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ACRONYMS

DPMNT – Development

IT – Information Technology

Kshs – Kenya Shillings (Currency)

NGO – Non-governmental Organisation

ROSCAs – Rotating Savings and Credit Associations

SSE – Social Solidarity Economy

ROSCAs: An Instrument for the Sustainable Development of the Solidarity Economy

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KEYWORDS

ROSCAs, Solidarity economy, Sustainable Development

INTRODUCTION

Sustainable communities are developed within three main sectors, the public sector, the private sector and the social enterprise/solidarity economy. This paper shall focus on what can be done within the social enterprise/solidarity economy in Kenya, by evaluating the activities of two ROSCAs located in Kenya; Bahari Widow's Group and Vakhana Vatecho group. Members of these groups belong to the same ethnic community - The Luhya Tribe. This article looks to explore a method of adapting an already existing community financial system into a tool to grow the solidarity economy value chain from the grassroots level.

ROTATING SAVINGS AND CREDIT ASSOCIATIONS (ROSCAs)

ROSCAs stands for Rotating Savings and Credit Associations. These financial associations can be found in the informal economy, which is referred to as the third economy among other terms. They make up a significant portion of the informal finance sector (Smets, 2000). ROSCAs are savings and credit groups, which usually comprise of 5 – 20 members, who agree to come together, at regular intervals and usually for a defined period of time, with the intent of engaging in savings and credit activities through contributing to a common fund (Raccanello, 2009).

The members agree to contribute a certain amount at each interval, and this amount is usually agreed upon at the start of the scheme. By principle, the contribution is based on balanced reciprocity, meaning each member draws out as much as he puts in (Bouman, 1995). The fund is given in whole or in part to each contributor in turn (Ardener, 2010) (O'reilly, 1996). Once a member has received the fund, he/she will no longer be a candidate for future allocations until the ROSCA cycle ends (Thieme, 2004), although they are obliged to contribute until the cycle ends (Anderson, 2002). Upon completion of a cycle, the members can decide to continue, disband or quit the ROSCA (Eroglu, 2010).

When individuals save - research has established that members of ROSCA's are primarily women - in ROSCAs, they are focused on meeting some specific needs. The needs that

women aim to address include: -

1. Paying of school fees
2. Purchasing of school materials
3. Purchasing of electronic items in the home
4. Private consumption
5. Ensuring survival
6. Capital accumulation for small entrepreneurs, traders or farmers.
7. Improving the quality of life

In developing countries, one of the highest costs that poor families encounter is that of education for their children. ROSCAs help the poor or less affluent finance their children's education.

Some ROSCAs may be dedicated to a particular function to help raise the social standing of the group. For example a ROSCA may be dedicated to particular household purchases, such as saucepans, and members within the group will check on each other to see how the saucepans are being used. Usually, once the group is formed, the members agree about the reason for the group's formation. This makes it easier for the group members to monitor each other, and ensure that the money received and spent is used for purposes deemed valuable by the group (Gugerty, 2007).

Over time, the money from ROSCA's is now also being used to cater towards fixed and working capital on land, housing and enterprises that have problems gaining access to bank credit.

ROSCAs are unique in that they offer a high degree of flexibility whereby the amount of money to be saved, the number of people in the group, the interval between meetings and the use to which the money will be put are all determined by those participating (Johnson, Malkamaki, & Nino-Zarazua, 2009).

ROSCA's follow the following common circumstances to exist: -

1. There needs to be a community-based social order
2. Obligations that are held to be collective in nature
3. Social and Economic Stability
4. Social and Economic Isolation
5. Similarity among ROSCA members in Social Status

Income of the ROSCA members also has a part to play in ROSCA existence. Many studies have shown that these groups are predominantly found amongst the lower income sector of the population. However, Eroglu (2010) in his study explored and discovered a different dimension in regards to participation and income in Turkey. In Turkey, these groups are often found more amongst the middle class members of the population.

ROSCA members are usually from the same social class with similar resources, where everyone has the same amount of 'power' in terms of income and saving capacity. Group members know about each other's social backgrounds, their history, how they have lived and their general responsibility within the community. According to Ardener (2010), ROSCAs are usually made up of members who may be bound together by a mutually moral obligation to each other. This is usually because the members are neighbours, relatives, close friends or from a particular religious circle or ethnic background (Eroglu, 2010). Using this intimate knowledge of each other, they can limit participation to those with the social and moral capital necessary to repay as agreed (Biggart, 2001).

