

Influence of Small Scale Businesses on Decision Making Capacity of Rural Women in Ethiopia: - The Case of Edget Bandinet Saving and Credit Cooperative in Muketuri

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**Abstract**

Ethiopia's poor have suffered from the global economic crisis, as the price of goods consumed increase. Rural women and girls bear the greatest burdens of this situation, since they have a role in livestock maintenance and management, crop production and marketing of agricultural produce (EMFA, 2010). Ethiopian women suffer from low literacy levels and poor access to public services, and most of them derive their income from small scale production. Lacks of investment make it difficult for women to earn a living from agriculture. Financially independence of women's doesn't always lead in decision making on issues related income utilization and choices of life. This research aimed to assess the influence of small scale business on women's decision making capacity. For the assessment the case of a credit and saving association in Muketure was taken. Using simple random sampling method 52 members were selected. 10 non-members were included as check. The tools of data collection were interview and questionnaires.

Employment opportunities were extremely limited due to gender-based factors. As a result of tradition and a stereotyped gender division of labour between men and women, women and girls were placed in a subordinate position. The lack of access to and control over resources has forced females to bear the burden of poverty, be dependent on men and powerless to make decisions on family's incomes. Women were subjected to various types of gender based violence. The study showed that the flow of capital in women's hands has improved their decision making capacity on issues related with the family and community. Women were able to generate income from their business, buy materials for the family, and meet and bargain with people without the consent of their husbands. However, women's decision making capacity has depended on the family background. The study found out that small scale business has pragmatic and significant impact in improving women's decision making capacity within the family as well as in the community.

**Key words:** small scale business; decision making capacity; saving and credit and poverty

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## **Introduction**

Poor, rural Ethiopians, the majority of whom are women and girls, who have a “substantive productive role in the rural sector, including participation in livestock maintenance and management, crop production and marketing of rural produce” experience chronic food insecurity. Despite decades of agricultural investments from international finance institutions (IFIs), overall productivity of Ethiopia’s agriculture sector has stagnated, leaving 8.3 million Ethiopians “more or less dependent on food security programs, and several million more people in the country are still susceptible to food insufficiency in the event of adverse climatic shocks” (World Bank, 2008 and Ethiopian Ministry of Foreign Affairs, 2010).

Families need new sources of income to move out of poverty. However, women’s roles as agents of economic development are often overlooked because their labour is either unpaid or involved in informal sector activities. Moreover, social roles, cultural restrictions, household burdens and child-care responsibilities tend to keep women at home and limit their options for outside employment. For most women in rural Ethiopia, employment opportunities are extremely limited due to various gender-based factors, as a result of tradition, a stereotyped gender division of labour between men and women places women and girls in a subordinate position. The lack of access to and control over resources has forced females to be economically dependent on men and powerless to make decisions on family’s incomes.

Women in rural areas face challenges when they are responsible for growing food to feed their families and fulfil household needs. Their ability to pull the family out of a subsistence level or develop other kinds of businesses is

often hindered because women do not have the access to training, services, equipment and finance. Women are also often constrained by social discrimination that prevents them from owning property, borrowing money, and gaining access to land and other resources. As a result women have limited experience, exposure and capacity to make decisions that have greater impact in their lives.

One of the initiatives that can change the situation is to increase the flow of capital in the hands of women and establish system that improves women's life in order to improve their decision making capacity (Matthias Doepke Michèle Tertilt, 2010). This research argues that economically and financially independence of women's doesn't always lead in decision making on issues related with income utilization and choices about their life. Therefore, the study has analyzed the role of small scale business saving and credit initiatives with respect to women's control over resources, decision making, self-esteem, respect from others, change in social position and increased community participation.

