

‘SURVIVAL MODEL’- INTERNAL SAVINGS AND LENDING SCHEMES AS A LIVELIHOOD STRATEGY FOR FEMALE-HEADED HOUSEHOLDS IN AN URBAN CONTEXT: THE CASE OF MUCHEKE SUBURB IN MASVINGO CITY, ZIMBABWE

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ABSTRACT

The turbulent economic environment that has been bedeviling Zimbabwe for quite some time, punctuated by uncertainties over entitlements and endowments (access to basic necessities of life) has rendered many households particularly female headed ones in urban areas vulnerable to poverty. This article is based on a study that was conducted in the suburb of Muccheke F, in Masvingo town in 2012 to examine the role of internal savings and lending schemes as a livelihood strategy for female-headed households. The study employed qualitative research methodology with Focus Group Discussions (FGDs), unstructured and in-depth interviews providing the data elicited from the respondents. The focus group discussions held in Muccheke F suburb included women engaged in internal savings and lending schemes, with unstructured and in-depth interviews employed to get information from officials in the Ministry of Women Affairs, Gender and Community Development. The key findings from this study indicate that internal savings and lending schemes play a critical role in meeting the basic needs of female-headed households. Owing to these schemes, female-headed households studied managed to buy household furniture, pay tuition fees for their children up to tertiary level, generate hospital fees as well as making food provisions available for their families. It also emerged from the study that the families faced a myriad of challenges in their endeavour to sustain their families. Lack of book-keeping skills, political interference and their small social networks militated against their efforts to keep their families adequately nourished and supported.

Keywords: Livelihoods, Female-headed households, savings and lending schemes, urban sustainability

INTRODUCTION

Livelihoods, according to Long (2001) refer to practices by which individuals or groups strive to make a living, meeting their consumption needs, coping with adversities and uncertainties and engaging in opportunities. Muzvidziwa (2005) meanwhile conceptualised livelihoods as consisting of capability assets and activities that are necessary for life sustenance. A group provides protection to its members through a series of public resources against economic vulnerabilities and social distress that otherwise would be emanating from employment injury, invalidity and death. Many urban households were not spared by the harsh economic environment operating both in rural and urban settings in Zimbabwe. The turbulent economic environment characterised by crises, uncertainties over entitlements and access to basic necessities of life resulted in many households particularly urban ones facing dire consequences. In developing countries such as Zimbabwe, social security schemes only

extend to a minority and leaves out other vulnerable sections of the population. Furthermore, safety nets schemes such as food for work and grain loan programmes are concentrated in the rural areas, leaving out urbanites exposed to aggravated crises.

The concept 'female-headed household' is integral to research on women within a family. The concept has been mostly used by demographers, statisticians, sociologists and other development practitioners to refer to a living arrangement whereby there is no man (Letuka, 1998). For instance, it has been used in cases where there is a widow or female divorcee in charge of the family or where the woman has been deserted by her husband and thus lives either alone and or with children. Pronouncements about female-headed households being the 'poorest of the poor' have proliferated in many writings on the discourse of gender. The inferences that female-headed households face an above-average risk of poverty is by no means groundless. An important factor offered to account for their poverty is that female-headed households have smaller social networks since they lack ties with ex-partners' relatives as they 'keep themselves to themselves'.

Littlefield et al (2007) observed, female-headed households constitute a disproportionate number of the poor and that they experience greater extremes of poverty than male headed units. The factors responsible for the 'feminisation of poverty' thesis particularly female-headed units have been linked to gender disparities in rights, entitlements and capabilities, the gender-differentiated impacts of neo-liberal restructuring and the erosion of kin-based support networks. This is compounded by women's disadvantage in respect of education and training, their lower average earnings, gender discrimination in the workplace, and the fact that social and labour policies rarely provide more than minimal support for parenting. As Coleman (2001) notes in relation to the vulnerability nature of female-headed household, the state has not provided women with an institutional alternative to the male provider.

According to Concern (1999) saving clubs have been in existence for a long time in Zimbabwe as mechanisms for mobilising rural savers and borrowers who have limited or no institutional finance. Kurmalineva (1997) noted that Rotating Savings and Credit Associations (ROSCAs) are popular particularly in rural areas because they impose few transaction costs on members, they build mutual trust thereby fostering reciprocity that can be called upon in times of difficulties and emergencies. Observations were also made elsewhere that credit schemes are user-friendly as they provide members with access to relatively large amount of money which would otherwise be difficult to accumulate particularly for those without collateral security. In light of the above arguments, it can be seen that saving schemes have the capacity to create self-employment almost instantaneously and brings the poor into the income stream without the usual sacrifices characteristic of wage employment.