When a member defaults, it affects everyone in the group, not only the ones who may have already received the fund, but also those who are still contributing. Members who miss meetings or fail to bring their contributions are usually fined (these funds collected from these fines are usually distributed amongst the members at the end of the cycle). Anderson & Balland (2002) in their study discovered that among ROSCA groups in Kibera, Nairobi, Kenya, members who missed three meetings were usually expelled from the group. New members are usually added at the end of a rotation. The addition of new members is usually closely vetted, and all other existing members are required to give their full agreement. In order to establish trustworthiness of these members, they receive their "pot" at the end of the rotation.

People in close knit communities find it hard to imagine themselves as not being a member of the community, and will often do anything necessary to belong. This is one of the strongest underlying factors that lead to the success of ROSCA's. Members of the group feel obligated to each other, and do not want to bring shame or disappointment to themselves, their families or the group in general. Furthermore, defaulting within a ROSCA may lead to the member being unable to participate in other community-based activities (Anderson, 2002).

ROSCAs operate very informally, with few written rules governing their existence. Governance of ROSCAs exhibits some similarities to formal finance systems. The groups may be governed in two ways: a president, who is usually the person who initiated the ROSCA may be in charge, or the group may be led by a committee consisting of members such as a president, secretary, treasurer and so on (Dagnelie, 2006). Most ROSCAs depend on relationship and social ties, and there is a common and clear understanding between members and their expectations. The default rate is very low, and participation is usually very active.

ROSCAs are self-sufficient and self-regulating, and do not get any of their financing from formal finance institutions i.e. they are not subsidized (Bouman, 1995). They operate independently from legal, fiscal and financial authorities in their respective countries. They do not require a written or formal procedure as do formal financial institutions.

As not all ROSCAs are the same, this paper looks to address two cases of ROSCAs in Kenya, one which is operating in a poverty stricken rural mainly agricultural area, and another which is operating in an urban area. The names of the groups are Bahari Widow's Group and Vakhana Vatecho group respectively. Both are organized groups and details on their size, member make-up and governance are detailed in the case studies.

BAHARI WIDOWS GROUP

Case study details adapted from Merry Go Round, A Study of Informal Self-Help Groups in Kenya by Nokia Research Centre

Bahari (meaning sea/ocean) Widows group, found in Kwanza Location, Kwanza Division of Trans-Nzoia District in Rift Valley Province, Kenya is an informal savings scheme, specifically a ROSCA established in 2004. It has 15 members, all women, 4 of which are younger married women and not widows. The group has six officials: the chair, the vice chair, the treasurer, the vice treasurer, the secretary and the vice secretary. The chair, Mama Peres, is the backbone and founder of the group, as she is the only person with a college education and is the main decision maker. The women range in age from 30 to 97 years old.

The group is based in an agricultural community and none of the members of this group are employed. They all depend on farming for their livelihoods. They contribute Kshs 60 (0.6 Euro's) every two weeks and utilize this money for farming and running a nursery school.

The Bahari Widows group was formed by women who as widows, faced the problem of becoming a burden to the community. They needed to find a way to survive and to bring up their children alone. They decided that pooling their resources would make them more likely to survive than going it alone.

Initially, they used their savings to purchase kitchen utensils, and over time, they expanded their perspective. They have currently been able to establish two projects. Their first project is a nursery school. The nursery school is meant to provide basic introduction to education for their children as the widows and guardians look for money to fund their primary school education. The school is a one-roomed wooden building and has around 40 students (initially, they had 70 students but lost some due to another nursery school opening up in the neighbouring community). The students are all orphans or from single parent families. They do not pay any school fees. The students are taught by a volunteer teacher who does not receive a salary for her work.

According to the case study, this is the second volunteer teacher; the first one was her mother who passed the baton on. The current teacher is satisfied to offer her time and knowledge to teaching the children for no pay, although she does hope that in the future they may provide her with some financial token of appreciation.

Their second project is farming activities, particularly the production of maize and beans. They also have been taught and trained to grow trees that supply them with wood fuel, animal feed and fruits. The group explores these activities by leasing land. From their Kshs 60 collection per person every fortnight, they put aside Kshs 50 for their projects and save Kshs 10.

Earlier in this case, it is mentioned that 4 of the group members are not widows. These women were carefully selected by the chairlady due to their youth and strength, as younger

women were required to carry out the practical farming activities. The food that is grown in their farming project is distributed amongst the members for their personal use and used to make porridge to feed the students in the nursery school. It is essential to note that no surplus is sold to make money for the group.