### **Literature review**

According to Pearson (1992), women represented 70 percent of the world's poor. They were often paid less than men for their work. Women face persistent discrimination when they apply for credit for business or self-employment and are often concentrated in insecure, unsafe and low-wage work. Eight out of ten women workers are considered to be in vulnerable employment in sub-Saharan Africa and South Asia, with global economic changes taking a huge toll on their livelihoods. In the 1990s, microfinance programs and some international organization began to target women, not only as part of their target of poverty reduction, but also they found

women's repayment rates to be significantly higher than men's. Women have not only often proved to be better payers of loans, but also better savers than men, and more willing to form groups to collect savings, decrease the delivery costs of many small loans and can accumulate substantial savings (Cheston, 2006). Otero (1999) illustrated the various ways in which "microfinance, at its core combats poverty" and stated that microfinance created access to productive capital for the poor, which together with human capital, addressed through education and training, and social capital, achieved through local organization building, enables rural women to move out of poverty. By providing material capital to poor women, their sense of dignity is strengthened and this has helped to empower women to participate in the economy and society.

Agriculture and rural off-farm activities are the major source of income (Mulat et al, 2006; Devis and Stampini, 2002). Farm household diversification into non-farm activities emerges naturally from diminishing or time-varying returns to labour or land, market failures (e.g., micro credit) or frictions (e.g., for mobility or entry into high-return niches), *ex ante* risk management and *ex post* coping with adverse shocks (Barrett et al, 2001). Most off-farm employment opportunities of the poor are also low-paying due to availability of surplus labour. The generation of self-employment in non-farm activities requires investment. However, the accumulation of such capital in the current farming system found to be difficult. Under such circumstances, loans, by increasing family income, can help the poor to accumulate their own capital and invest in employment-generating activities (Hossain, 1988).

Evidence from developing countries highlighted the importance of non-farm activities in the income-generating portfolio of rural households: non-farm

activities accounted for 42 %, 40% and 32% of the income of rural households in Africa, Latin America and Asia, respectively. A low rate of female land ownership, which is less than 20% of agricultural land, has hindered the access to financial assets that are necessary to set up a business (ILO, 2007). The generation of self-employment in non-farm activities requires investment in form of working capital. However, at low levels of income, the accumulation of such capital may be difficult in the farming community and loans can help the poor to accumulate their own capital and invest in employment-generating activities (Hossain, 1988).

Littlefield et al (2003) stated that access to income can empower women to become more confident, more assertive, more likely to take part in family and community decisions and better able to confront gender inequities. Thus, 68% of the rural women in Women's Empowerment Program of Nepal were able to make decisions on issues that were handled by men counter partner. Hulme and Mosley (1996) indicated also that with careful planning and design women's position in the household and community every loan made to a woman contributes to the strengthening of the economic and social position of women.

Decision-making power is central to the bargaining position of women within the household. It is how women and men make decisions that affect the entire household unit. In order to understand how these decisions are made in households, it is important to understand household dynamics and the factors that determine its structure. Gender discrimination within households is often rooted in patriarchal biases against the social status of women. Major determinants of the household bargaining power include control of income and assets, age, and access to and level of education (UNICEF, 2007). Small-scale enterprise developments that focus on

creating jobs, increasing the economic stability of women and communities, alleviating poverty and increasing economic self-sufficiency are being seen as viable strategies for creating economic opportunity for self-selected individuals with low-income or unemployed (Carter& Shaw, 2006).

Women engaging in rural businesses with their spouses often invest considerable time, but do not always share decision-making power and may not identify themselves as business owners. This may limit their opportunities to grow professionally, be innovative or demonstrate entrepreneurial attitudes that could lead to business growth. (Philippines Nava Ashraf Harvard Business School 1992)

## **Materials and methods**

### ***Research site***

Muketuri is located 80 km north of Addis Ababa in North Showa Zone and lies within 0.5 degree north latitude and 39 degree longitude along the Addis Ababa Gojjam road. The boundaries of the Woreda are BerekAleltu and Amhara region to the east, Mugerwereda (West shoa) Yaya Gulele and Debre Libanos to the north, Sululta and Mulo to the south. Using purposive sampling method Edget Bandinet Saving and Credit Cooperative in Muketuri was selected as a research site.

