016). *Gender approaches in climate compatible development: Lessons from India*. London: Climate and Development Knowledge Network.
- Wolfe, J., 2009. Wolfe, J. (2009). Household economic strengthening in Tanzania: Technical guidance for PEPFAR II Programming. *United States Agency for International Development (DRAFT-used with permission)*.
- Zheke, H., (2010). Savings and internal credit communities (SILC) The key to helping Zimbabwean youth overcome poverty. *Catholic Relief Services*.