In this project, the main challenge that the group is facing is poverty. In the previous year, the group were able to raise enough money to lease land for farming, but unable to raise enough to buy fertilizer and seed. This means that they watched their money go to waste, and were not able to get enough food. On other occasions, they have not been able to grow enough food to cater for their families and for making porridge for the nursery school.

This group has plans to expand their current projects. They intend to purchase a plot of land near the nursery school so that the children can have a playground. They are also wondering how they can make more money to pay the teacher as well as to acquire their own land.

The work that this group has done has had a major impact in the community, so much so that they have been recognized by many organizations including CCS¹, VI², Lake Basin organization and the Ministry of Agriculture. They have even received certificates of recognition for commendable work from at least two of these organizations. It is worth noting that they do not receive any financial assistance from these organizations, although they do receive training from NGO's and other government agencies to improve their agricultural skills.

Family members of those who belong to this group admit that they have eaten food from the hard work of their loved ones and have also been united in working together with their loved ones for those that belong to the same group as their relatives.

The information from this case reveals how the Bahari Widow's Group has overcome what is a serious societal issue. Through the group, the widows have been able to help each other, provide early education for their children, grow and support their families through their farming activities and continuing life without the support of their husbands. Their activities have ensured that they do not become a burden to the community.

VAKHANA VATECHO GROUP

Details obtained from Interview with members of the Vakhana Vatecho Group

Vakhana Vatecho group (meaning Daughters of the Vatecho Clan) is found in Nairobi, the capital city of Kenya, and is a relation-based ROSCA. All the members of the group are related to each other by blood, as cousins and sisters. Women who marry into their clan are unable to join and become members of this group. The group currently has a total of 18 members, and the number of members increases and decreases based on who is in Nairobi at the time of the meetings. Any female cousin or direct relative who is in Nairobi is able to join the group. The group has four main officials; the chairperson, the treasurer, the deputy

¹ The Christian Community Services in Mt. Kenya Region (CCS) is a development arm of the Anglican Diocese of Mt. Kenya South, the Diocese of Thika, The Diocese of Mt. Kenya Central and the Diocese of Mt. Kenya West.

² The Vi Agroforestry Programme is under the Vi Tree Foundation an international non-political, non-religious and non-profit organization registered in Sweden and in Kenya, Uganda, Tanzania and Rwanda as a non-governmental organization.

treasurer and the secretary. The chairperson is the oldest member of the group, and has fondly been referred to as the glue that holds the group together.

The group was created in 1986 by Frieda Natecho, the oldest member of the group. She realised that the clan was growing larger, and that with rural to urban migration, members within the clan, especially the women, were likely to lose touch with each other. It was important to her that the familial bonds be retained, the women get to know each other better and offer support to each other when necessary, their children interact, and traditions kept alive through teachings and interaction in the group setting. The ROSCA is focused primarily on ensuring social interaction and meeting as well as offering assistance and support to each other through welfare and savings activities. There is no criteria that members of the group must be employed or married. The only criteria needed to join the group is to be a member of the clan and over 18 years of age.

The group members meet up once every month for a social lunch and ROSCA meeting. They currently contribute Kshs. 2000 (20 Euro's) each per month and the money is utilised for maintaining and improving their lifestyles, the general good of their families, buying household goods, paying school fees and settling debts.

One of the most important parts of the meetings is when the members' children meet and interact with each other and for this reason all the meetings are preceded with a social lunch. The groups also offer welfare and support to each other, especially during weddings and funerals. In the event of a wedding, the group members will collectively represent the families with singing and dancing for the bride. They also have special decorations that they use for weddings that identify themselves as women of the clan. When someone passes away, the group will assist to plan and organise the funeral, as well as cook and handle any physical work that needs to be done. They also take turns as members comforting and staying with the widow (in case a husband passes away) until she can take care of herself again. The older members of the clan use the meetings as an avenue to teach younger members the culture and traditions, especially on behaviour and how to raise their children and run their families.

In the past, the group looked towards expanding the scope of their activities. A fund was created by the Government of Kenya to support informal women's groups, by giving them access to interest free loans for their development. The Vakhana Vatecho registered their group with the Ministry of Social Services and opened a bank account as per the requirement. The group intended to pool their money so that they could use their savings for something bigger. The plan was to save the money to use for purchasing land and erect some low income housing, whereby they would be able to share the funds gained from rent. However, the plan was not followed through, as the chairperson (who was at that time the eldest member of the group, the key decision maker, and the initiator of the plan) left Nairobi, and passed away. When the chairperson passed away, the group floundered and eventually discontinued for a period of two years, between 1992 and 1994. In 1994, the group was reformed by another elder lady within the clan and the new chairperson opted to revert back to their normal activities.