### ***Research design***

The universe was grouped into two groups (beneficiaries and none beneficiaries). And using simple random sampling method out of the total population of 73 saving and credit cooperative members; 52 individuals (all 42 women members, 10 men members) of two Kebeles in Muketuri were selected. To serve as a check 10 none beneficiaries were also randomly selected. Two key informants from Professional Alliance for Development

in Ethiopia (PADET) project staffs, 2/3<sup>rd</sup> of husbands of members, five Community Based Organization (CBO) leaders, saving and credit cooperative (SCC) committee members, 1 Cooperative and 2 local administrators were selected. The sample size was 84 individuals.

### ***Data collection tools and analysis***

The main tools of data collection were interview based on structured and semi-structured questionnaire, Focus Group Discussion (FGD) and observation checklists. All these tools were pre-tested and standardized. In addition, direct observation was employed to assess many issues which were difficult to collect through interviews. Questionnaires scrutinized, verified, edited, coded, tabulated and arranged serially. For the quantitative data master sheet and code book prepared, entered and processed on a computer using SPSS. The qualitative data were categorized and re-categorized in relevant themes and thematic analysis was conducted.

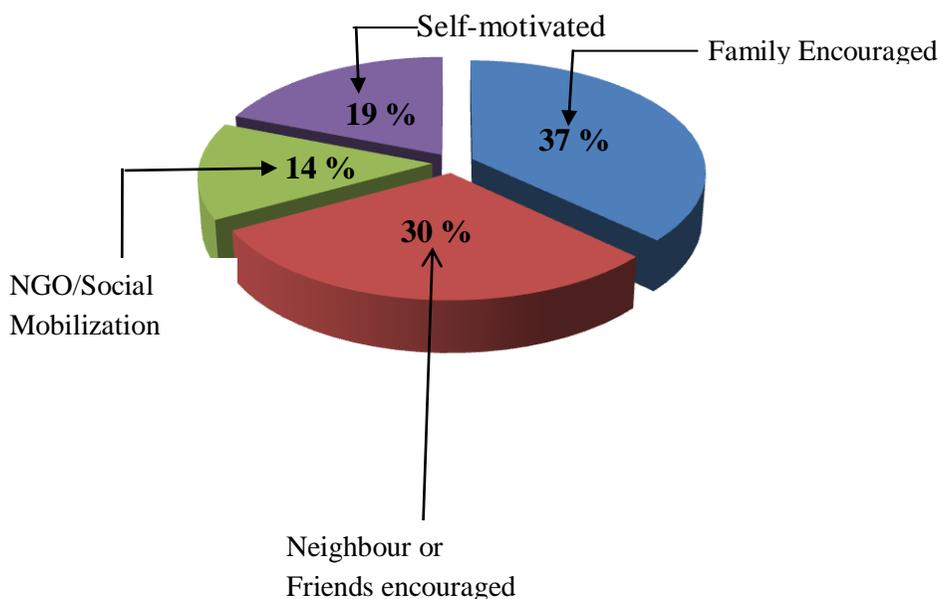
## **Results and discussion**

### ***Women engagement in saving and credit cooperative and income utilization program***

Economic equality is an essential component of economic growth, enabling women to become more effective economic actors (Klasen, 2002). But the involvement of women hampered by a number of constraints that affect the growth of women's incomes negatively. Women have not only often proved to be better savers than men, but more effective to collect savings and decrease the delivery costs of many small loans. Women make good livelihood and household decisions, can use loans effectively to increase their incomes and are very good long-term clients. They can accumulate substantial savings, use a range of insurance and other financial products

and pay for services that benefit them (Cheston, 2006). With all these potentials the income generation (IG) program implemented by PADET was the only means of income generation for women in Muketuri. As a result of this intervention, more than 80% of the women's of the area generating their own money. Most of the women were engaged in local drink making, petty trading, milk production, small shop and restaurant business and trading of farm productions through saving and loans of Saving and Credit Cooperative (SCC) and the other support of income generating activities.