It is against this background that the role of internal and saving schemes in meeting the livelihoods needs of urban households must be seen. The concept of internal savings and lending schemes in Zimbabwe was developed from traditionally known savings mechanism called Rotating savings and credit associations (ROSCAS) which have been in existence for a long time. A ROSCA is a group of people who agree to make contributions to a fund which is given in whole or in part to each contributor in turn, each member makes the same contribution. The internal savings and lending concept entails individual community members self-selecting themselves and form groups with a minimum of 5 members. Once the group is formed, they start saving amounts they can afford. Any money contributed or saved by the group member should be borrowed by the members of that group only with members that borrow expected to repay the loan with interest within a stipulated time frame. The arrangement and organisation of the scheme is such that savings continue and members

continue to borrow from the savings and interest earned. As Chakawa observed (2011), women from several villages in Binga district formed a revolving fund that has been the groups' cash cow as it continued to boost their financial base. The revolving fund contributed an outcome towards members' children school fees and meeting the basic needs of the family. The gains and achievements realised by these women have made a great impact in changing their way of living. The internal savings and lending schemes are different from the micro-finances in the sense that members of the scheme feel responsible, accountable and have a sense of ownership of their project.

Although female headed households have lower incomes than their male counterparts, it was observed that this disadvantage could be offset or mediated by the extent and manner in which income and accumulated assets are converted into consumption which benefits the household as a whole. The absence or loss of a male head does not automatically push these types of households into destitution; instead it enhances the economic security and well-being of all household members. Discussions with officers from the Ministry of Women Affairs, Gender and Community Development, it would seem that households headed by females who belong to ISLS have adequate food all the time.

The funds generated from the internal savings and lending schemes as one woman highlighted are used solely for the benefit of the household only. She further posited that this is different from what obtains in households headed by males as men sometimes neglect their families and spend the resources on other things like beer drinking and prostitutes. They also revealed that life was so difficult during the period she was staying with her husband. Many times the husband would not come back after getting paid as he would be moving from one bottle store to another drinking beer with friends. The absence of the man for this woman was a blessing in disguise since she managed to join the saving scheme something the husband could not have approved.

Study Area

Mucheke F is one of the recent high density suburbs in Masvingo city with a population of about 4000. It lies about 6 kilometres south west of Masvingo city centre. The majority of the households are comprised of soldiers since the houses were constructed under the defence forces scheme. Other professionals living in rented accommodation in this suburb include nurses, teachers and permanent residents who bought the houses from members of the defence forces. This site was chosen because it was assumed has highest numbers of female headed households since soldiers' life expectancy is low owing to the nature of their operations. The predominantly household form was established through marriage.

STATEMENT OF THE PROBLEM

There has been a general lack of research data on women entrepreneurs in the informal sector in Zimbabwe, which makes it difficult to design programmes that are tailor made specifically to respond to the needs and aspirations of this category of people. The few researches conducted about women have analysed them in the context of convectional households and considered them as appendages of men. Such researches failed to consider women as women in their own right. The studies thus have inherent weaknesses as they fail to regard women as potentially independent and viable household heads. This succinctly captures what Andersen (1983) referred to as the 'add women and stir' approach whereby researchers fail to alter a research approach and analysis which was originally designed to research on men and male concerns. The experiences, concerns and challenges facing female headed households which hitherto undocumented constitutes the knowledge gap which this study seeks to fill. The

study is of paramount importance since it will highlight the contribution of internal savings and lending schemes to the livelihoods of female headed households. More significantly, information compiled will influence the inclusion of women in policy development issues, joining well-funded associations that represent their voice of policy reforms and opportunities to engage in economic activities that uplift their socio-economic status.

OBJECTIVES OF THE STUDY

1. To examine the contributions of internal savings and lending schemes as a livelihood strategy for female-headed households in an urban context.
2. To analyse the challenges faced by people engaging in internal savings and lending schemes as a livelihood strategy.

RESEARCH METHODOLOGY

This study utilised qualitative research methodology. Data collection techniques complemented each other in data sourcing. Focus group discussions (FGDs), unstructured and in-depth interviews were the three data collection techniques employed in this study. The focus group discussions were held in Muccheke F suburb before and during savings and credit scheme meetings. Unstructured and In-depth interviews were conducted with officials from the ministry of Women's Affairs, Gender and Community Development. Analysis of data involved compiling the summaries of emerging issues pertaining the contributions of internal savings and lending schemes to female headed households in an urban context. Major themes were developed using the objective approach and issues that came up frequently.