A lack of access to information has meant that the Vakhana Vatecho group do not know

what financial options are readily available to them, for example, getting funds from external bodies such as NGOs. They are also against too much interaction with outsiders, as the family and relation by blood is the basis of their solidarity, and they do not want outsiders to come in and possibly take control.

THE VALUE CHAIN

As both the cases illustrate differences in their ultimate goals and operations, they also have different value chains.

BAHARI WIDOW’S GROUP

For Bahari Widow’s Group, the value chain is illustrated as follows: -

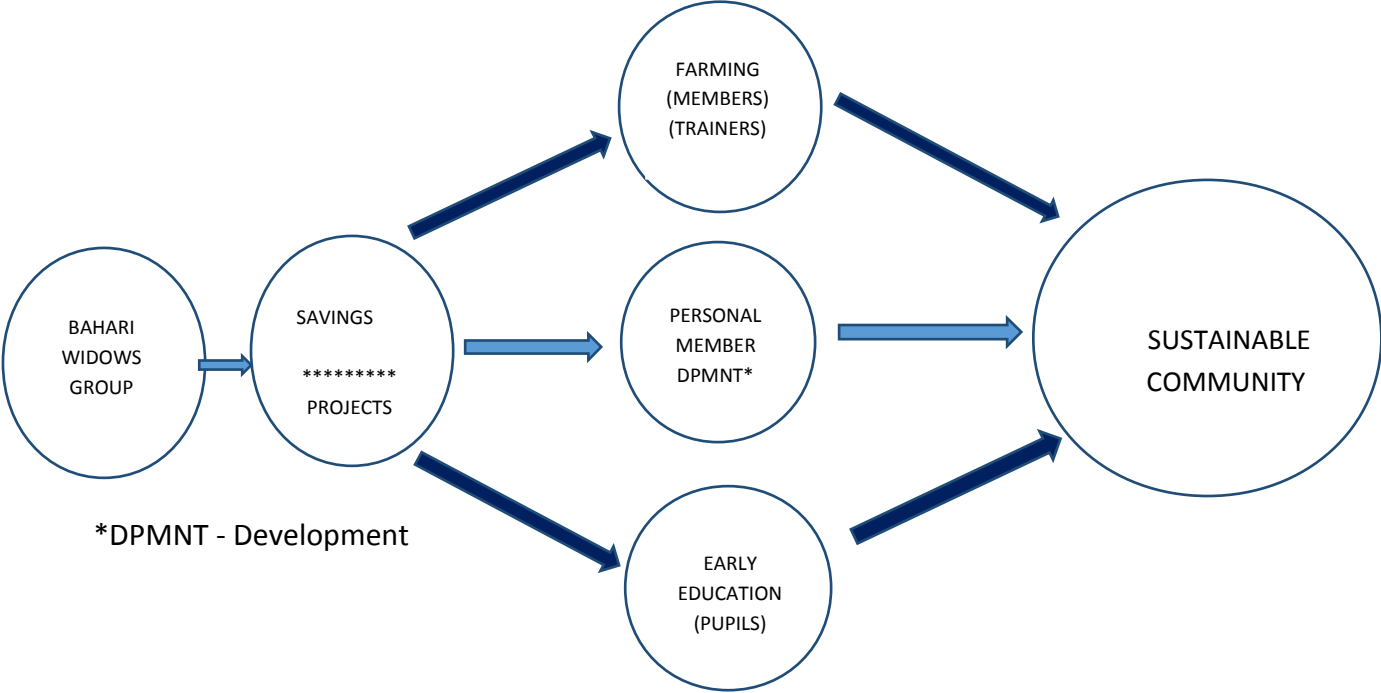


Figure 1: Bahari Widow’s Group Value Chain

The value chain reveals that all activities initiated by the group contribute to the development of a sustainable community.

The main stakeholders in the Bahari Women’s Group value chain are the members of the group, the pupils who benefit from early childhood education, NGOs and government agencies offering training, and the overall community. The stakeholders of the group are chosen and agreed upon by all members of the group. The various stakeholders were selected based in varying criteria. The students of the early education school were chosen based on the need to fulfil a social mission of providing education for the youth who were at a disadvantage as they came from single parent, single income families or are orphans.

Of all the stakeholders, trainers offer benefits with the greatest impact as they increase the knowledge of the women, helping them become more productive in their day to day farming activities. The issues that the group may face from stakeholders include the early education project being affected by a neighbouring community that has set up a similar school. This is sure to put a strain on available resources and standard of education at the Bahari Women's Group project, as students leave due to competition.