Out of the total members of SCC the majority (37%) of the participants were encouraged by family members (father/husband) to join the saving and credit scheme. 30% were encouraged by neighbour/friends and 14% were mobilized by non-governmental organizations (NGOs) or social groups in the area where as the remaining 19% were self motivated (figure 1). Most of the household heads were farmers. Due to reduction of yield per unit area as a result of various calamities and limited chance to expand their farm lands farmers were not able to cover the family annual expense from farms' incomes. Thus, they tend to encourage their partners/ kids to join the income generating scheme to support the family. This has been confirmed by chairperson of Edget Bandenet Saving and Credit Association. *Concerning the current economic problem the chairperson indicated that "these days,*

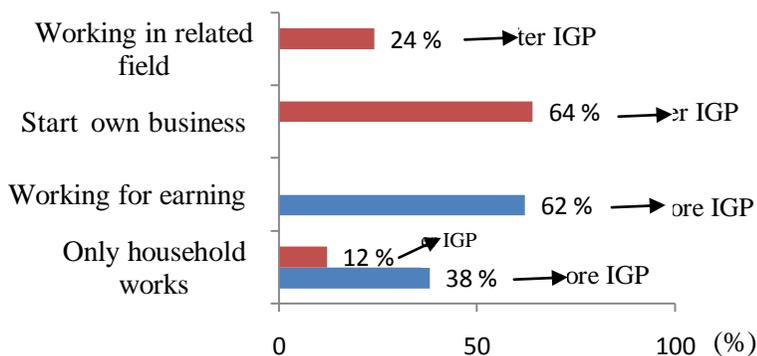


*male household heads encourage the women in their houses to participate in income generating activities, rather than sitting ideal and wait for the incomes generated by male counter partners".* This statement of the chairperson was confirmed by 59% of male family heads during focus group discussion. They indicated also that they will allow only women who have grown up children or if there is old family member who is capable to take care of the small kids and household matters.

Women in the area have clearly indicated that their involvement in income generating activities has increased their level of social responsibilities and acceptance as viable actors in the well being of the family/society. One of the indicators was their contributions in various committees and involvement in decision making processes of the association. However, the training opportunity to increase self-esteem of women's was significantly low. Low-income women face restrictions on the level of household governance they can have and this makes it also extremely difficult for

many women to start business (Stohmeyer, 2007). Lack of income was also found to be a principal cause of women poverty, deprives them from accessing resources for basic needs and, thus, putted them to perform below their capabilities. Income scarcity had prevented also women from attaining resources and disproportionately affected their education path compared with their male friends. This has eventually incapacitated women's ability to earn higher income.

Women members of SCC of Muketuri had used their incomes for household's expenses or established business. However, money alone was not sufficient to commence the business and there was a high need of developing the business skills. Figure 2 shows the income generation paths of the members before and after IG program. Before the launching the IG program most of the members were working for others to earn money, but after the initiation of the program they took loan and started their own small businesses and became self employed. Most of them were involved in petty trading and only 24% of the members have expanded and diversified their agricultural activities and started milk production. The number of women who remained with household activities has reduced significantly. These women were not able to involve in income generating activities for reasons such as: some heard about the initiative recently, have small children in the house are small and there is no adult in the house to take care of the children or their husband has other business besides farming.