THE CONCEPTUAL FRAMEWORK

In order to fully appreciate and understand the livelihoods strategies adopted by female-headed households together with their impact on these types of households, this study employed the sustainable livelihoods framework. The framework posits that any society is likely to fall under what is termed 'The vulnerability context', which is characterised by shocks and other changes to the social system. The vulnerability and status of women in this context would be critical since it revealed the basis for exploring and analysing the various challenges they face in their lives and in the development of strategies to circumvent the challenges.

The framework posits that human beings are endowed with various assets such as social capital and human capital which they mobilise in their endeavour to meet their needs. In this study, social capital is conceptualised as personal networks and networks, relations of trust and mutual support within the suburb. The framework was appropriate in fleshing out the mounting incidence of female household headship and the links so frequently drawn between the feminisation of poverty and female household headship that has been recently dubbed the 'New Poverty Paradigm' (Littlefield 2003). The sustainable livelihoods framework is very important and dynamic since it takes into account the capacities of women, the changes that took place overtime and how they affect the variety of ways in which individual households try to adapt or cope with the changes in their social milieu.

DISCUSSION OF FINDINGS

The Contribution of Internal Savings and Lending Schemes as a Livelihood Strategy for Female-Headed Households in an Urban Context

Generation of School Fees

The respondents indicated that internal savings and lending schemes have cushioned them against economic hardships experienced in the country. A large proportion of the respondents did not have a regular source of money prior to launching of this scheme. Most female-headed households interviewed had to depend on the remittances of family members either employed sons, daughters or other relatives working in neighbouring countries like South Africa and Botswana. However, the ever increasing retrenchment rate of Zimbabweans working in the two countries alluded above and subsequent repatriation back home have created a new conundrum for these families which depended heavily on remittances. Female-headed households found themselves in a precarious position as the disappearance of remittances made them destitute.

The launch and adoption of savings and lending schemes enabled female-headed households to generate income to pay fees for their children even under very difficult conditions. The fact that the deceased husband (in his lifetime) might have been the sole breadwinner and that after his death there was no or paltry pension for the widow to live on might explain why widows were among the poorest of the poor. The savings and lending schemes programme provides a framework for female-headed households to earn income. This puts them on a comparatively better position than their counterparts outside these schemes. One respondent commented that as female household heads they were in control of their resources generated since they did not have to consult anybody like married women who need the blessings of their husbands.

By contributing to themselves and lending to themselves, the scheme enabled female-headed households latitude to make own decisions and choices about usage of funds generated. Members of the scheme also confirmed during focus group discussions that their financial status improved dramatically owing to the adoption of these internal savings and lending schemes. One respondent also mentioned that gone were the days when her kids were continuously sent backing home from school for non-payment of fees. She further posited that she has two children, one attending a boarding school and another attending a local university. The significance of the savings and lending schemes towards the education system has been noted since no child from these female-headed households not attending school for non-payment of fees since the adoption of the scheme

Household Property

The respondents indicated that they accumulated a significant amount of property using proceeds or income generated from internal savings and lending schemes. The women claimed that they bought property such as household furniture that encompasses fridges, lounge and bedroom suits and sofas. It is important to note that the properties acquired by these women were closely tied to the aspirations of the generality of women. One respondent remarked that unlike households headed by men that are bare, female headed households are full to the brim. The majority of women confirmed during focus group discussions that household property seems to have improved tremendous because of the saving schemes. The importance of household property to women cannot be underrated due to its social and symbolic value. The respondents indicated that household property is critical to women since it guarantees them personal security, dignity, sense of worth and overall acceptance within society. One respondent also pointed out that she managed to extend her two-roomed house they previously jointly-owned before the husband died. The house now boasts of seven rooms all tiled, 'durawalled' and gated.

Accessibility to Health Facilities

Research findings from both unstructured interviews and focus group discussions revealed that all the female headed households participating in the saving schemes have managed to access health facilities as well as buying prescribed drugs. In an interview with one divorced woman, she really appreciated what the scheme is doing to change the status of her household. Before she became a member of the internal savings and lending club, she indicated that life was a struggle as she could not manage to pay for medical bills most of the time. She nearly shed tears when she narrated what she went through before the adoption of the scheme. She used to move from one household to another to borrow money to take her ill child to hospital. In the majority of cases, she would keep the ill child at home since she could not afford the user-fees demanded upfront at hospitals. The department of social welfare where she used to get assistance in case of emergencies could not provide relief owing to the prevailing economic problems in the country. Another woman also stated that she benefited immensely from the microfinance scheme as she managed to raise funds for a major operation at Morgenster hospital. An official from the Ministry of Women Affairs, Gender and Community Development also confirmed that the scheme improved the quality of life of the female headed households significantly.