The major challenge that the ROSCA faces with its current stakeholders is their consistency. They are dependent trainers to improve their skills. As they are in an area that is relatively poor, it is difficult for them to expand their activities to include income generating farming. The new competition arising from the newly opened nursery school in the area also impacts negatively on their growth as they have less students within their early education project.

The main source of funds for the group are their own savings, which they split into use for savings and projects. These funds come into the group twice a month, and each member of the group is expected to give a fixed amount of Kshs 60. Of this Kshs 60, Kshs 50 is used for projects, while Kshs 10 is used for savings. With 15 members in the group, the total amount of money available per month is Kshs 1800. As this group is informal in nature, and there is the issue of literacy of the members, their agreements on contribution and management of funds are verbal. There are certain problems that arise from the members, the major one being members non-attendance to meetings. Also, members will often pay the RM 50 for projects and leave out the RM 10 for savings. Penalties for non-attendance of meetings are in place but are rarely enforced. The evident solution to resolve this issue is to enforce the rules that are already in place. In addition, the benefits of the savings in the long run should be more clearly communicated to members.

The money for projects is used for both provision of early education and farming. The only revenue generating activity that they could have is farming and selling their produce. The money from these sales could be reinvested as savings into the group or used to further develop their projects. They are currently not able to pursue this avenue due to their extreme situation of poverty. Other than savings, they do not have another source of funds such as deposits, equity capital or loans. Even though they do not receive any financial assistance, they receive free training from NGOs and other government agencies to improve their agricultural skills. This training is not written within any contract, and it does not follow a fixed timetable. Whenever the NGOs or government agencies are offering any programme in the area, the members of the group take advantage of this to learn as much as possible. With this in mind, the members of the ROSCA can utilise training services from any provider as long as they feel that the training is beneficial to them. As the group is primarily rural, they currently do not use services such as computer or IT facilities, neither do they save their money in any formal finance institutions.

In order for them to be more effective in the development of their farms to commercialise their produce, the group members need continuous exposure to agricultural training programs which are usually offered by the government or NGOs.

As the group members must fit within a particular criteria, which is being a widow, they do not seek funds from elsewhere, nor can they easily switch suppliers.

There are currently no plans underway for the group to obtain larger profits.