**Figure 2:-** Occupation of Women Before and After IG Program Intervention

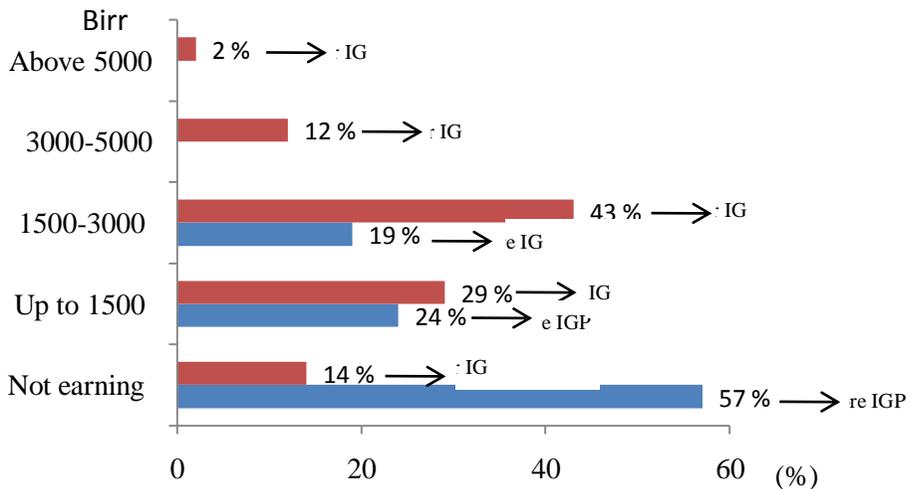
Without affecting the support to the families women were able to repay the loan by instalments from their earning. Seven women provided also money for families of 5 non-beneficiary families to start business. They got also the opportunity to interact to each other to share information, skills and newly acquired business management system. When the NGOs initiated the income generation initiative, the mobilizers/facilitators sensitized the village people about how women can be involved in such program and its contribution to the poor families. Since the area is food insecure and income is an issue to initiate self-managed business. Thus, the families welcomed the intervention.

### ***Effect of saving and credit women's earning and decision making capacities***

There were economic differences within the group and some members were found to absorb credit better than others. Equal distribution of the available

money has improved the financial status of the members significantly and, therefore, some members were able to take higher loans than the rest based on their saving and absorption capacity. This has affected social dynamics within the group significantly. The data of SCC showed that women save and borrow less than the men members because of different reasons. Some of the reasons were: - women afraid of taking risks, lack business orientation and prefer to work on business closer to their home and demand less time.

Some of the members were not able to make income earning as early as the others because of their low saving capacity. In this section, earning from women's income generation activities was analyzed in order to find out the average income per month (figure 3).



**Figure 3:-** Effect of SAC on Women's Earning Capacity

Most of the members were engaged in small but regular and informal businesses related to their skills. Most of the participant women (57%) did not have income before joining the initiative whereas the remaining had income ranging between 1500 and 3000 birr. Since the program had

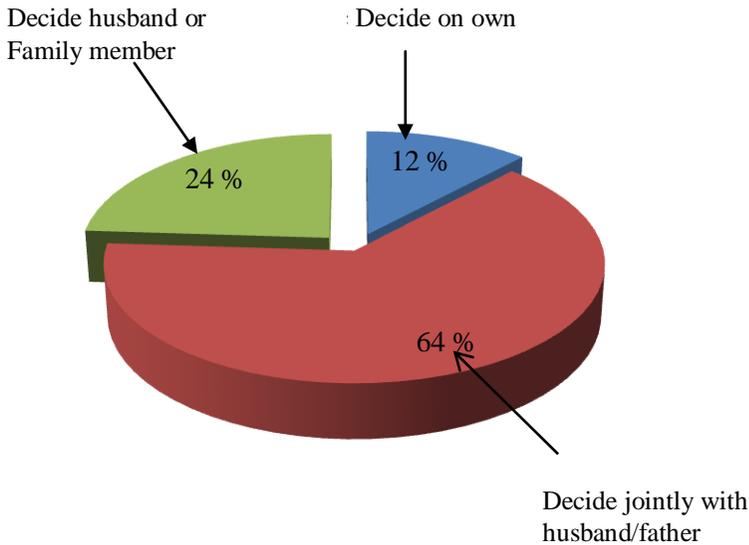
brought members new earning opportunities after joining the income generation initiative the number of members without earning has reduced significantly. The overall result has clearly indicated that the involvement of women in income generation program improved their level of income.