Food Provision

The majority of the respondents concurred that although female headed households have lower incomes than their male counterparts, it was observed that this disadvantage could be offset or mediated by the extent and manner in which income and accumulated assets are converted into consumption which benefit the household. The funds generated from the internal savings and lending schemes as one woman highlighted are used solely for the benefit of the household. The fact that the scheme generated income also enabled these households eat balanced foods which also prevented certain opportunistic diseases. The erroneous view peddled many times that poverty is always associated with female-headed households has been turned upside down by the experiences and efforts of female headed households in Muccheke F. The suggestion that poverty is confined to female heads was quashed by these enterprising women in this suburb.

Social Network Benefits

Internal savings and lending schemes have brought communal spirit among urban women. The commitment they have towards their scheme revealed a high level of accountability and responsibility and a high community sense of ownership of their scheme. They really feel for each other to an extent that there is high level of information sharing and team spirit. After one member borrows money, they engage a consultative forum on investment opportunities at stake to avoid the downfall of the scheme. This actually distinguish ISALS from urban micro-finances the have a spirit of “each man for himself and God for us all”.

Challenges Faced by internal savings and lending schemes in Their Efforts to Sustain Their Livelihoods

Lack of Record Keeping Skills

Respondents revealed that internal savings and lending schemes had problems because of their poor records book keeping. Lack of appreciation of the importance of records has created problems for these households involved in internal savings and lending schemes. In one focus group discussion, informants agreed that they encountered problems since they had no thorough grasp of record keeping. This lack of knowledge resulted in loss of track of indebtedness of members leading to several members defaulting in payment and some cases

members asked for payment they had already done. This challenge has also created problems of unity among group members. One respondent made reference to an incident when members almost came to blows over misunderstandings and the meeting was abandoned. It was also noted that some members decided to withdraw from the scheme citing lack of transparency. Officials from the ministry of women affairs, gender and community development confirmed in an interview that group members initially had problems of managing the funds given that their level of education is very low. The ministry then embarked on entrepreneurship skills workshop to benefit the members.

Poor Social Relations and Smaller Social Networks

Women interviewed in this study placed as much importance if not more on social relations, as a resource, as they did on tangible resources. One respondent stated that belonging to a family gives women satisfaction as well as the sense of purpose. Female-headed households are frequently faced with the challenge of choosing between sacrificing their happiness to keep kinship ties intact, and being happy while forfeiting the ties. It was noted that most of these female-headed households had no good relations particularly with relatives of deceased husband. Although these women live on their own and enjoyed a great deal of independence from relatives of the deceased husband, often times these women are expected to consult on matters to do with the family especially issues to do with the welfare of her children. Poor social relations have thus resulted in negative perceptions and negative attitudes from the community on the part of these female-headed households. The success story of these female-headed household has attracted jealousy particularly from married women. The patriarchal nature of the community has created problems for these enterprising women. They are labelled and called all sorts of derogatory words that are usually employed towards almost exclusively women who are inclined to free sexual expression. The label and negative attached to these families meant that

Another challenge faced by female heads is that they have smaller social networks since they lack ties with ex-partners' relatives. By keeping 'themselves to themselves' in the face of adversity or mistrust on the part of their own family networks or others in the suburb they find themselves isolated leading lonely lives apart from members of the saving schemes. As one respondent stated, female heads indeed may sometimes deliberately distance themselves from kin as a means of deflecting and diverting the shame or dishonour attached to households without male headship. It is important to note that some female heads are unable to spare time to actively cultivate social networks and relations.

Political Interference

Respondents stated that political interference sometimes destabilises the smooth operation of the saving clubs. Political polarisation operating at national level also cascades down even to lower levels like saving and lending schemes. One respondent revealed that at one point they had to seek political protection from one of the leading political parties in the country. This was after they were threatened for promoting the interests of the opposition parties. The involvement of political activists has had a divisive impact since members come from different political persuasions. The discord and hostilities spewed by political machinations resulted in divisions which culminated in disgruntled members forming a splinter group. This further compounded relations between the two rival groups. Some group members confirmed during one of the focus group discussion that at one point they were threatened by youths aligned to one of the major political party in the country. They further indicated that in order to be allowed to hold meetings they were left with no choice but to pay some security fees to the youth.

CONCLUSION

Despite the challenges bedevilling internal savings and lending schemes like defaults, risk of mismanagement, lack of collateral security, women have gone an age in terms of reducing susceptibility to the recent phenomenon of urban poverty. Information sharing and team building has transformed urban women from helpless dependents to independent entrepreneurs by giving them the capacity to mobilise and harness resources and accessing established markets thereby making them effective participants to the urban economy. However they should focus on development of sustainable retail micro-finance institutions through financial enforcement performance requirements and provide money for building institutional capacity, not just funds for on-lending capacity building support.

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