VAKHANA VATECHO GROUP

For Vakhana Vatecho group, the value chain is illustrated as follows: -

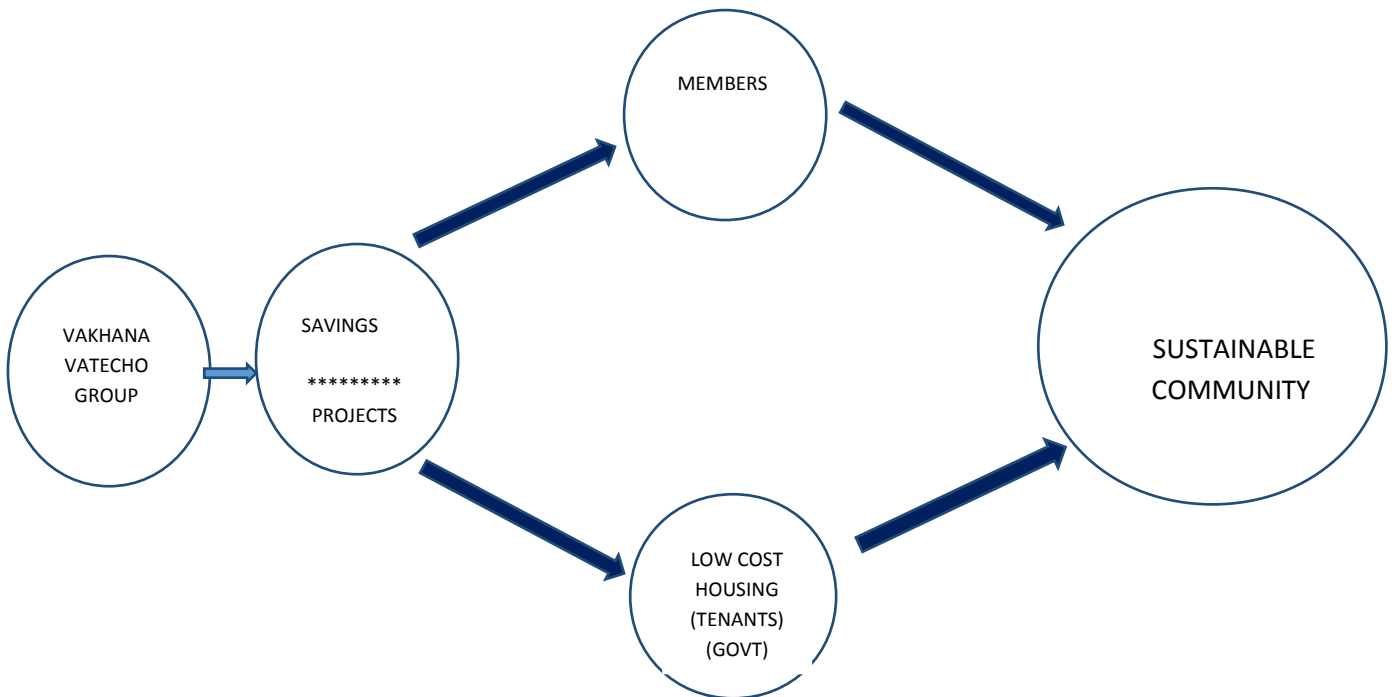


Figure 2: Vakhana Vatecho Group Value Chain

This value chain reveals that activities for Vakhana Vatecho group could contribute to the development of a sustainable community.

The stakeholders in the Vakhana Vatecho Group value chain include the members of the group, their children, the government and the extended community. The stakeholders of the value chain are selected by all the members through mutual agreement. The most important factor in choosing the members is that they be related by blood to the clan. The reason for this is to fulfil the social mission of preserving their traditional values. The other important stakeholder is the government. The reason the government was selected as a stakeholder is because the government was offering the best price for a product, which was the interest free loan. This would help the group enhance their activities and provide something of higher value to the community.

Currently, their most active stakeholders are the members of the group. The major issue appears to be that decision making is solely under the control of the head of the group. In the case where the group head passed away, the activities of the group came to a standstill and previously determined initiatives were halted.

The main source of funds for the group are their own savings, which is assumed to be derived from their jobs or other sources of income. Every month, the members of the group meet and each member gives a contribution of Kshs 2000. The total amount of money available per month for the 18 member group is Kshs 36,000. This contribution is for the benefit of the members of the group, and is not given to any third party outside of the group. One of the issues that arises with the members is their availability within the capital city during the rotational meetings. When a member moves to another town, they are taken

out of the rotation. This poses certain complications, especially if that member has already received the pot for the rotation. To resolve this issue, members should be encouraged to participate within the group, only if they are certain that they will be available for the entire duration of a rotation to all members.

They have proposed the use of their funds towards provision of low cost housing within the community. This would be their income generating activity. Money from this activity would be reinvested into the group for a return to the members, or possibly used for further development of the low cost housing. Other than the savings they bring to the group at each rotation, they currently do not have another source of funds such as deposits, equity capital or loans. However, they are open to accessing funds from the government or NGOs. Evidence of this is seen in the fact that they took the necessary steps of registering their group and opening a group bank account when these were the then requirements stipulated by the Government of Kenya for access to interest free loans. Due to their registration, they are also expected to keep written minutes of their meetings. For this reason, their agreements for their savings activities are agreed upon verbally, and then put into writing in the form of minutes. They are not written out as contracts.

As the activities of the group members are centered and private within the group, they have not yet explored avenues in which they can communicate their activities with the society at large.

Currently, other than the registration of their group with the Ministry of Social Services, the group does not outsource for any other services. In the use of computer or IT facilities, the members of the group use their already existing knowledge to type the minutes and prepare brief reports on the current finances within the group, and also to keep track of who has received the 'pot' at each rotation. This allows the group tremendous flexibility. Should they decide that they want to utilise the services of any other providers for ease of their own running, they can easily do so.

In order for them to be more effective, the group members need advice on investment opportunities and simple methods that they can expand without extensive external interference. As the group insists on only accepting members who are blood relatives, and through these members are the sources of their funds, they are less likely to switch to other fund suppliers with ease.

There are currently no plans underway for the group to obtain larger profits.

DEVELOPING A SOCIAL SOLIDARITY ECONOMY

In regards to sourcing and lending of funds, neither of these ROSCA's are actively practicing this. The Vakhana Vatecho group have looked into sourcing funds from a government initiative but have not yet successfully done so. For the growth of the Social Solidarity Economy, both of these groups are attempting to develop a sustainable community through their existing social ties and livelihood activities.

The Bahari Widow's Group are opposed to sourcing for funds outside the group as they

strongly are working towards being self-sustaining. They also intend to “live within their means” and sourcing of extra funds is a concern for them, especially as they will need to pay back at a fixed rate when their own income is not permanently fixed.