The above discussion as was pointed out demonstrates how SCC has changed the income level of participating women. Income generation program was found to be a tool for the poor women in the village, for whom a little increase in income means significant contribution to the personal and family causes. The program has added a block to capacity building of earning. As there was rise in the level of women's earning, there were increasing concerns about the control over these incomes and process of decision making.

Women's participation in decision-making both at personal and household level was studied. It was hypothesized that the more the involvement of women in income generation program, the more their participation in the decision making processes. To analyze women's participation in the decision making processes both at personal and family levels were closely studied based on the parameters used by Parvin et al in 2004. On personal level, the following areas were inquired: buying personal items, visiting places/ markets or institutions, arranging recreational facilities and meeting with non-family members. To analyze decision making at family level, involvement in taking decision regarding child's education, marriage, making big or small purchases were inspected.

There was a significant shift in the decision making capacities of the women and women were allowed to involve actively in most issues that required family decisions. However, to spend their savings, the women mostly don't

decide on their own. The majority of SCC members (88%) consulted their family members –husbands and family heads or father, while 12% of the members decided on their own how they spend their money. Interestingly enough, though the study assumed that the saving or earning would enable women to spend their saving and earning in their personal needs, women indicated that they spend their money for family needs, particularly for children. Women still need to negotiate or seek prior permission from their husbands or other male members of the family in order to dispose their savings.



**Figure 4:-** Decision on Utilization of Women's Savings

Income generation program was found to be a tool for the poor women in the village, for whom a little increase in income means significant contribution to the personal and family causes. The rise in the level of women's earning has increased women's control over the incomes and improved their decision making capacity in the society. When the women engage in income generation program and start contributing to the family

expenses, they start enjoying respect in the family. Since they shared more family responsibility, they commanded a relationship of trust in the family and their family members gave more value to their time and work outside. However, the participants indicated that there were few incidences of violence and divorce because some men didn't accept the change in the women's life.

As indicated in table 1 women's decision making on personal matter has shown significant change, where as their decision making capacity on family matters did not improved as expected. The improvements were gained in points indicated below.

**Table 1: Decisionmaking capacity of women on personal and family matters before and after the intervention in percentage**

Extent of Decision-making	Personal matters		Family matters	
	Before	After	Before	After
Low	67	24	76	67
High	33	76	24	33

As agricultural production faced with various constraints it became too difficult for the males to support the family. Thus, women were also forced to be engaged in income earning activities and share the financial burden by satisfying the small demands of the family. This has reduced male heads burdens to some extent. In addition to fulfilment of the basic needs the involvement of the village women in income earning has changed the family life style and, thus, the needs for recreational facilities and recreation had surfaced out.

The financial condition of family has also an impact on of children's education. The general picture showed that the higher the family's income, higher the level of children's education. In the area, the children have the chance to pursue their education as much as they can. As a result 60% selected SCC women members were educated. This literacy has raised awareness among these women to educate their own children. Due to their involvement in income generation program women were also able to share expenses of the children and asserted that their children must pursue education to level best. The women indicated also that both spouses decide about the children's education together. Some women explained that they knew better the right time to send children to school and, thus, decided when to enrol children.

In many of the areas, women were found to have equal footing with the male family heads after joining SCC. In general, women with their own income, however little, have increased their role in family matters, but in case of children's marriage, the women have little say since marriage has remained as social connection. In social affairs women have less involvement compared to the male counterparts. After all, the decision whom their daughters or sons shall marry has dramatic impact on their children's future as well as on the family's reputation. What is notable here even if a wife did not take a final decision about the future daughter or son in law she had a noteworthy influence on the outcome of the decision making process. Roomi and Parrot (2008) have noticed similar situation in Pakistan.

Whatever small amount the women earn from their business or work, their contribution in the family was accepted. Since they contribute to the family, the family heads now pay more attention to the women's choices regarding

purchase of lands, properties or other family needs. The decision making process became participatory, better and more acceptable decisions were made. Income earning opportunities for the women have pushed the women ahead as decision maker in the family. Thus, in overall, it's noteworthy that though there is a trend for women to work outside, but the society remains still male dominated. Even in the families, male remains the influential person. However, the chair lady of the association *indicated that* " *in the present days the male members of the family and society at large, are also supporting women to have equal footing at work and home. She claimed also that both male and female played equal role in making family or societal decisions. Due to SCC scheme, women are aware of their roles in making decision for their family, particularly for children* ".

Before their involvement in income generation program, 57% of the women with family size of 1-5 had low decision making capacity where as the remaining had high capacity. But, this situation was completely changed after joining the SCC (table 2). This indicated that the smaller the numbers of family, the women enjoy more freedom in decision making in their personal matters. However, as the family size increases from 6 up to 10 the change in decision making capacity of the women's did not show significant change due to the composition of the family. In these families children below 15 years old accounted for the highest number.

**Table 2: Effect of family size on decisionmaking on personal matters (in percent)**

Decision Making Level	Family size					
	1-5 persons		6-10 persons		More than 10	
	Before	After	Before	After	Before	After
Low	57	0	67	40	81	38

High	43	<b>100</b>	33	60	19	62
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Here it was assumed that capacity building is mathematically related to saving. Thus, analysis was made between decision making capacity and saving. The study indicated that SCC members had low decision making capacity in personal affairs before their involvement in income generation program. But after their involvement in income generation though not making any kinds of saving their decision making capacity has increased significantly.

Income was measured quantitatively by counting the amount of saving the women make and the amount of money the women spend for personal expenses. This measurement was related to decision-making capacity. When the women did not have income they have to ask and consult the family heads regarding what they want to buy and why they need money for. On the other hand, income earning opportunities give women certain level of freedom of decision making and choices like visiting places, visiting organizations or institutions, meeting with people connected with their work or business, and buy some recreational facilities on their own.

There was significant relationship between the level of education of male household heads and the change in decision making capacity of the SCC women members. The education level of families' heads of the respondents was considered. They failed into three categories (illiterate, up to secondary level which includes just literate as well and intermediate and above). As to the profession of the household heads of respondents, 83% of them were dependent on agriculture and daily labour work such as carrying household construction materials, working as carpenter, masonry etc whereas 10% were involved in private job or business such as small local hotel, grocery

shops etc, and the remaining were skilled labourer. Before joining the income generation program the majority of the illiterate families have low decision making capacity in personal matter. However, after joining the program the change in decision making was significant in the family lead by illiterate male heads compared with the other two groups (table 3). The above facts proved that in absence of economical strength education alone was not in position to change the participation of women in the decision making processes of the households.

**Table 3: Effect of education of family heads on decisionmaking capacity of women before and after joining income generation program (Percent)**

Decision Making Level	Education of family heads					
	Illiterate		Primary		Intermediate & above	
	Before	After	Before	After	Before	After
Low	87	35	71	79	87	96
High	13	65	29	21	13	4

In all categories primary, intermediate and high education level after involvement in program, there was a significant improvement in women's involvement in the decision making processes. The change in family with primary and intermediate education was not significant compared with illiterate families. However, respondents from primary and intermediate education level with family size (6-10) have high increase in decision making on spending major portion of their income on child's education and health, purchasing goods like medicine, fruits, foods etc for family.

Here in this study, the respondents neither received training from the NGO nor from their institutes. The study investigated into the decision making capacity of the women before and after the IG Program intervention in which family background remains as an influencing factor. In the study the

family size is measured with 2 scales – families having up to 5 members were considered as small, and families having more than 5 members were considered as large. The concept works here that the members in a smaller family can have more mobility, better choices, better options for living, and have say in decision making areas. The study shows that with the same resource and inputs, the women having smaller family size were more capable to make decision in personal matters. Among the respondents from the small families, 67% had low decision making capacity, while among the respondents from large families, 83% had low decision making capacity. Following participation in IG Program, 96% of the women from the small families have increased their decision making capacity in personal matters, while 83% from large families showed increase in decision making capacity. So, family size itself mattered in decision making capacity. Education of family members has significant effect on the participating women. As per the survey data, 60% of the women with illiterate family members had high decision making capacity in personal matters, while following 80% of the women of this category say they have now high decision making capacity. So, family background remains a significant factor to influence women's decision making capacity.