As these groups are working toward community development in a tight knit community, it is possible for them to team up with other members of the community who are offering complimentary services to facilitate the growth of the entire community.

The Vakhana Vatecho Group have not sourced the government funds because the initial group leader who proposed the idea left the group and later passed away. Between this period, and the time when a new leader was put in place, all future plans were put on hold. The new leader did not have this initiative in her agenda, and therefore the idea died down.

Both the cases studied are not willing to consolidate or merge with other ROSCAs in their respective areas. They are however, willing to allow their members to actively participate in other ROSCA groups themselves if they so wish. The main reason for this is to ensure that they are able to fulfil their already established goals with minimal interference.

MEASURING SSE PERFORMANCE

There are currently no indicators being used to measure SSE performance within these groups. Taking into consideration the activities of this group, I would propose that the following indicators be implemented within the groups:

Group Cohesion

Within this indicator, the variables that shall be measured include: -

- i. Governance (Is the group working within a generally accepted structure with at least 3 officials? Is the group autonomous? Is membership within the group voluntary?)
- ii. Goal Setting (Are the group members in complete agreement with the goals and targets that the group intends to meet? Are they all willing to contribute their personal efforts to meet these goals? Can the group meet these goals in a self-sufficient manner?)
- iii. Goal Review (After a pre-defined period, is an adequate review done to ensure that previously determined goals have been met? Has corrective action been taken where necessary? Do all members actively participate within the group for the entire cycle?)
- iv. Value Chain Growth (Have the group agreed on the stakeholders that they will add to the value chain? Has the group established a strategy which they will use to add these members? Are the proposed stakeholders made up of existing community groups?)

Income Generation

Within this indicator, the variables that shall be measured include: -

- i. Project(s) (What are the existing/on-the-pipeline projects? Do these projects have an aim to generate revenue? Are they able to generate revenue?)
- ii. Revenue Generated (How much revenue has been generated within a particular period, e.g. a year? Is there evidence of growth in the revenue generation? Is there evidence of profit?)
- iii. Source of Finance (Are there any other sources of finance including the government and NGOs?)

Growth of Savings

Within this indicator, the variables that shall be measured include: -

- i. Savings (What is the percentage of savings generated within the group? How are these savings being utilized? Is their continued effort to generate savings?)

Sustainable Community

- i. Outcomes of the income generating activities (Are these activities positively influencing the community in any way including provision of jobs, investment in the community and infrastructural development?)
- ii. Growth of the value chain (Is the value chain growing in a way that is beneficial to the community at large?)

Using the recommended indicators to evaluate the performance of the ROSCAs

A snapshot SSE performance evaluation of the two ROSCAs under study yielded the results summarized below. Please refer to Appendix A for the detailed results.

Bahari Women's Group – 14/26

This group shows potential by scoring well in their project development. However, their farming project is currently non-income generating and has a minimal impact on the economic sustainability of the community, although the project contributes a lot in building social capital. The group has also not explored the possibility of adding more stakeholders to their value chain, a move that could find them more profitable.

Vakhana Vatecho's Group – 11/26

This group has a good attitude towards saving, and an excellent idea for growing their project into an income generating one. Their main disadvantage is that they have not yet started the project so they miss out on marks that show the benefit of it. Also, they have not added new stakeholders into their value chain, and are unable to get any rating related to the value chain.

The main issue that arises from evaluating the performance of the ROSCA's SSE performance is the nature of their activities. Their activities can only effectively be measured over a period of time, usually through the period of the cycle's rotation, and therefore a longitudinal study is necessary. Active on-site research is required to accurately record the results of their SSE performance.

CONCLUSION

The Bahari Women's group has a collective, and long term purpose that encourages them to save and plan for the future. They utilise their available resources using the funds of the group as the tool for productivity and advancement. Through their group activities, they are able to make an impact on the community, and positively affect the lives of various stakeholders. This group looks for solutions to their problems, whereby when they attain a goal, they map a way forward, and explore alternative ways to meet a goal when they face a roadblock. As they are facing the problem of poverty, they have even stronger social ties and motivation towards ensuring the continuity of the group.

The activities that this group is involved in show a strong relationship to empowerment and sustainability. Despite being in a situation that could lead them to potential financial destitution, they have chosen to create a solution to the immediate problems that they are facing.

The women in this group are drawing on their traditional ecological knowledge and using their resources for capacity building.

The current economic system in Kenya is mainly capitalist and neglects people in rural areas. The constant and individualistic drive for wealth, education and a heightened social class means that those who do not have the means to compete are often left behind and may be forgotten. However, these people can still contribute positively to the economy of the country by using the resources that are available to them.