***Women's involvement in community affairs and society's perception towards income generation program***

In the society women are engaged in many of the feasts or ceremonies, which are part of the culture. When there were gatherings organized in connection with education and health, women generally were neglected. But after the inception of the income generation program, women were called to participate in all events of the community. The study showed that, through time society perception towards women's involvement in income

earning work was changed. The society is convinced that beside the household works, the women can take up other activities in the society to get extra income. The extra income of the women can help the families to meet family expenses, and save money for future investment or incidents as well. Moreover, the involvement of women in such program has a significant impact on the reduction of violence and their empowerment changed significantly from time to time.

### **Conclusion and recommendations**

Rural saving and credit schemes contribute to economic growth in developing countries and clearly represent an untapped potential. For many rural women, income generation activities are part of a broader livelihood strategy, often undertaken on a part-time basis, and where it is difficult to separate production and reproduction tasks, as well as market and non market work. With few employment choices, women often start businesses in highly saturated sectors, in the informal economy and in low-productivity and low return activities, where they benefit from little or no social protection.

Around 80% of the women who participated in these projects managed to initiate income earning activities and engage in related field. These women have savings in the association. In the rural sit-up where the majority of the population is illiterate it would be too difficult to know how many of the male household heads welcome that their wives work outside and earn for the family, but the impressions of the participant women as well as of their family heads suggest that family heads do not disagree. The women's income however small it is, it adds to the total family income and meets small family expenses. Most of the women able to expand their existing

business, buy materials, particularly education materials and food stuffs for their children, buy their personal items like cloths etc., and save little from their income. For business purpose, the women have to visit markets and institutions, meet and bargain with different people, which fall in the implicit objectives of the income generation program. This is a promotion of individual choices and rights. It also indicated that there is a change in women's decisionmaking on their personal matters. Whatever small amount the women earn, they contributed to the family, and they were more or less recognized in the family as income earners. This situation forced the family heads to respect women's choices and views. The women claimed that they have a say in the family matters after their involvement in income generation.

Women's decisionmaking capacity also depended on the family background, i.e., family size, education and occupation of the family members, particularly of the family heads. The extent of the success of income generation program was related to the family size, educational background and occupation of the family members of the participant women. What was evident here was that the NGOs which implemented income generation programs responded to the demands of the women for the sake of their own capacity building. The majority of the women in the area did not participate in the income generation program.

There are many aspects to explain the decisionmaking capacity of women in addition to issues which this study has addressed. The research did not look into all aspects of decision making. Moreover, the research did not deal with factors like education, age, marital status of respondent women, which may greatly influence their decision making capacity. Underdeveloped rural infrastructure and services such as transport, electricity, and clean water has

limited women's access to resources, markets and public services such as healthcare and others. These added to agricultural work, created time constraint for non-farm business activities. Therefore, at various governance levels the development of infrastructure and public services must be given priority so that it could create possibilities for rural women to be involved in income generation.

Beside increasing access to financial and business services that affects the growth of rural women's businesses promotion of women's basic education with focuses on literacy, business management, simple record keeping, marketing, and sustainable (agricultural/non agricultural) production methods must be given priority on the rural development agenda. Strengthening the capacity of rural saving and credit associations and dissemination of information on good practices will assist the promotion of sustainable rural women businesses. The association does not have a clear policy on how to deal with defaults or with drop-outs. Dealing with defaults needs to be part of regular trouble-shooting–linked to careful monitoring of internal recoveries and clear guidelines. There is also a need for clear norms related to leaving the association and sharing accumulated capital. Both aspects would be helped by accurate and transparent accounting.

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