The Vakhana Vatecho group's purpose is primarily social, and there is a strong focus on solidarity, both in their makeup and in the execution of their activities. They use their group as an avenue to teach each other the values of community and support. They showed that they are interested in expanding their activities for further betterment of the members of the group through taking steps to secure a loan for construction of low income housing.

For people-centered development to be successful, there needs to be a strong sense of community and a common goal or issue that brings people together. Majority of the women

in the Bahari Widow's group were all facing a similar issue, being widowed and losing the financial and emotional support of having a husband. Through the group, they have been able to make an impact on their society, as well as avoiding the stigma of being dependent on others for their basic survival. The Vakhana Vatecho group find solace in solidarity, and maintain that it is important to build family relationships as well as to learn and pass on their cultural backgrounds and traditions. The support they offer each other through their non-financial welfare based activities suggest the reason that they are able to remain strong.

The Bahari Women's group also has a focus on expansion, and moving forward with new projects once the ones they have currently established become successful and sustainable. Their behaviour shows that they are working towards continuously building on their future, and are not interested in halting growth once they have achieved just one objective. It is important to note that within the case, they have a positive attitude towards contributing the money for the support of the projects, but may not contribute the money needed for their savings levy. In future, this will affect their potential for advancement. Their plans are also short term, with thoughts of one project at a time. In contrast, the Vakhana Vatecho Group is interested and have looked into the possibility of expanding their activities to increase their financial return. However, it appears that only one member was strongly spearheading this initiative.

For Bahari Widow's Group to further advance the people-centred initiative, the members should be encouraged to innovate the way they utilise their output, such as using their surplus produce, especially when they have a good harvest, for sale to the surrounding communities. In this way they can positively contribute to the overall economy of the country without losing their core values of community and solidarity.

Within the Vakhana Vatecho Group, the advantages of pooling their resources needs to be more intensely emphasised. The group also needs to establish and carry out long term plans for future initiatives.

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APPENDIX A.

SSE Performance Indicator Results

For each variable, one mark is given. A mark of 0 indicates no action for that variable. Further explanation of each result is given within the table.

INDICATOR	BAHARI WIDOW'S	VAKHANA VATECHO
GROUP COHESION		
Governance		
Is the group working within a generally accepted structure with at least 3 officials?	1	1
Is the group autonomous?	1	1
Is membership within the group voluntary?	1	1
Goal Setting		
Are the group members in complete agreement with the goals and targets that the group intends to meet?	1	0 * The change in the leader affected the group's agreement with all goals.
Are they all willing to contribute their personal efforts to meet these goals?	1	1
Can the group meet this goals in a self-sufficient manner?	1	1
Goal Review		
After a pre-defined period, is an adequate review done to ensure that previously determined goals have been met?	0	0
Has corrective action been taken where necessary?	0	0
Do all members actively participate within the group for the entire cycle?	1	0 *Some members change location before a rotation cycle ends.
Value Chain Growth		
Have the group agreed on the stakeholders that they will add to the value chain?	0	0
Has the group established a strategy which they will use to add these members?	0	1 *The group initially had a strategy to follow requirements from the Govt. for their project
Are the proposed stakeholders made up of existing community groups?	0	0
INCOME GENERATION		
Project(s)		

What are the/ Are there existing projects?	1 *The farming project and the school	0
Do these projects have an aim to generate revenue?	0	1 *If implemented, the proposed project will be revenue generating
Are they able to generate revenue?	1 *The group needs to explore this avenue	1
Revenue Generated		
How much revenue has been generated within a particular period?	0	0
Is there evidence of growth in the revenue generation?	0	0
Is there evidence of profit?	0	0
Source of Finance		
Are there any other sources of finance including the government and NGO's?	0	1
GROWTH OF SAVINGS		
Savings		
What is the percentage of savings generated within the group?	1 *This group saves 16% of their funds	1 *This group saves 100% of the funds
How are these savings being utilized?	1 *Money is pushed towards the projects	0 *Money goes towards self-consumption
Is their continued effort to generate savings?	1	1
SUSTAINABLE COMMUNITY		
Outcomes of the income generating activities		
Are these activities positively influencing the community in any way through provision of jobs?	1 *Job has been created for the teacher	0
Are these activities positively influencing the community in any way through investment in the community?	0	0
Are these activities positively influencing the community in any way through infrastructural development?	1 *Building erected for education provision	0
Growth of the value chain		
Is the value chain growing in a way that is beneficial to the community at large?	0 *The group has not explored the advantages of a value chain	0 *The group has not explored the advantages of a value chain

